



Verona

TOWNSHIP OF
Essex County, New Jersey

REPORT ON EXAMINATION OF ACCOUNTS *YEARS ENDED DECEMBER 31, 2025 AND 2024*

**TOWNSHIP OF VERONA
COUNTY OF ESSEX, NEW JERSEY**

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**TOWNSHIP OF VERONA
ESSEX COUNTY, NEW JERSEY**

PART I

REPORT ON EXAMINATION

**REPORT ON INTERNAL CONTROL
AND OTHER MATTERS**

REGULATORY BASIS FINANCIAL STATEMENTS

AND

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2025 AND 2024



Independent Auditors' Report

**The Honorable Mayor and Members
of the Township Council
Township of Verona
Verona, 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 Township of Verona, New Jersey, ("Township") which comprise the balance sheets as of December 31, 2025 and 2024, and the related statements of operations and changes in fund balance for the years then ended, the statements of changes in fund balance, 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 Township'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 Township 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, 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 2.

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 Township as of December 31, 2025 and 2024, or its revenues, expenditures and changes in fund balance thereof for the years then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"), requirements prescribed by the Division, 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 and requirements 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 Township, 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.

**The Honorable Mayor and Members
of the Township Council**

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

As described in Note 2 of the financial statements, the financial statements are prepared by the Township on the basis of the financial reporting provisions of the Division (regulatory basis), 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 2 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 Township'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, requirements prescribed by the Division, 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 Township'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 Township's ability to continue as a going concern for a reasonable period of time.

**The Honorable Mayor and Members
of the Township Council**

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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 audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The information included in Part II –Supplementary Information Required by the Division and Part IV – Roster of Officials and 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.

Report on Supplementary Information as Required by the NJ OMB Circular 25-12

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The accompanying schedule of expenditures of state financial assistance as required by NJ OMB Circular 25-12 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and related notes to the schedule of state financial assistance are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules of expenditures of state financial assistance, and related notes are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance, and related notes are 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 June 25, 2026 on our consideration of the Township'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 Township'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 Township's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

Cranford, New Jersey
June 25, 2026

Robert E. Provost

Robert E. Provost, CPA
Registered Municipal Accountant, No. 582

TOWNSHIP OF VERONA
CURRENT FUND

COMPARATIVE BALANCE SHEETS
DECEMBER 31, 2025 AND 2024

A
Sheet # 1

<u>ASSETS AND DEFERRED CHARGES</u>	<u>Ref.</u>	<u>2025</u>	<u>2024</u>
<u>Current Fund</u>			
Current Assets:			
Cash - Checking	A-4	\$ 18,549,403.06	\$ 18,196,136.11
Cash - Change Funds	A-6	325.00	325.00
		<u>18,549,728.06</u>	<u>18,196,461.11</u>
Receivables with Full Reserves:			
Delinquent Property Taxes Receivable	A-9	467,996.71	560,598.60
Property Acquired for Taxes at Assessed Valuation	A-10	267,817.00	267,817.00
Interfunds Receivable	A-13	2,059.28	233,825.56
		<u>737,872.99</u>	<u>1,062,241.16</u>
Deferred Charges:			
Special Emergency	A-12	<u>71,386.98</u>	<u>142,776.98</u>
		<u>19,358,988.03</u>	<u>19,401,479.25</u>
<u>Federal and State Grant Fund</u>			
Federal and State Grants Receivable	A-22	411,488.64	213,357.18
Interfunds Receivable	A-23	233,112.45	162,568.81
		<u>644,601.09</u>	<u>375,925.99</u>
		<u>\$ 20,003,589.12</u>	<u>\$ 19,777,405.24</u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
CURRENT FUND

COMPARATIVE BALANCE SHEETS
DECEMBER 31, 2025 AND 2024

A
Sheet # 2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2025</u>	<u>2024</u>
<u>Current Fund</u>			
Appropriation Reserves:			
Committed	A-3, A-14	\$ 1,003,515.01	\$ 1,175,097.15
Uncommitted	A-3, A-14	1,125,406.88	903,367.11
Due to State of New Jersey, Ch. 129, P.L. 1976	A-8	17,002.77	15,995.44
Interfunds Payable	A-13	233,112.45	162,568.81
Reserve for Sale of Township-Owned Property	A-15	19,248.19	19,248.19
Due to State of New Jersey, Marriage License and Building Fee Surcharge	A-16	3,072.32	2,922.32
Local School District Tax Payable	A-17	8,685,167.65	7,949,974.40
County Taxes Payable	A-18	15,193.16	11,150.87
Accounts Payable	A-19	67,695.46	141,401.67
Prepaid Taxes	A-20	453,482.19	374,120.23
Reserve for Revaluation			6,017.21
Reserve for Tax Appeals			95,121.46
		<u>11,622,896.08</u>	<u>10,856,984.86</u>
Reserve for Receivables		737,872.99	1,062,241.16
Fund Balance	A-1	<u>6,998,218.96</u>	<u>7,482,253.23</u>
		<u>19,358,988.03</u>	<u>19,401,479.25</u>
<u>Federal and State Grant Fund</u>			
Appropriated Reserves for Federal and State Grants	A-24	<u>644,601.09</u>	<u>375,925.99</u>
		<u>644,601.09</u>	<u>375,925.99</u>
		<u>\$ 20,003,589.12</u>	<u>\$ 19,777,405.24</u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
CURRENT FUND

COMPARATIVE STATEMENT OF OPERATIONS
AND CHANGES IN FUND BALANCE
YEARS ENDED DECEMBER 31, 2025 AND 2024

A-1

	<u>Ref.</u>	<u>2025</u>	<u>2024</u>
<u>Revenues and Other Income</u>			
Fund Balance Utilized	A-2	\$ 4,000,000.00	\$ 3,650,000.00
Miscellaneous Revenues Anticipated	A-2	6,179,848.79	6,774,478.05
Receipts from Current Taxes	A-2c	75,660,917.07	73,614,599.01
Receipts from Delinquent Taxes	A-2c	560,598.60	508,482.11
Nonbudget Revenues	A-2d	68,007.66	24,834.52
Other Credits to Income:			
Appropriation Reserves Lapsed	A-14	1,151,736.15	1,243,680.85
Reserves Cancelled - Tax Appeals	A-26	6,017.21	
Reserves Cancelled - Revaluation	A-25	95,121.46	
Cancellation of Grant Balances			9,435.77
Other Credits to Income	A-1	12,225.00	
Interfunds Returned	A-13	233,825.56	
Total Revenues and Other Income		87,968,297.50	85,825,510.31
 <u>Expenditures and Other Charges</u>			
Operations:			
Salaries and Wages	A-3	10,143,212.00	9,454,512.00
Other Expenses	A-3	11,640,738.81	10,830,481.33
Capital Improvements	A-3	350,000.00	250,000.00
Statutory Expenditures	A-3	2,487,296.00	2,439,240.00
Deferred Charges	A-3	71,390.00	71,390.00
Debt Service	A-3	3,113,816.25	3,772,342.07
Refund of Prior Year Revenue			36,023.61
Local School District Taxes	A-17	43,776,264.00	42,419,843.00
County Taxes	A-18	12,148,692.78	12,117,754.84
Municipal Open Space Levy	A-21	720,921.93	720,280.23
Total Expenditures and Other Charges		84,452,331.77	82,111,867.08
Statutory Excess in Revenues		3,515,965.73	3,713,643.23
 <u>Fund Balance</u>			
Balance, Beginning of Year	A	7,482,253.23	7,418,610.00
		10,998,218.96	11,132,253.23
Decreased by:			
Utilized as Anticipated Revenue	A-2	4,000,000.00	3,650,000.00
Balance, End of Year	A	\$ 6,998,218.96	\$ 7,482,253.23

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
CURRENT FUND

STATEMENT OF REVENUES
YEAR ENDED DECEMBER 31, 2025

A-2

	<u>Ref.</u>	<u>Budgeted Revenues</u>	<u>Realized</u>	<u>Excess</u>
<u>General Revenues</u>				
Fund Balance Anticipated	A-1	\$ 4,000,000.00	\$ 4,000,000.00	
Miscellaneous Revenues	A-1, A-2a	5,402,226.81	6,179,848.79	\$ 777,621.98
Receipts from Delinquent Taxes	A-1, A-2c	475,000.00	560,598.60	85,598.60
Amount to be Raised by Taxes for Support of Municipal Budget	A-2c	<u>19,445,600.00</u>	<u>20,515,038.36</u>	<u>1,069,438.36</u>
Budget Totals	A-3	29,322,826.81	31,255,485.75	1,932,658.94
Nonbudget Revenues	A-1, A-2d		<u>68,007.66</u>	<u>68,007.66</u>
Total Revenues		<u>\$ 29,322,826.81</u>	<u>\$ 31,323,493.41</u>	<u>\$ 2,000,666.60</u>
		\$ 28,818,981.00		
Original Budget		503,845.81		
Chapter 159 Budget Amendments		<u>\$ 29,322,826.81</u>		

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
CURRENT FUND

STATEMENT OF REVENUES
MISCELLANEOUS REVENUES ANTICIPATED
YEAR ENDED DECEMBER 31, 2025

A-2a

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Licenses:				
Alcoholic Beverages	A-11	\$ 15,000.00	\$ 19,217.00	\$ 4,217.00
Other	A-2b	15,000.00	24,709.00	9,709.00
Fees and Permits	A-2b	125,000.00	191,463.83	66,463.83
Fines and Costs:				
Municipal Court	A-11	125,000.00	173,268.38	48,268.38
Interest and Costs on Taxes	A-11	125,000.00	130,035.08	5,035.08
Parking Meters	A-11	50,000.00	79,622.48	29,622.48
Interest on Investments and Deposits	A-11	400,000.00	738,574.91	338,574.91
Recreation Fees	A-11	350,000.00	440,260.00	90,260.00
Payments in Lieu of Taxes:				
Hilltop - I	A-11	450,000.00	464,721.52	14,721.52
Hilltop - II	A-11	500,000.00	512,346.51	12,346.51
Annin Lofts	A-11	330,000.00	388,561.05	58,561.05
Verona Place Urban Renewal	A-11	45,000.00	54,026.41	9,026.41
Children's Institute	A-11	17,624.00	18,505.00	881.00
Verona Senior Citizens' Associates HFA #661	A-11	215,000.00	262,515.62	47,515.62
Tower Lease	A-11	140,000.00	174,087.16	34,087.16
Community Center Rental	A-11	35,000.00	56,000.00	21,000.00
Energy Receipts Tax	A-11	1,173,450.00	1,173,450.07	0.07
Uniform Fire Safety Act	A-11	20,000.00	25,719.92	5,719.92
General Capital Surplus	A-11	100,000.00	100,000.00	
Verizon - Franchise Fee	A-11	146,531.00	146,531.28	0.28
Comcast - Franchise Fee	A-11	68,738.00	68,738.69	0.69
Uniform Construction Code Fees	A-11	300,000.00	319,620.00	19,620.00
Interlocal Agreements - Roseland	A-11	152,038.00	114,029.07	(38,008.93)
Federal and State Grants:				
Municipal Alliance Committee - VMAC	A-22	22,625.00	22,625.00	
Green Communities	A-22	19,000.00	19,000.00	
Recycling Tonnage Grant	A-22	20,345.91	20,345.91	
Sustainable NJ Grant	A-22	5,000.00	5,000.00	
Drive Sober or Get Pulled Over	A-22	7,000.00	7,000.00	
Distracted Driving	A-22	21,000.00	21,000.00	
National Opioid Settlement	A-22	10,195.57	10,195.57	
Clean Communities	A-22	34,679.33	34,679.33	
Age Inclusion Grant	A-22	70,000.00	70,000.00	
Highway Safety	A-22	14,000.00	14,000.00	
Staffing & Community Engagement	A-22	10,000.00	10,000.00	
Human Services Healthy Comm.	A-22	250,000.00	250,000.00	
Department of Agriculture Grant	A-22	20,000.00	20,000.00	
	A-2	<u>\$ 5,402,226.81</u>	<u>\$ 6,179,848.79</u>	<u>\$ 777,621.98</u>
Revenue Accounts Receivable	A-11		\$ 5,676,002.98	
Grants Receivable	A-22		<u>503,845.81</u>	
			<u>\$ 6,179,848.79</u>	

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
CURRENT FUND

STATEMENT OF REVENUES
ANALYSIS OF OTHER LICENSES, OTHER FEES AND PERMITS
YEAR ENDED DECEMBER 31, 2025

A-2b

	<u>Ref.</u>		
Other Licenses:			
Township Clerk	A-11	\$ 7,730.00	
Construction Code Official	A-11	150.00	
Health Officer	A-11	16,610.00	
Marriage Licenses	A-11	<u>219.00</u>	
	A-2a		<u>\$ 24,709.00</u>
Fees and Permits:			
Miscellaneous	A-11	\$ 24,814.83	
Township Clerk	A-11	9,255.00	
Board of Adjustment	A-11	28,335.00	
Public Works	A-11	1,696.00	
Health Copies	A-11	3,540.00	
Medical Transport	A-11	4,215.00	
Marriage Donation	A-11	1,600.00	
Parking Permits	A-11	63,870.00	
Police Fees	A-11	16,011.00	
Planning Board Fees	A-11	1,690.00	
Fire Detectors	A-11	17,490.00	
Towing	A-11	2,772.00	
Rent Board	A-11	14,800.00	
Lead Remediation	A-11	<u>1,375.00</u>	
	A-2a		<u>\$ 191,463.83</u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
CURRENT FUND

STATEMENT OF REVENUES
ANALYSIS OF REALIZED TAX COLLECTIONS
YEAR ENDED DECEMBER 31, 2025

A-2c

	<u>Ref.</u>		
<u>Receipts from Delinquent Taxes</u>			
Delinquent Tax Collections	A-9	\$ 560,598.60	
Delinquent Tax Collections	A-1, A-2		<u>\$ 560,598.60</u>
<u>Allocation of Current Taxes</u>			
Due from State of New Jersey	A-9	43,834.25	
2024 Collections	A-9	374,120.23	
2025 Collections	A-9	75,242,962.59	
	A-1		\$ 75,660,917.07
<u>Allocated to:</u>			
Local School District Tax	A-1, A-9, A-17	43,776,264.00	
County Taxes	A-1, A-9, A-18	12,148,692.78	
Municipal Open Space Taxes	A-1, A-23	720,921.93	
			<u>56,645,878.71</u>
			19,015,038.36
Plus: Appropriation for "Reserve for Uncollected Taxes"	A-3		<u>1,500,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2		<u>\$ 20,515,038.36</u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
CURRENT FUND

STATEMENT OF REVENUES
ANALYSIS OF NONBUDGET REVENUES
YEAR ENDED DECEMBER 31, 2025

A-2d

	<u>Ref.</u>	
Duplicate Bills	\$	216.00
GovDeals		48,605.86
Street Sweeper Rental		9,100.00
Bookdrop		117.55
Concentra Refund		135.00
Parking Space for Rent		600.00
Dmv, Inspection Fines		350.00
Clothing Bin Shed		1,802.57
Other		7,070.68
Escheatment Court Fund		<u>10.00</u>
	A-4	<u>\$ 68,007.66</u>
	A-1, A-2	<u><u>\$ 68,007.66</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2025

A-3
Sheet # 1

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Modified Budget	Paid or Charged	Encumbered	Reserved	
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>GENERAL GOVERNMENT</u>						
Administrative and Executive:						
Salaries and Wages:						
Manager's Office	\$ 292,000.00	\$ 275,200.00	\$ 268,229.29		\$ 6,970.71	
Mayor and Council	13,500.00	13,500.00	13,238.00		262.00	
Township Clerk	170,000.00	151,000.00	144,823.40		6,176.60	
Other Expenses	137,700.00	137,700.00	78,229.93	\$ 32,637.60	26,832.47	
Elections:						
Other Expenses	139,000.00	139,000.00	63,484.46	2,670.54	72,845.00	
Financial Administration:						
Annual Audit	65,000.00	65,000.00	625.00	61,500.00	2,875.00	
Administrative and Economic Development:						
Other Expenses	50,500.00	50,500.00	35,299.50	8,495.00	6,705.50	
Assessment of Taxes:						
Salaries and Wages	174,487.00	162,487.00	155,771.43		6,715.57	
Other Expenses	51,150.00	51,150.00	8,676.70	5,000.00	37,473.30	
Collection of Taxes:						
Salaries and Wages	299,500.00	309,500.00	308,151.22		1,348.78	
Other Expenses:						
Tax Sale Costs	750.00	750.00	294.96		455.04	
Miscellaneous Other Expenses	67,100.00	59,100.00	48,127.20	6,756.56	4,216.24	
Liquidation of Tax Title Liens	1,500.00	1,500.00			1,500.00	
Legal Services and Costs:						
Other Expenses	252,500.00	267,500.00	223,891.00	43,609.00		
Public Buildings and Grounds:						
Salaries and Wages	400,000.00	405,000.00	400,126.37		4,873.63	
Other Expenses	228,250.00	228,250.00	200,675.74	27,470.71	103.55	
Municipal Land Use Law (N.J.S.A. 40:55D-1):						
Planning Board:						
Salaries and Wages	32,000.00	47,000.00	40,493.54		6,506.46	
Other Expenses	27,400.00	21,400.00	14,210.67	1,041.74	6,147.59	
Board of Adjustment:						
Salaries and Wages	115,000.00	125,000.00	119,953.02		5,046.98	
Other Expenses	22,750.00	22,750.00	14,387.16	1,467.18	6,895.66	

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
CURRENT FUND

STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2025

A-3
Sheet # 2

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Modified Budget	Paid or Charged	Encumbered	Reserved	
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>GENERAL GOVERNMENT</u>						
Rent Leveling Board:						
Salaries and Wages	\$ 5,000.00	\$ 5,000.00	\$ 4,998.32		\$ 1.68	
Other Expenses	13,150.00	13,150.00	7,636.54	\$ 2,073.38	3,440.08	
Shade Trees:						
Other Expenses	135,000.00	135,000.00	118,028.14	9,380.86	7,591.00	
Insurance (N.J.S.A. 40a:4-45(00) P.L. 2003, C92 S-906):						
General Liability	540,000.00	540,000.00	539,301.09		698.91	
Employee Group Health	2,860,000.00	2,860,000.00	2,673,273.20	73,519.06	113,207.74	
Health Waivers	70,000.00	75,000.00	74,074.45		925.55	
	<u>6,163,237.00</u>	<u>6,161,437.00</u>	<u>5,556,000.33</u>	<u>275,621.63</u>	<u>329,815.04</u>	
<u>PUBLIC SAFETY</u>						
Engineer:						
Other Expenses	27,000.00	22,000.00	15,691.00	5,000.00	1,309.00	
Fire:						
Other Expenses:						
Miscellaneous Other Expenses	157,000.00	157,000.00	140,501.05	16,491.43	7.52	
Fire Prevention:						
Salaries and Wages	90,000.00	90,000.00	80,143.00		9,857.00	
Other Expenses	8,000.00	8,000.00	5,726.72	1,598.31	674.97	
Police:						
Salaries and Wages	5,484,000.00	5,539,000.00	5,489,629.44		49,370.56	
Other Expenses	395,200.00	395,200.00	324,710.54	69,779.34	710.12	
Communications:						
Salaries and Wages	188,000.00	153,000.00	134,679.29		18,320.71	
Other Expenses	170,500.00	170,500.00	155,668.41	6,842.74	7,988.85	
Police Dispatchers:						
Salaries and Wages	335,000.00	335,000.00	320,094.64		14,905.36	
Parking Meter Maintenance:						
Other Expenses	3,000.00	3,000.00	2,805.16	194.84		

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
CURRENT FUND

STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2025

A-3
Sheet # 3

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Modified Budget	Paid or Charged	Encumbered	Reserved	
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>PUBLIC SAFETY</u>						
Rescue Squad:						
Other Expenses	\$ 65,000.00	\$ 65,000.00	\$ 65,000.00			
Emergency Management Services:						
Other Expenses	15,000.00	15,000.00	10,000.00		\$ 5,000.00	
Road Repairs and Maintenance:						
Salaries and Wages	1,211,825.00	1,236,825.00	1,236,806.55		18.45	
Other Expenses	337,500.00	337,500.00	255,030.81	\$ 81,849.99	619.20	
Vehicle Maintenance	140,000.00	170,000.00	159,393.84	8,780.73	1,825.43	
	<u>8,627,025.00</u>	<u>8,697,025.00</u>	<u>8,395,880.45</u>	<u>190,537.38</u>	<u>110,607.17</u>	
<u>HEALTH AND WELFARE</u>						
Board of Health - Local Health Agency:						
Board of Health:						
Salaries and Wages	28,000.00	28,000.00	21,541.25		6,458.75	
Other Expenses	145,600.00	145,600.00	138,930.68	6,660.51	8.81	
	<u>173,600.00</u>	<u>173,600.00</u>	<u>160,471.93</u>	<u>6,660.51</u>	<u>6,467.56</u>	
<u>RECREATION AND EDUCATION</u>						
Recreation:						
Salaries and Wages	765,000.00	765,000.00	742,054.20		22,945.80	
Other Expenses	173,000.00	189,800.00	158,772.56	29,267.45	1,759.99	
Field Maintenance	65,000.00	65,000.00	61,686.26	3,055.89	257.85	
Contribution to Senior Citizens' Center (N.J.S.A. 40:48-9.4):						
Salaries and Wages	27,500.00	27,500.00	24,923.20		2,576.80	
Other Expenses	13,000.00	13,000.00	10,987.20	1,605.80	407.00	
Celebration of Public Event, Anniversary or Holiday:						
Other Expenses	70,000.00	70,000.00	62,488.48	1,030.21	6,481.31	
	<u>1,113,500.00</u>	<u>1,130,300.00</u>	<u>1,060,911.90</u>	<u>34,959.35</u>	<u>34,428.75</u>	

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
CURRENT FUND

STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2025

A-3
Sheet # 4

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Modified Budget		Encumbered	Reserved	
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>MISCELLANEOUS AND OTHER</u>						
Mandatory Recycling:						
Salaries and Wages	\$ 15,600.00	\$ 15,600.00	\$ 12,641.66		\$ 2,958.34	
Other Expenses	523,000.00	523,000.00	375,114.64	\$ 103,998.14	43,887.22	
Garbage and Trash Removal - Contractual	1,719,625.00	1,659,625.00	1,076,432.18	371,177.69	212,015.13	
	<u>2,258,225.00</u>	<u>2,198,225.00</u>	<u>1,464,188.48</u>	<u>475,175.83</u>	<u>258,860.69</u>	
<u>UNIFORM CONSTRUCTION CODE - APPROPRIATIONS</u>						
<u>OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)</u>						
State Uniform Construction Code/ Construction Official (Chief Administrator of Enforcement Agency):						
Salaries and Wages	504,000.00	444,000.00	409,987.03	630.00	33,382.97	
Other Expenses	12,475.00	12,475.00	4,132.85	850.00	7,492.15	
	<u>516,475.00</u>	<u>456,475.00</u>	<u>414,119.88</u>	<u>1,480.00</u>	<u>40,875.12</u>	
<u>UNCLASSIFIED</u>						
Utilities:						
Electricity	460,000.00	510,000.00	490,736.10		19,263.90	
Telephone, Internet, Cable	106,000.00	106,000.00	104,067.00	1,007.15	925.85	
Gasoline	175,000.00	160,000.00	115,720.68	22,193.81	22,085.51	
Salary and Wage Adjustment	20,000.00					
Compensated Absences Liability	75,000.00	75,000.00	75,000.00			
	<u>836,000.00</u>	<u>851,000.00</u>	<u>785,523.78</u>	<u>23,200.96</u>	<u>42,275.26</u>	
<u>CONTINGENT</u>	<u>25,000.00</u>	<u>25,000.00</u>			<u>25,000.00</u>	
Total Operations Within "CAPS"	<u>19,713,062.00</u>	<u>19,693,062.00</u>	<u>17,837,096.75</u>	<u>1,007,635.66</u>	<u>848,329.59</u>	
Detail:						
Salaries and Wages	10,186,012.00	10,143,212.00	9,940,926.51	630.00	201,655.49	
Other Expenses	9,527,050.00	9,549,850.00	7,896,170.24	1,007,005.66	646,674.10	

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2025

A-3
Sheet # 5

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Modified Budget	Paid or Charged	Encumbered	Reserved	
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
Deferred Charges:						
Contributions to:						
Public Employees' Retirement System	\$ 500,000.00	\$ 500,000.00	\$ 484,266.00		\$ 15,734.00	
Consolidated Police and Fireman's Pension Fund	20,000.00	20,000.00	20,000.00			
Social Security System (OASI)	425,000.00	425,000.00	420,455.54		4,544.46	
Police and Firemen's Retirement System of N.J.	1,512,296.00	1,512,296.00	1,495,354.00		16,942.00	
Defined Contribution Retirement Plan	30,000.00	30,000.00	25,244.25		4,755.75	
Total Deferred Charges and Statutory Expenditures	<u>2,487,296.00</u>	<u>2,487,296.00</u>	<u>2,445,319.79</u>	<u>-</u>	<u>41,976.21</u>	
Total Appropriations Within "CAPS"	<u>22,200,358.00</u>	<u>22,180,358.00</u>	<u>20,282,416.54</u>	<u>\$ 1,007,635.66</u>	<u>890,305.80</u>	
<u>APPROPRIATIONS EXCLUDED FROM "CAPS"</u>						
<u>OTHER OPERATIONS</u>						
Maintenance of Free Public Library	1,140,016.00	1,140,016.00	1,078,879.05	19,346.46	41,790.49	
Reserve for Tax Appeals	75,000.00	75,000.00	75,000.00			
Recycling - State Tax	12,764.00	12,764.00			12,764.00	
	<u>1,227,780.00</u>	<u>1,227,780.00</u>	<u>1,153,879.05</u>	<u>19,346.46</u>	<u>54,554.49</u>	
<u>INTERLOCAL MUNICIPAL SERVICE AGREEMENTS</u>						
Borough of North Caldwell						
Municipal Court	175,000.00	195,000.00	94,764.29	98,424.76	1,810.95	
Borough of Roseland:						
Construction Code Official	100,000.00	100,000.00	78,201.50		21,798.50	
Construction Outside Contract Official	34,038.00	34,038.00	126.00		33,912.00	
Fire Sub-Code Official	18,000.00	18,000.00	16,866.73		1,133.27	
	<u>327,038.00</u>	<u>347,038.00</u>	<u>189,958.52</u>	<u>98,424.76</u>	<u>58,654.72</u>	
<u>STATE AND FEDERAL PROGRAMS</u>						
<u>OFFSET BY REVENUES</u>						
Municipal Alliance Committee - VMAC Local Match	12,225.00	12,225.00	12,225.00			
Municipal Alliance Committee - VMAC		22,625.00	22,625.00			
Recycling Tonnage Grant		20,345.91	20,345.91			
Sustainable NJ Grant		5,000.00	5,000.00			
Drive Sober or Get Pulled Over		7,000.00	7,000.00			
Distracted Driving		21,000.00	21,000.00			
National Opioid Settlement		10,195.57	10,195.57			
Clean Communities		34,679.33	34,679.33			
Highway Safety		14,000.00	14,000.00			
Age Inclusion Grant		70,000.00	70,000.00			
Green Communities		19,000.00	19,000.00			
Staffing & Community Engagement		10,000.00	10,000.00			
Human Services Healthy Comm.		250,000.00	250,000.00			
Department of Agriculture Grant		20,000.00	20,000.00			
	<u>12,225.00</u>	<u>516,070.81</u>	<u>516,070.81</u>			
Total Operations Excluded from "CAPS"	<u>1,567,043.00</u>	<u>2,090,888.81</u>	<u>1,859,908.38</u>	<u>117,771.22</u>	<u>113,209.21</u>	

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
CURRENT FUND

STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2025

A-3
Sheet #6

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Modified Budget</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
<u>APPROPRIATIONS EXCLUDED FROM "CAPS"</u>						
Detail:						
Other Expenses	\$ 1,567,043.00	\$ 2,090,888.81	\$ 1,859,908.38	\$ 117,771.22	\$ 113,209.21	
<u>CAPITAL IMPROVEMENTS</u>						
Capital Improvement Fund	350,000.00	350,000.00	350,000.00			
<u>DEBT SERVICE</u>						
Payment of Bond Principal	1,725,000.00	1,725,000.00	1,725,000.00			
Payment of Bond Anticipation Notes and Capital Notes	100,000.00	100,000.00	85,800.55			\$ 14,199.45
Interest on Bonds	433,000.00	433,000.00	432,139.53			860.47
Interest on Notes	750,000.00	750,000.00	748,686.17			1,313.83
Loan Repayments for Principal and Interest	122,190.00	122,190.00	122,190.00			
	<u>3,130,190.00</u>	<u>3,130,190.00</u>	<u>3,113,816.25</u>			<u>16,373.75</u>
<u>DEFERRED CHARGES</u>						
Special Emergency Authorization	71,390.00	71,390.00	71,390.00			
Total Appropriations Excluded from "CAPS"	<u>5,118,623.00</u>	<u>5,642,468.81</u>	<u>5,395,114.63</u>	<u>117,771.22</u>	<u>113,209.21</u>	<u>16,373.75</u>
Sub-Total	27,318,981.00	27,822,826.81	25,677,531.17	1,125,406.88	1,003,515.01	16,373.75
Reserve for Uncollected Taxes	1,500,000.00	1,500,000.00	1,500,000.00			
Total General Appropriations	<u>\$ 28,818,981.00</u>	<u>\$ 29,322,826.81</u>	<u>\$ 27,177,531.17</u>	<u>\$ 1,125,406.88</u>	<u>\$ 1,003,515.01</u>	<u>\$ 16,373.75</u>

	<u>Ref.</u>	Below	Below	Below	A	A	Below
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Original Budget	Above, A-2		\$ 28,818,981.00			
Chapter 159 Budget Amendments	Above, A-2		503,845.81			
Reserve for Uncollected Taxes	A-2c		(1,500,000.00)	\$ 1,500,000.00		
Appropriated Reserves Federal and State						
Grant Fund	A-24			516,070.81		
Cash Disbursed	A-5			27,133,558.30		
Cash Receipts	A-4			(2,043,487.94)		
Deferred Charge - Special Emergency	A-12			71,390.00		
Canceled	Above		<u>(16,373.75)</u>			
			<u>\$ 27,806,453.06</u>	<u>\$ 27,177,531.17</u>		

	<u>Ref.</u>	A-1	Above
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See accompanying notes to financial statements.

TOWNSHIP OF VERONA
TRUST FUND

COMPARATIVE BALANCE SHEET
DECEMBER 31, 2025 AND 2024

B

<u>ASSETS</u>	<u>Ref.</u>	<u>2025</u>	<u>2024</u>
<u>Animal Control Trust Fund</u>			
Cash - Checking	B-1	\$ 13,785.48	\$ 17,719.60
Due from State of New Jersey			9.00
		<u>13,785.48</u>	<u>17,728.60</u>
 <u>Trust - Other Fund</u>			
Cash - Checking	B-1	5,376,279.62	2,393,182.26
Due from Essex County	B-2	200,000.00	200,000.00
		<u>5,576,279.62</u>	<u>2,593,182.26</u>
 <u>Open Space Trust Fund</u>			
Cash - Checking	B-1	2,317,474.50	535,411.35
Due from Green Acres	B-11	1,815,389.00	
		<u>4,132,863.50</u>	<u>535,411.35</u>
		<u>\$ 9,722,928.60</u>	<u>\$ 3,146,322.21</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
<u>Animal Control Trust Fund</u>			
Interfunds Payable	B-3	\$ 2,059.28	\$ 7,276.60
Reserve for Expenditures	B-7	11,726.20	10,452.00
		<u>13,785.48</u>	<u>17,728.60</u>
 <u>Trust - Other Fund</u>			
Interfunds Payable			226,548.96
Special Deposits	B-4	4,814,029.94	1,679,879.02
Unemployment Compensation Insurance Fund	B-5	301,473.10	287,439.61
Reserve for Community Development Block Grant	B-6	200,000.00	200,000.00
Escrow Deposits	B-8	260,776.58	199,314.67
		<u>5,576,279.62</u>	<u>2,593,182.26</u>
 <u>Open Space Trust Fund</u>			
Reserve for Open Space Trust	B-10	4,132,863.50	535,411.35
		<u>4,132,863.50</u>	<u>535,411.35</u>
		<u>\$ 9,722,928.60</u>	<u>\$ 3,146,322.21</u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
GENERAL CAPITAL FUND

COMPARATIVE BALANCE SHEET
DECEMBER 31, 2025 AND 2024

C

<u>ASSETS AND DEFERRED CHARGES</u>	<u>Ref.</u>	<u>2025</u>	<u>2024</u>
Cash	C-2, C-3	\$ 2,882,871.20	\$ 5,194,582.16
State Grants and Aid Receivable	C-4	1,429,717.02	733,373.49
Deferred Charges to Future Taxation:			
Funded	C-6	24,025,676.59	26,167,517.45
Unfunded	C-7	31,418,378.95	22,349,755.96
		<u>\$ 59,756,643.76</u>	<u>\$ 54,445,229.06</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds	C-13	\$ 23,848,000.00	\$ 25,873,000.00
Bond Anticipation Notes	C-14	21,229,280.00	18,221,850.00
Green Acres Loan Payable	C-15	177,676.59	294,517.45
Capital Improvement Fund	C-8	91,769.07	8,667.38
Reserve for:			
Debt Service	C-9	1,149.73	1,149.73
Future Improvements	C-10	820,755.25	800,755.25
State Grants and Aid Receivable	C-11	1,429,717.02	733,373.49
Refunding Bond Sale Costs	C-5	5,651.24	5,651.24
Improvement Authorizations:			
Funded	C-12	189,205.12	402,655.46
Unfunded	C-12	11,408,897.78	7,681,540.54
Fund Balance	C-1	554,541.96	422,068.52
		<u>\$ 59,756,643.76</u>	<u>\$ 54,445,229.06</u>
Bonds and Notes Authorized but Not Issued	C-16	<u>\$ 10,337,099.02</u>	<u>\$ 4,632,156.03</u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE
YEAR ENDED DECEMBER 31, 2025

C-1

	<u>Ref.</u>		
Balance, December 31, 2024	C		\$ 422,068.52
Increased by:			
Improvement Authorizations Canceled	C-12	\$ 28,000.00	
Premiums on Notes Issued	C-2	<u>204,473.44</u>	<u>232,473.44</u>
			654,541.96
Decreased by:			
Utilized in Current Fund Budget	C-2		<u>100,000.00</u>
Balance, December 31, 2025	C		<u>\$ 554,541.96</u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

COMPARATIVE BALANCE SHEETS
DECEMBER 31, 2025 AND 2024

D
Sheet # 1

<u>ASSETS</u>	<u>Ref.</u>	<u>2025</u>	<u>2024</u>
<u>Operating Fund</u>			
Cash and Cash Equivalents	D-5	\$ 4,292,850.12	\$ 2,543,881.79
Change Fund	D	130.00	130.00
		<u>4,292,980.12</u>	<u>2,544,011.79</u>
Due from Utility Capital Fund		<u>4,292,980.12</u>	<u>200,000.00</u>
			<u>2,744,011.79</u>
<u>Receivables and Inventory with Full Reserves:</u>			
Water/Sewer Rents Receivable	D-8	211,324.35	176,693.37
		<u>211,324.35</u>	<u>176,693.37</u>
		<u>4,504,304.47</u>	<u>2,920,705.16</u>
<u>Capital Fund</u>			
Cash - Checking	D-5	206,658.15	33,375.27
Fixed Capital	D-9	50,525,712.11	49,235,167.59
Fixed Capital Authorized and Uncompleted	D-10	19,908,175.99	22,117,701.40
		<u>70,640,546.25</u>	<u>71,386,244.26</u>
		<u>\$ 75,144,850.72</u>	<u>\$ 74,306,949.42</u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

COMPARATIVE BALANCE SHEETS
DECEMBER 31, 2025 AND 2024

D
Sheet # 2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2025</u>	<u>2024</u>
<u>Operating Fund</u>			
Liabilities:			
Appropriation Reserves:			
Committed	D-4	\$ 809,517.47	\$ 317,431.44
Uncommitted	D-4	67,991.46	264,062.57
Accrued Interest on Bonds and Notes	D-12	94,575.91	86,087.75
Water/Sewer Overpayments	D-13	14,751.40	14,751.40
		<u>986,836.24</u>	<u>682,333.16</u>
 Reserve for Receivables	 D-8	 211,324.35	 176,693.37
Fund Balance	D-1	3,306,143.88	2,061,678.63
		<u>4,504,304.47</u>	<u>2,920,705.16</u>
 <u>Capital Fund</u>			
Serial Bonds	D-18	3,068,000.00	3,403,000.00
Bond Anticipation Notes	D-19	1,618,500.00	1,184,000.00
I-Bank Interim Financing Payable	D-7	4,263,702.00	1,573,841.00
Interfund - Utility Operating Fund			200,000.00
Capital Improvement Fund	D-14	353,951.14	332,470.25
Reserve for:			
Amortization	D-15	46,988,688.11	46,435,869.00
Deferred Amortization	D-16	273,700.00	238,000.00
Improvement Authorizations:			
Funded	D-17	107,235.00	33,709.08
Unfunded	D-17	13,540,634.26	17,575,873.55
Fund Balance	D-2	426,135.74	409,481.38
		<u>70,640,546.25</u>	<u>71,386,244.26</u>
		<u>\$ 75,144,850.72</u>	<u>\$ 74,306,949.42</u>
 Bonds and Notes Authorized but Not Issued	 D-21	 \$ 14,221,298.00	 \$ 18,518,159.00

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

D-1

COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGES IN FUND BALANCE - OPERATING FUND
YEARS ENDED DECEMBER 31, 2025 AND 2024

	<u>Ref.</u>	<u>2025</u>	<u>2024</u>
<u>Revenues and Other Income</u>			
Fund Balance Utilized	D-3	\$ 375,000.00	\$ 400,000.00
Water/Sewer Rents	D-3	8,683,679.07	7,631,647.42
Miscellaneous	D-3	367,903.44	218,034.38
Other Credits to Income:			
Appropriation Reserves Lapsed	D-11	226,105.90	513,837.01
Total Revenues and Other Income		9,652,688.41	8,817,047.58
 <u>Expenditures</u>			
Operating	D-4	6,784,545.00	6,483,771.00
Capital Improvements	D-4	200,000.00	200,000.00
Debt Service	D-4	582,723.16	636,320.60
Statutory Expenditures	D-4	465,955.00	465,955.00
Total Expenditures		8,033,223.16	7,786,046.60
Statutory Excess in Revenues		1,619,465.25	1,031,000.98
 <u>Fund Balance</u>			
Balance, Beginning of Year	D	2,061,678.63	1,430,677.65
		3,681,143.88	2,461,678.63
 Decreased by:			
Amount Utilized in Operating Budget	D-3	375,000.00	400,000.00
Balance, End of Year	D	\$ 3,306,143.88	\$ 2,061,678.63

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

D-2

STATEMENT OF CAPITAL FUND BALANCE
YEAR ENDED DECEMBER 31, 2025

	<u>Ref.</u>	
Balance, December 31, 2024	D	\$ 409,481.38
Increased by:		
Premium on Note Sale	D-5	<u>16,654.37</u>
		426,135.75
Decreased by:		
Excess Bond Anticipation Note Proceeds	D-6	<u>0.01</u>
Balance, December 31, 2025	D	<u>\$ 426,135.74</u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

D-3

STATEMENT OF REVENUES
YEAR ENDED DECEMBER 31, 2025

<u>Revenues</u>	<u>Ref.</u>	<u>Budget Revenues</u>	<u>Realized</u>	<u>Excess</u>
Fund Balance Anticipated	D-1	\$ 375,000.00	\$ 375,000.00	
Rents	D-1, D-5	7,550,000.00	8,683,679.07	\$ 1,133,679.07
Miscellaneous	D-1, D-5	150,000.00	367,903.44	217,903.44
	D-4	<u>\$ 8,075,000.00</u>	<u>\$ 9,426,582.51</u>	<u>\$ 1,351,582.51</u>

Analysis of Miscellaneous Revenues:

Other Miscellaneous Revenues	D-5	\$ 267,299.34
Interest Income	D-5	100,604.10
	Above	<u>\$ 367,903.44</u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2025

D-4

<u>Appropriations</u>	<u>Budget</u>	<u>Modified Budget</u>	<u>Paid or Charged</u>	<u>Expended</u>		<u>Unexpended Balance Canceled</u>
				<u>Encumbered</u>	<u>Reserved</u>	
<u>Operating</u>						
Salaries and Wages	\$ 2,011,771.00	\$ 1,911,771.00	\$ 1,879,585.64		\$ 32,185.36	
Other Expenses	4,772,774.00	4,872,774.00	4,027,450.43	\$ 809,517.47	35,806.10	
<u>Capital Improvements</u>						
Capital Improvement Fund	200,000.00	200,000.00	200,000.00			
<u>Debt Service</u>						
Payment of Bond Principal	335,000.00	335,000.00	335,000.00			
Interest on Bonds	114,500.00	114,500.00	113,915.00			\$ 585.00
Interest on Notes	100,000.00	100,000.00	58,808.16			41,191.84
Payment of Bond Anticipation Notes and Capital Notes	75,000.00	75,000.00	75,000.00			
<u>Statutory Expenditures</u>						
Contribution to:						
Public Employees' Retirement System	300,000.00	300,000.00	300,000.00			
Social Security System (OASI)	150,955.00	150,955.00	150,955.00			
Unemployment Compensation Insurance	15,000.00	15,000.00	15,000.00			
Total Water and Sewer Utility Appropriations	<u>\$ 8,075,000.00</u>	<u>\$ 8,075,000.00</u>	<u>\$ 7,155,714.23</u>	<u>\$ 809,517.47</u>	<u>\$ 67,991.46</u>	<u>\$ 41,776.84</u>
<u>Ref.</u>	D-3	Below	Below	D	D	Below
<u>Ref.</u>						
Adopted Budget	D-3	\$ 8,075,000.00				
Cash Disbursed	D-5		\$ 6,982,991.07			
Accrued Interest on Bonds and Notes	D-12		172,723.16			
Canceled	Above	<u>(41,776.84)</u>				
		<u>\$ 8,033,223.16</u>	<u>\$ 7,155,714.23</u>			
<u>Ref.</u>	D-1	Above				

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

COMPARATIVE BALANCE SHEET
DECEMBER 31, 2025 AND 2024

E

<u>ASSETS AND DEFERRED CHARGES</u>	<u>Ref.</u>	<u>2025</u>	<u>2024</u>
<u>Operating Fund</u>			
Cash - Checking Account	E-5	\$ 527,505.34	\$ 486,451.60
Deferred Charges:			
Special Emergency	E-18	60,000.00	120,000.00
Pool Capital Cash Deficit			700.00
		<u>587,505.34</u>	<u>607,151.60</u>
<u>Capital Fund</u>			
Cash - Checking Account	E-5	103,839.60	14,803.40
Interfunds Receivable			700.00
Fixed Capital	E-8	6,816,036.44	6,548,659.52
Fixed Capital Authorized and Uncompleted	E-9	350,000.00	605,000.00
		<u>7,269,876.04</u>	<u>7,169,162.92</u>
		<u>\$ 7,857,381.38</u>	<u>\$ 7,776,314.52</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
<u>Operating Fund</u>			
Liabilities:			
Appropriation Reserves:			
Encumbered	E-4	\$ 19,888.83	\$ 9,031.39
Uncommitted	E-4	64,528.48	20,360.44
Interfunds Payable			700.00
Accrued Interest on Bonds and Notes	E-11	69,444.42	57,525.66
		<u>153,861.73</u>	<u>87,617.49</u>
 Fund Balance	 E-1	 <u>433,643.61</u>	 <u>519,534.11</u>
		<u>587,505.34</u>	<u>607,151.60</u>
 <u>Capital Fund</u>			
Serial Bonds	E-16	199,000.00	344,000.00
Bond Anticipation Notes	E-17	1,987,000.00	1,467,700.00
Capital Improvement Fund	E-12	24,108.08	11,485.00
Reserve for Amortization	E-13	4,963,036.44	4,736,959.52
Deferred Reserve for Amortization	E-14	17,000.00	47,000.00
Improvement Authorizations:			
Funded			3,723.83
Unfunded	E-15	18,075.96	517,085.24
Fund Balance	E-2	61,655.56	41,209.33
		<u>7,269,876.04</u>	<u>7,169,162.92</u>
		<u>\$ 7,857,381.38</u>	<u>\$ 7,776,314.52</u>
 Bonds and Notes Authorized but Not Issued	 E-19	 <u>\$ -</u>	 <u>\$ 558,000.00</u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE
YEARS ENDED DECEMBER 31, 2025 AND 2024

E-1

	<u>Ref.</u>	<u>2025</u>	<u>2024</u>
<u>Revenues and Other Income</u>			
Fund Balance Utilized	E-3	\$ 200,000.00	\$ 50,000.00
Membership Fees	E-3	696,159.00	649,060.00
Miscellaneous	E-3	199,692.95	132,795.22
American Rescue Plan			200,000.00
Appropriation Reserves Lapsed	E-10	21,398.56	5,923.52
Total Revenues and Other Income		1,117,250.51	1,037,778.74
 <u>Expenditures and Other Changes</u>			
Operating	E-4	638,350.00	562,552.00
Capital Improvements	E-4	25,000.00	10,000.00
Debt Service	E-4	268,091.01	260,090.18
Statutory Expenditures and Deferred Charges	E-4	71,700.00	100,002.13
Total Expenditures and Other Charges		1,003,141.01	932,644.31
Statutory Excess in Revenues		114,109.50	105,134.43
 <u>Fund Balance</u>			
Balance, Beginning of Year	E	519,534.11	464,399.68
Decreased by:		633,643.61	569,534.11
Amount Utilized in Operating Budget	Above	200,000.00	50,000.00
Balance, End of Year	E	\$ 433,643.61	\$ 519,534.11

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

STATEMENT OF CAPITAL FUND BALANCE
YEAR ENDED DECEMBER 31, 2025

E-2

	<u>Ref.</u>	
Balance, December 31, 2024	E	\$ 41,209.33
Increased by:		
Premium on Sale of Notes	E-5	<u>20,446.23</u>
Balance, December 31, 2025	E	<u><u>\$ 61,655.56</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

STATEMENT OF REVENUES
YEAR ENDED DECEMBER 31, 2025

E-3

	<u>Ref.</u>	<u>Budget Revenues</u>	<u>Realized</u>	<u>Excess</u>
Fund Balance Anticipated	E-1	\$ 200,000.00	\$ 200,000.00	
Membership Fees	E-1, E-5	676,955.00	696,159.00	\$ 19,204.00
Miscellaneous	E-1, E-5	132,795.00	199,692.95	66,897.95
	E-4	<u>\$ 1,009,750.00</u>	<u>\$ 1,095,851.95</u>	<u>\$ 86,101.95</u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2025

E-4

<u>Appropriations</u>	Budget	Modified Budget	Expended			Unexpended Balance Canceled
			Paid or Charged	Encumbered	Reserved	
<u>Operating</u>						
Salaries and Wages	\$ 402,500.00	\$ 387,500.00	\$ 337,046.85		\$ 50,453.15	
Other Expenses	235,850.00	250,850.00	216,885.84	\$ 19,888.83	14,075.33	
<u>Capital Improvements</u>						
Capital Improvement Fund	25,000.00	25,000.00	25,000.00			
<u>Debt Service</u>						
Payment of Bond Principal	145,000.00	145,000.00	145,000.00			
Payment on Bond Anticipation Notes & Capital Notes	38,700.00	38,700.00	38,700.00			
Interest on Bonds	11,000.00	11,000.00	10,095.00			\$ 905.00
Interest on Notes	80,000.00	80,000.00	74,296.01			5,703.99
<u>Deferred Charges</u>						
Emergency Authorization	60,000.00	60,000.00	60,000.00			
Due to Pool Capital (Cash Deficit)	700.00	700.00	700.00			
<u>Statutory Expenditures</u>						
Contribution to:						
Social Security System (OASI)	10,000.00	10,000.00	10,000.00			
Unemployment Compensation Insurance (N.J.S.A. 43:54-3 et seq)	1,000.00	1,000.00	1,000.00			
Total Appropriations	\$ 1,009,750.00	\$ 1,009,750.00	\$ 918,723.70	\$ 19,888.83	\$ 64,528.48	\$ 6,608.99
<u>Ref.</u>	E-3	Below	Below	E	E	Below
	<u>Ref.</u>					
Budget Appropriation Canceled	E-3 Above	\$ 1,009,750.00 (6,608.99)				
Cash Disbursed	E-5		\$ 774,332.69			
Deferred Charges	E-18		60,000.00			
Accrued Interest on Bonds and Notes	E-11		84,391.01			
		\$ 1,003,141.01	\$ 918,723.70			
<u>Ref.</u>		E-1	Above			

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
PUBLIC ASSISTANCE TRUST FUND

COMPARATIVE BALANCE SHEET
DECEMBER 31, 2025 AND 2024

E

<u>ASSETS</u>	<u>Ref.</u>	<u>2025</u>	<u>2024</u>
Cash	F-1	<u>\$ 3,285.92</u>	<u>\$ 3,202.15</u>
 <u>LIABILITIES AND RESERVES</u>			
Reserve for Expenditures	F-2	<u>\$ 3,285.92</u>	<u>\$ 3,202.15</u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
FREE PUBLIC LIBRARY

COMPARATIVE STATEMENTS OF OPERATION AND CHANGES IN FUND BALANCE
YEARS ENDED DECEMBER 31, 2025 AND 2024

G

<u>ASSETS</u>	<u>Ref.</u>	<u>2025</u>	<u>2024</u>
Cash - Fees Account	G-2	\$ 44,705.14	\$ 71,245.69
Cash - Memorial Account	G-2	218,262.82	213,400.46
Cash - Landsberger Account (CD)	G-2	11,749.55	11,487.80
Cash - VPL Savings Account (CD)	G-2	<u>50,898.44</u>	<u> </u>
		<u>\$ 325,615.95</u>	<u>\$ 296,133.95</u>
<u>FUND BALANCE</u>			
Fund Balances:			
Fees Account	G-1	\$ 44,705.14	\$ 71,245.69
Memorial Account	G-1	218,262.82	213,400.46
Landsberger Account	G-1	11,749.55	11,487.80
VPL Savings Account	G-1	<u>50,898.44</u>	<u> </u>
		<u>\$ 325,615.95</u>	<u>\$ 296,133.95</u>

See accompanying notes to the financial statements.

TOWNSHIP OF VERONA
FREE PUBLIC LIBRARY

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE
YEARS ENDED DECEMBER 31, 2025 AND 2024

G-1

	<u>Ref.</u>	<u>2025</u>	<u>2024</u>
Increased by:			
Miscellaneous Library Revenues	G-2	\$ 90,455.35	\$ 187,584.21
Interest on Deposits	G-2	6,489.19	8,245.15
		96,944.54	195,829.36
Decreased by:			
Expenditures:			
Purchases of Books, Magazine Subscriptions, Records, etc.	G-2	67,462.54	138,858.37
		67,462.54	138,858.37
Excess in Revenue		29,482.00	56,970.99
<u>Fund Balance</u>			
Balance, Beginning of Year	G	296,133.95	239,162.96
Balance, End of Year	G	\$ 325,615.95	\$ 296,133.95
Fees Account	G	\$ 44,705.14	\$ 71,245.69
Memorial Account	G	218,262.82	213,400.46
Landsberger Account	G	11,749.55	11,487.80
VPL Savings Account	G	50,898.44	
Above		\$ 325,615.95	\$ 296,133.95

See accompanying notes to the financial statements.

TOWNSHIP OF VERONA
PAYROLL FUND

H

COMPARATIVE BALANCE SHEET
DECEMBER 31, 2025 AND 2024

<u>ASSETS</u>	<u>Ref.</u>	<u>2025</u>	<u>2024</u>
Cash - Checking Account	H-1	\$ 22,512.18	\$ 9,198.47
		<u>\$ 22,512.18</u>	<u>\$ 9,198.47</u>
 <u>LIABILITIES AND RESERVES</u>			
Payroll Taxes and Deductions Payable	H-1	\$ 22,512.18	\$ 9,198.47
		<u>\$ 22,512.18</u>	<u>\$ 9,198.47</u>

See accompanying notes to the financial statements.

TOWNSHIP OF VERONA
GOVERNMENTAL FIXED ASSETS

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COMPARATIVE BALANCE SHEET
DECEMBER 31, 2025 AND 2024

<u>GOVERNMENTAL FIXED ASSETS</u>	<u>2025</u>	<u>2024</u>
Land, Buildings, and Site Improvements	\$ 48,209,480.48	\$ 48,209,480.48
Fixed and Movable Equipment	<u>13,154,149.68</u>	<u>13,053,138.00</u>
	<u>\$ 61,363,630.16</u>	<u>\$ 61,262,618.48</u>
 <u>RESERVE</u>		
Investment in Governmental Fixed Assets	<u>\$ 61,363,630.16</u>	<u>\$ 61,262,618.48</u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF VERONA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2025 AND 2024

1. **REPORTING ENTITY**

The Township of Verona, Essex County, New Jersey (the "Township") is organized as a Council-Manager municipality under the provisions of N.J.S.A. 40:69A-81 et seq. The Township is governed by an elected Council and by an appointed Municipal Manager, and by such other officers and employees as may be duly appointed. The Council shall consist of five members elected at large by voters of the municipality and shall serve for a term of four years beginning on the first day of July next following their election and the Mayor shall be elected by the members of the Council.

Each member of the Council carries a legislative vote.

The Governmental Accounting Standards Board and subsequent Codification (collectively, "GASB") establishes certain standards for defining and reporting on the financial reporting entity. In accordance with these standards, the reporting entity should include the primary government and those component units which are fiscally accountable to the primary government.

The financial statements of the Township include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township, as required by the provisions of N.J.S.A. 40A:5-5.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Measurement Focus, Basis of Accounting and Basis of Presentation

The accounting policies of the Township conform to the accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), which is another reporting framework 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 Township accounts for its financial transactions through the separate funds, which differ from the fund structure in accordance with GAAP.

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

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

However, the municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The financial statements contained herein include only those boards, bodies, officers or commissions as required by the provisions of N.J.S.A. 40A:5-5.

The Township 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 Township functions or activities. An account group, on the other hand, is designed to provide accountability for certain assets and liabilities that are not recorded in those Funds.

TOWNSHIP OF VERONA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2025 AND 2024

2. ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)***

The Township has the following funds and account groups:

Current Fund - Encompasses resources and expenditures for basic governmental operations. Fiscal activity of Federal and State grant programs are reflected in a segregated section of the Current Fund.

Trust Funds - The records of receipts, disbursements and custodianship of monies in accordance with the purpose for which each account was created are maintained in Trust Funds. These include the Animal Control Trust Fund and General Trust Fund.

General Capital Fund - The receipts and expenditure records for the acquisition of general infrastructure and other capital facilities, other than those acquired in the Current Fund, are maintained in this Fund, as well as related long-term debt accounts.

Utilities Funds - Water and Sewer and Swimming Pool Utilities are treated as separate entities. Each maintains its own Operating and Capital Funds which reflect revenue, expenditures, stewardship, acquisitions of utility infrastructure and other capital facilities, debt service, long-term debt and other related activity.

Free Public Library (the "Library") - Budget Appropriations and State Aid are transferred to the Free Public Library bank account and are expended with the approval of the Library for its purposes. Interest earnings, Library fines and other revenue are retained by the Library and expended therefrom.

Public Assistance Trust Fund - Receipts and disbursements of funds that provide assistance to certain residents of the Township which are not covered under the provisions of Title 44 of the New Jersey statutes are maintained in the Public Assistance Trust Fund.

Payroll Fund - Net salaries, payroll deductions and social security contributions of municipal and utility operations are deposited into the bank account of the Payroll Fund. A Payroll Fund does not exist under GAAP.

General Fixed Asset Account Group - These accounts reflect estimated valuations of land, buildings and certain moveable fixed assets of the Township as discussed under the caption of "Basis of Accounting".

Basis of Accounting

The Township follows the regulatory-basis of accounting. Under this method of accounting, revenues, except for Federal and State 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 US GAAP applicable to local government units.

The more significant differences are as follows:

Property Taxes and Other Revenue

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.

TOWNSHIP OF VERONA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2025 AND 2024

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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 8.00% per annum, or 18.00% on any delinquency amount in excess of \$1,500.00.

The School levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30 of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Township. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April 1 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 Township 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 11th 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 Township 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.

US 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.

Grant Revenue

Federal and State grants, entitlements or shared revenue received for purposes normally financed through the Current Fund are recognized when anticipated in the Township budget. GAAP requires such revenue to be recognized in the accounting period when they become subject to accrual.

Expenditures

Expenditures for general and utility operations are generally recorded on the accrual basis. Unexpended appropriation balances, except for amounts which may have been canceled by the governing body or by statutory regulation, are automatically recorded as liabilities at December 31st of each year, under the title of "Appropriation Reserves".

Grant appropriations are charged upon budget adoption to create spending reserves.

Expenditures from Trust and Capital Funds are recorded upon occurrence and charged to accounts statutorily established for specific purposes.

Budget appropriations for interest on General Capital Long-Term Debt is raised on the cash basis and is not accrued on the records; interest on Utility Debt is raised on the accrual basis and so recorded.

GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

TOWNSHIP OF VERONA

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Encumbrances

As of January 1, 1986, all local units were required by Technical Accounting Directive No. 85-1, as promulgated by the Division, to maintain an encumbrance accounting system. The directive states that contractual orders outstanding at December 31st are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

Appropriation Reserves

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

Compensated Absences

Expenditures relating to obligations for unused vested accumulated vacation and sick 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.

Property Acquired for Taxes

Property acquired for taxes ("Foreclosed Property") is recorded in the Current Fund at the assessed valuation during the year when such property was acquired by deed or foreclosure and is offset by a corresponding reserve account. GAAP requires such property to be recorded in the capital fixed assets at market value on the date of acquisition.

Interfunds Receivable/Payable

Interfunds Receivable in the Current Fund are generally recorded with offsetting reserves which are established by charges to operations. Collections are recognized as income in the year that the receivables are realized. Interfunds Receivable of all other funds are recorded as accrued and are not offset with reserve accounts. Interfunds Receivable of one fund are offset with Interfunds Payable of the corresponding fund. GAAP does not require the establishment of an offsetting reserve.

Inventories of Supplies

The cost of inventories for all funds are recorded as expenditures at the time individual items are purchased.

Governmental Fixed Assets

General:

In accordance with the Administrative Code, Accounting for Governmental Fixed Assets, as promulgated by the Division, which differs in certain respects from GAAP, the Township has developed a fixed asset accounting and reporting system.

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

Acquisitions of land, buildings, machinery, equipment and other capital assets are recorded on a perpetual fixed asset record. Vehicles, furniture, equipment and other items are reflected at replacement values at time of inventory preparation. Additions to the established fixed assets are valued at cost. Depreciation of assets is not recorded as an operating expense of the Township.

TOWNSHIP OF VERONA

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Utilities:

Capital acquisitions, including utility infrastructure costs of the Water and Sewer and Swimming Pool Utilities, are recorded at cost upon purchase or project completion in the Fixed Capital Account of the Utilities. The Fixed Capital Accounts are adjusted for dispositions or abandonments. The accounts include moveable fixed assets of the Utility but are not specifically identified and are considered as duplicated in the Capital Fixed Assets. The duplication is considered as insignificant on its effect on the financial statements taken as a whole.

Utility improvements that may have been constructed by developers are not recorded as additions to Fixed Capital.

Fixed Capital of the Utilities are offset by accumulations in Amortization Reserve Accounts. The accumulations represent costs of fixed assets purchased with budgeted funds or acquired by gift, as well as grants, developer contributions or liquidations of related bonded debt and other liabilities incurred upon fixed asset acquisition.

The Fixed Capital Accounts reflected herein are as recorded in the records of the Township and do not necessarily reflect the true condition of such Fixed Capital. The records consist of a control account only.

Long-term Debt

The Township's long-term debt is stated at face value. The debt is not traded and it is not practicable to determine its fair value without incurring excessive cost. Additional information pertinent to the Township's long-term debt is provided in Note 11 to the financial statements.

Net Pension Liability and Pension 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 Statement No. 68" require governmental entities to record their distributive shares of net pension liability, deferred outflows of resources, deferred inflows 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 these 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. 5:60-6.1(c)2, counties and municipalities may use the most recent available audited GASB Statement No. 68 financial information published by the New Jersey Department of 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 9 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 outflows of resources, deferred inflows 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 Township does not follow generally accepted accounting principles, GASB Statement No. 75 did not result in a change in the Township's assets, liabilities and contribution requirements. However, it did result in additional note disclosures as required by the GASB Statement. The Township maintains a sole-employer OPEB Plan. Refer to Note 10 for these disclosures.

TOWNSHIP OF VERONA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Length of Service Awards Program (LOSAP)

Financial reporting standards established by the DLGS/Division exclude the financial information relating to a LOSAP program from the scope of the statutory audit. Accordingly, financial information relating to the Township'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 Township's basic financial statements. As the LOSAP Plan's assets remain the property of the Township until withdrawn by participants, GAAP requires that the Plan's financial information be included in the Township's basic financial statements.

Basic Financial Statements

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

Use of Estimates

The preparation of financial statements requires management of the Township 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.

Leases

Township as a Lessee

The Township is a lessee for a various printers and land. The Township acknowledges a lease obligation with an initial, collective value of \$5,000.00 or more. At the commencement of the lease, the Township initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. Key estimates and judgments related to leases payable include how the Township determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The Township uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Township uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the non-cancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and any purchase option price that the Township is reasonably certain to exercise. The Township monitors changes in circumstances that would require a remeasurement of its lease obligation and will remeasure if certain changes occur that are expected to significantly affect the amount of the lease obligation. Management has reviewed the requirements of the Statement and the impact on the financial statements was deemed not material.

Township as a Lessor

The Township is a lessor for the rental of land and real property with AT&T Mobility, New Cingular Wireless, T-Mobile Northeast LLC, Dish Wireless, and Verizon Wireless for the purpose of cell tower space. The Township acknowledges a lease receivable with an initial, collective value of \$10,000.00 or more. Management has reviewed the requirements of the Statement and the impact on the financial statements was deemed not material.

TOWNSHIP OF VERONA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Recently Issued and Adopted Accounting Principles

The GASB issued Statement No. 102 “*Certain Risk Disclosures*” in December 2023. This Statement defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government’s highest level of decision-making authority. Concentrations and constraints may limit a government’s ability to acquire resources or control spending. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Management has not yet determined the impact of this Statement on the financial statements.

The GASB issued Statement No. 103, “*Financial Reporting Model Improvements*” in April 2024. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. The requirements of this Statement are effective for periods beginning after June 15, 2025, and all reporting periods thereafter. Management has not yet determined the impact of this Statement on the financial statements.

The GASB issued Statement No. 104, “*Disclosure of Certain Capital Assets*” in September 2024. The objective of this Statement is to provide users of governmental financial statements with essential information about certain types of capital assets, other intangible assets and assets held for sale. The requirements of this Statement are effective for periods beginning after June 15, 2025, and all reporting periods thereafter. Management has not yet determined the impact of this Statement on the financial statements.

The GASB issued Statement No. 105, “*Subsequent Events*” in December 2025. The objective of this Statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. The requirements of this Statement are effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter. Management has not yet determined the impact of this Statement on the financial statements

3. DEPOSITS

Deposits

New Jersey Statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (“FDIC”) or any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund (the “Fund”).

Cash on deposit is partially insured by federal deposit insurance in the amount of \$250,000.00 in each depository. Balances above the federal deposit insurance amount are insured by the Government Unit Deposit Protection Act (GUDPA), N.J.S.A. 17:941, et seq., which insures all New Jersey governmental units’ deposits in excess of the federal deposit insurance maximums.

Based on GASB criteria, the Township considers cash and cash equivalents to include petty cash, change funds, savings accounts, demand deposits, money market accounts, short-term investments and cash management money market mutual fund. The State of New Jersey Cash Management Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities which mature or are redeemed within one year. Twenty-five percent of the Fund may be invested in eligible securities which mature within two years provided, however, the average maturity of all investments in the Fund shall not exceed one year. Collateralization of fund investments is generally not required.

TOWNSHIP OF VERONA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

3. DEPOSITS (continued)

In addition, by regulation of the Division, municipalities are allowed to deposit funds in the Municipal Bond Insurance Association (MBIA) through their investment management company, the Municipal Investors Service Corporation.

In accordance with the provisions of the Governmental Unit Deposit Protection Act of New Jersey (GUDPA), public depositories are required to maintain collateral for deposits of public funds that exceed insurance limits as follows:

The market value of the collateral must equal five percent of the average daily balance of public funds or;

If the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

All collateral must be deposited with the Federal Reserve Bank, The Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

Cash and cash equivalents have original maturities of three months or less from the date of purchase. Investments are stated at cost, which approximates fair value.

At December 31, 2025 and 2024, the book values of the deposits of the Township consisted of the following:

	Book Balance	
	December 31, 2025	December 31, 2024
Cash (Demand Accounts)	\$ 34,609,201.12	\$ 30,529,171.16
Change Funds (On-Hand)	455.00	455.00
	\$ 34,609,656.12	\$ 30,529,626.16

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned. The government does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute and to deposit all of its funds in banks covered by FDIC and GUDPA. At least five percent of the Township's deposits were fully collateralized by funds held by the financial institution, but not in the name of the Township. Due to the nature of GUDPA, further information is not available regarding the full amount that is collateralized.

TOWNSHIP OF VERONA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

3. DEPOSITS (continued)

At December 31, 2025 and 2024 the Township had the following depository accounts. All deposits are carried at cost. \$101,295.23 and \$91,254.25 held in agency and payroll accounts for the years ended December 31, 2025 and 2024, respectively, are not covered by GUDPA.

<u>Depository Account</u>	Bank Balance	
	December 31, 2025	December 31, 2024
FDIC Insured	\$ 750,000.00	\$ 750,000.00
GUDPA Insured	35,521,577.61	29,679,670.74
Uninsured	101,295.23	91,254.25
	\$ 36,372,872.84	\$ 30,520,924.99

Investments

New Jersey statutes permit the Township to purchase the following types of securities:

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America. This includes instruments such as Treasury Bills, Notes and Bonds
- Government money market mutual funds.
- Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase and has a fixed rate of interest not dependent on any index or external factors.
- Bonds or other obligations of the local unit or school districts of which the local unit is a part.
- Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments.
- Local government investment pools, such as New Jersey CLASS, and the New Jersey Arbitrage Rebate Management Program.
- New Jersey State Cash Management Fund.
- Repurchase agreements of fully collateralized securities, subject to special conditions.

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

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3. When the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is based on the lowest priority level that is significant to the entire measurement. Investments consisted of one-year certificates of deposit, which are considered Level 2 Investments.

TOWNSHIP OF VERONA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

4. TAXES AND TAX TITLE LIENS RECEIVABLE

The following is a three-year comparison of certain statistical information related to property taxes and property tax collections:

Comparative Schedule of Tax Rates

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Tax Rate	<u>\$ 3.165</u>	<u>\$ 3.086</u>	<u>\$ 3.062</u>
Apportionment of Tax Rate:			
Municipal	\$ 0.791	\$ 0.770	\$ 0.750
Library	0.048	0.044	0.042
County	0.505	0.505	0.539
School	<u>1.821</u>	<u>1.767</u>	<u>1.731</u>

Assessed Valuations

<u>Year</u>	<u>Amount</u>
2025	\$ 2,404,312,800.00
2024	2,400,934,100.00
2023	2,395,699,200.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2025	\$ 76,191,765.20	\$ 75,660,917.07	99.30%
2024	74,119,332.68	73,614,599.01	99.32%
2023	73,554,641.23	72,955,990.86	99.19%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2025	\$ -	\$ 467,996.71	\$ 467,996.71	0.61%
2024	-	560,598.60	560,598.60	0.76%
2023	-	519,366.92	519,366.92	0.71%

TOWNSHIP OF VERONA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

5. PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

The value of property acquired by liquidation of tax title liens, based on the last assessed valuation of such properties in the year of acquisition, was as follows:

<u>Year</u>	<u>Amount</u>
2025	\$ 267,817.00
2024	267,817.00
2023	267,817.00

6. CONSUMER ACCOUNTS RECEIVABLE

The Township maintains a Utility fund for the billing and collection of water/sewer rents. The Township is divided into three sections for the purposes of billings which are done on a quarterly basis.

A comparison of Water/Sewer billings and collections for the past three years are as follows:

<u>Year</u>	<u>Billing</u>	<u>Collection*</u>
2025	\$ 8,541,365.76	\$ 8,683,679.07
2024	7,538,616.54	7,631,647.42
2023	6,775,368.75	7,054,962.86

*Collections of prior year balances are included in the above sum amounts.

7. SWIMMING POOL MEMBERSHIP FEES

A comparison of Swimming Pool Membership Fees for the past three years are as follows:

<u>Year</u>	<u>Collections</u>
2025	\$ 696,159.00
2024	649,060.00
2023	577,665.00

8. FUND BALANCES APPROPRIATED

<u>Year</u>	Current Fund		Water and Sewer Utility Operating Fund		Swimming Pool Utility Operating Fund	
	Balance	Utilized in	Balance	Utilized in	Balance	Utilized in
	<u>Dec. 31st</u>	Budget of Succeeding <u>Year</u>	<u>Dec. 31st</u>	Budget of Succeeding <u>Year</u>	<u>Dec. 31st</u>	Budget of Succeeding <u>Year</u>
2025	\$ 6,984,411.25	\$ 4,130,000.00	\$ 3,306,143.88	\$ 375,000.00	\$ 433,643.61	\$ 145,000.00
2024	7,482,253.23	4,000,000.00	2,061,678.63	375,000.00	519,534.11	200,000.00
2023	7,418,610.00	3,650,000.00	1,430,677.65	400,000.00	464,399.68	50,000.00

TOWNSHIP OF VERONA

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

9. PENSION PLANS

Public Employees' Retirement System

The Public Employees' Retirement System is a cost-sharing, multiple-employer defined benefit pension plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the PERS Plan are as follows:

Plan Membership and Contributing Employers- Substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency are enrolled in PERS, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or other jurisdiction's pension fund. Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2024:

	2024
Inactive plan members or beneficiaries	
currently receiving benefits	193,988
Inactive plan members entitled to	
but not yet receiving benefits	573
Active plan members	<u>244,324</u>
Total	<u><u>438,885</u></u>

Contributing Employers – 1,672 (as of June 30, 2024)

Significant Legislation – For State of New Jersey contributions to PERS, Chapter 1, P.L. 2010, effective May 21, 2010, required the State to resume making actuarially recommended contributions to the pension plan on a phased-in basis over a seven-year period beginning in the fiscal year ended June 30, 2012.

Chapter 19, P.L. 2009, effective March 17, 2009, provided an option for local employers of PERS to contribute 50.00% of the normal and accrued liability contribution amounts certified for payments due in State Fiscal Year 2009. Such an employer will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of PERS, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Pursuant to the provision of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of PERS.

For the year ended December 31, 2025, the Township's total payroll for all employees was \$9,825,521.00. Total PERS covered payroll was \$5,182,440.00. Covered payroll refers to pensionable compensation, rather than total compensation, paid by the Township to active employees covered by the Plan.

Specific Contribution Requirements and benefit provisions – The contribution policy is set by N.J.S.A 43:15 and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contributions is based on an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2025, the State's pension contribution was less than the actuarial determined amount.

TOWNSHIP OF VERONA

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

9. PENSION PLANS (continued)

Employers' contribution amounts are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. Township contributions are due and payable on April 1st in the second fiscal period subsequent to plan year for which the contribution requirements were calculated.

In accordance with Chapter 98, P.L. 2017, PERS receives 21.02% of the proceeds of the Lottery Enterprise for a period of 30 years. Revenues received from lottery proceeds are assumed to be contributed to the System on a monthly basis.

Township payments to PERS for the year ending December 31, 2025 consisted of the following:

	<u>2024</u>
Total Regular Billing	\$ <u>805,345.00</u>

The Township recognizes liabilities to PERS and records expenditures for same in the fiscal period that bills become due.

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

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible 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

A service retirement benefit 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, tiers 3 and 4 with 25 years or more 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 retirement age of his/her respective tier.

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

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – The regulatory basis of accounting which is basis for the preparation of the Township's basic financial statements does not require or permit the inclusion of entity-wide, full accrual basis financial statements. Accordingly, the Township does not recognize pension liabilities for any current or prior period until the fiscal period in which such payments will become due and payable.

TOWNSHIP OF VERONA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

9. PENSION PLANS (continued)

At June 30, 2024, the PERS reported a net pension liability of \$13,702,423,985.00 for its Non-State Employer Member Group. The Township's proportionate share of the net pension liability for the Non-State Employer Member Group that is attributable to the Township was \$8,042,031.00 or 0.0594580393%, which was a decrease of 0.0021274280% from its proportion measured as of June 30, 2023. The pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024.

At December 31, 2025, the Township's deferred outflows of resources and deferred inflows of resources related to PERS were from the following sources, if GASB Statement No. 68 was recognized:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 161,097.00	\$ 21,410.00
Changes in assumptions	9,991.00	91,500.00
Net difference between projected and actual earnings on pension plan investments		372,887.00
Changes in proportion and differences between Township contributions and proportionate share of contributions	172,254.00	701,242.00
Township contributions subsequent to the measurement date	805,345.00	
	<u>\$ 1,148,687.00</u>	<u>\$ 1,187,039.00</u>

\$805,345.00 is reflected above as deferred outflows of resources related to pensions resulting from Township contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense on the GAAP basis as follows:

<u>Year ended December 31,</u>	<u>Amount</u>
2025	\$ (471,777.00)
2026	152,622.00
2027	(352,587.00)
2028	(168,687.00)
2029	<u>(3,268.00)</u>
Total	<u>\$ (843,697.00)</u>

Actuarial Assumptions- The total collective pension liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>June 30, 2024</u>
Inflation Rate: Price	2.75%
Inflation Rate: Wage	3.25%
Salary Increases:	2.75 - 6.55%
Investment Rate of Return	based on years of service 7.00%

TOWNSHIP OF VERONA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

9. PENSION PLANS (continued)

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.20% adjustment for males and 101.40% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.40% adjustment for males and 99.70% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.70% adjustment for males and 117.20% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

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

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

Best estimates of arithmetic rates of return for each major asset allocation as of June 30, 2024 are summarized in the following table:

	2024	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	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%
US Treasuries	4.00%	3.57%
Risk Mitigation Strategies	<u>3.00%</u>	7.10%
	<u>100.00%</u>	

TOWNSHIP OF VERONA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

9. PENSION PLANS (continued)

Discount Rate – The discount rate used to measure the total pension liability as of June 30, 2024 was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100.00% of the actuarially determined contributions for the State employer and 100.00% of actuarially determined contributions for the local employers. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of Net Pension Liability – the following presents the net pension liability of PERS calculated using the discount rates as disclosed above as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
PERS	\$ 10,685,882.00	\$ 8,042,031.00	\$ 5,792,128.00

Plan Fiduciary Net Position – The plan fiduciary net position for PERS including the State of New Jersey at June 30, 2024 was \$37,740,650,902.00. The portion of the Plan Fiduciary Net Position that was allocable to the Local (Non-State) Group at June 30, 2023 was \$29,413,070,105.00.

Additional Information

Collective balances at June 30, 2024 are as follows:

Collective deferred outflows of resources	\$ 1,079,580,780.00
Collective deferred inflows of resources	1,611,322,898.00
Collective net pension liability - Local group	13,702,423,985.00
Township's Proportion	0.0591846024%

Collective Local Group pension expense for the Local Group for the measurement periods ended June 30, 2024 was \$372,160,096.00.

The average of the expected remaining service lives of all plan members is 5.08, 5.08, 5.04, 5.13, 5.16, and 5.21 years for 2024, 2023, 2022, 2021, 2020, and 2019, respectively.

State Contribution Payable Dates

Prior to July 1, 2028 valuation, it is assumed that the State will make pension contributions the June 30th following the valuation date. Effective with the July 1, 2018 valuation Chapter 83 P.L. 2017 requires the State to make pension contributions on a quarterly basis at least 25.00% by September 30, at least 50.00% by December 31, at least 75.00% by March 31, and at least 100.00% by June 30.

Special Funding Situation

A special funding situation exists for certain Local employers of the Public Employees’ Retirement System. The State of New Jersey, as a nonemployer, is required to pay the additional costs incurred by local employers under Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001.

TOWNSHIP OF VERONA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

9. PENSION PLANS (continued)

Unaudited data provided by the PERS indicates that the total nonemployer contributions made to the PERS by the State for the years ended June 30, 2024 was \$53,698,726.00. The portion of that contribution allocated to the Township was \$25,928.00 or 0.0594580393%. The State special funding situation represents the required contribution due from the State for the year. The Township's allocated shares of the special funding pension expense and related revenue for the year ended June 30, 2024 was \$25,928.00.

Police and Firemen's Retirement System

The Police and Firemen's Retirement System is a cost-sharing, multiple employer defined benefit pension plan as defined in *GASB Statement No. 68*. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the PFRS Plan are as follows:

Plan Membership and Contributing Employers - Substantially all full-time county and municipal police and firemen and state firemen or officer employees with police powers appointed after June 30, 1944 are enrolled in PFRS Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2024:

	2024
Inactive plan members or beneficiaries currently receiving benefits	50,109
Inactive plan members entitled to but not yet receiving benefits	66
Active plan members	39,556
Non-contributing active members	1,895
Total	91,626

Contributing Employers – 574 (as of June 30, 2024)

Significant Legislation – For State of New Jersey contributions to PFRS, Chapter 1, P.L. 2010, effective May 21, 2010, required the State to resume making actuarially recommended contributions to the pension plan on a phased-in basis over a seven-year period beginning in the fiscal year ended June 30, 2012.

In accordance with Chapter 98, P.L. 2017, PERS receives 1.20% of the proceeds of the Lottery Enterprise for a period of 30 years. Revenues received from lottery proceeds are assumed to be contributed to the System monthly.

Consistent with Chapter 83, P.L. 2016, it is assumed that the State will make pension contributions in equal amounts at the end of each quarter. It is assumed the Local employers' contributions are expected to be received on April 1st, 21 months after the associated valuation date.

Pursuant to the provision of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of PFRS.

For the year ended December 31, 2025, the Township's total payroll for all employees was \$9,825,521.00. Total PFRS covered payroll was \$5,182,440.00. Covered payroll refers to pensionable compensation, rather than total compensation, paid by the Township to active employees covered by the Plan.

TOWNSHIP OF VERONA

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

9. PENSION PLANS (continued)

Specific Contribution Requirements and benefit provisions – The contribution policy is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contributions rate increased from 8.50% of pensionable compensation to 10.00% in October 2011. Employer contribution amounts are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. Township contributions are due and payable on April 1st in the second fiscal period subsequent to plan year for which the contribution requirements were calculated.

Township payments to PFRS for the year ending December 31, 2025 consisted of the following:

	2024
Total Regular Billing	<u>\$ 1,446,376.00</u>

The Township recognizes liabilities to PFRS and records expenditures for same in the fiscal period that bills become due.

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

The following represents the membership tiers for PFRS:

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

Service retirement benefits are available at age 55 and are generally determined to be 2.00% of final compensation for each year of creditable service, as defined, up to 30 years plus 1.00% 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 65.00% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1.00% 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 2.00% of final compensation for each year of service.

TOWNSHIP OF VERONA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

9. PENSION PLANS (continued)

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – The regulatory-basis of accounting which is basis for the preparation of the Township’s basic financial statements does not require or permit the inclusion of entity-wide, full accrual basis financial statements. Accordingly, the Township does not recognize pension liabilities for any current or prior period until the fiscal period in which such payments will become due and payable.

At June 30, 2024, the PFRS reported a net pension liability of \$12,362,466,447.00 for its Non-State, Non-Special Funding Situation Employer Member Group. The Township’s proportionate share of the net pension liability for the Non-State Non-Special Funding Situation Employer Member Group was \$10,797,947.00, or 0.1045642800% which was a decrease of 0.0006673000% from its proportion measured as of June 30, 2023. The pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024.

At December 31, 2024, the Township's deferred outflows of resources and deferred inflows of resources related to PFRS were from the following sources, if GASB Statement No. 68 was recognized:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 680,262.00	\$ 369,661.00
Changes in assumptions	17,070.00	317,118.00
Net difference between projected and actual earnings on pension plan investments		84,514.00
Changes in proportion and differences between Township contributions and proportionate share of contributions	558,875.00	312,552.00
Township contributions subsequent to the measurement date	1,446,376.00	
	<u>\$ 2,702,583.00</u>	<u>\$ 1,083,845.00</u>

\$1,446,376.00 is reflected above as deferred outflows of resources related to pensions resulting from Township contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense on the GAAP basis as follows:

Year ended	Amount
<u>December 31,</u>	
2025	\$ (288,273.00)
2026	577,199.00
2027	(104,755.00)
2028	(64,836.00)
2029	48,882.00
2030	4,145.00
Total	<u>\$ 172,362.00</u>

TOWNSHIP OF VERONA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

9. PENSION PLANS (continued)

Actuarial Assumptions- The total collective pension liability in the June 30, 2024 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

	June 30, 2024
Inflation Rate: Price	2.75%
Inflation Rate: Wage	3.25%
Salary Increases:	3.25% - 16.25%
	based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee amount-weighted mortality rate (sex-specific) projected generationally from 2010 with Scale MP-2021 mortality projection. For healthy annuitants, mortality rates were based on the Pub-2010 Safety Retiree Below Median amount-weighted mortality table (sex-specific), projected generationally from 2010 with Scale MP-2021 mortality projection. Disability rates were 144.00% of the Pub- 2010 Safety Disabled Retiree amount-weighted mortality table for males and 100.00% of the Pub-2010 Safety Disabled Retiree amount-weighted mortality table for females, projected generationally from 2010 with Scale MP-2021 mortality projection.

2024		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	24.00%	6.90%
US Small/Mid Cap Equity	4.00%	7.40%
Non-US Developed Large-Cap Equity	9.50%	6.70%
Non-US Developed Small-Cap Equity	2.00%	7.50%
Emerging Markets Large-Cap Equity	6.00%	9.60%
Emerging Markets Small-Cap Equity	1.50%	9.60%
US Treasury Bond	7.00%	4.10%
US Corporate Bond	5.00%	5.90%
US Mortgage-Backed Securities	5.00%	4.40%
Global Multisector Fixed Income	6.00%	6.50%
Cash	2.00%	3.40%
Real Estate Core	3.00%	5.10%
Real Estate Non-Core	4.00%	6.50%
Infrastructure	3.00%	7.00%
Private Debt/Credit	8.00%	9.10%
Private Equity	10.00%	10.10%
	<u>100.00%</u>	

TOWNSHIP OF VERONA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

9. PENSION PLANS (continued)

Discount Rate – The discount rates used to measure the total pension liability as of June 30, 2024 was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100.00% of the actuarially determined contributions for the State employer and 100.00% of actuarially determined contributions for the local employers. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of Net Pension Liability – the following presents the net pension liability of PFRS calculated using the discount rates as disclosed above as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
PFRS	\$ 15,427,864.00	\$ 10,797,947.00	\$ 6,942,241.00

Plan Fiduciary Net Position – The plan fiduciary net position for PFRS at June 30, 2024 was \$34,856,333,876.00

Additional Information

Collective balances at June 30, 2024 are as follows:

Collective deferred outflows of resources	\$ 1,350,388,724.00
Collective deferred inflows of resources	1,421,121,200.00
Collective net pension liability - Local group	12,362,466,447.00
Township’s Proportion	0.1045642800%

Collective pension expense for the Local Group for the measurement periods ended June 30, 2024 and \$775,608,387.00. The average of the expected remaining service lives of all plan members is 6.09, 6.16, 6.22, 6.17, 5.90, and 5.92 years for 2024, 2023, 2022, 2021, 2020, and 2019, respectively.

State Contribution Payable Dates

Chapter 83, P.L. 2016 requires the State to make pension contributions on a quarterly basis: at least 25.00% by September 30, at least 50.00% by December 31, at least 75.00% by March 31, and at least 100.00% by June 30. As such, contributions are assumed to be made on a quarterly basis.

Local employer’s contributions are expected to be paid on April 1st, 21 months after the associated valuation date.

Special Funding Situation

The Township is responsible for the actuarially determined annual contributions to the PFRS, except where legislation was passed that legally obligates the State if certain circumstances occur. A special funding situation exists for the Local employers of the PFRS. The State of New Jersey, as a non-employer, is required to pay the additional costs incurred by Local employers based upon the provisions of several legislative actions. The provisions of GASB Statement No. 68 define this relationship as a “special funding situation”, and the State of New Jersey is defined as a non-employer contributing entity.

TOWNSHIP OF VERONA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2025 AND 2024

9. PENSION PLANS (continued)

Unaudited data provided by the PFRS indicates that the total Non-employer contributions made to the PFRS by the State for the years ended June 30, 2024 was \$234,210,000.00. The portion of that contribution allocated to the Township in 2024 was \$244,900.00 or 0.1045642800%. The June 30, 2024 State special funding situation pension expense of \$234,210,235.00 was actuarially determined and represents the required contribution due from the State for the year. The special funding situation net pension liability under the special funding situation was reported at \$2,035,866,994.00, of which \$2,128,792.00 is allocable to the Township, at June 30, 2024 and represents the accumulated difference between the actuarially determined annual contributions required and the actual State contributions through the valuation date.

Defined Contribution Retirement Plan

DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. Prudential is acting on behalf of the NJ Division of Pensions and Benefits as the record keeper and investment funds manager. Chapter 1, P.L. 2010 increased the minimum annual salary required for eligibility in the DCRP. An employee must earn an annual salary of at least \$5,000.00 to be eligible or to continue participation.

The Defined Contribution Retirement Plan (DCRP) is a multiple employer defined contribution plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the DCRP are as follows:

Plan Membership and Contributing Employers- Enrollment in the DCRP is required for state or local officials, elected or appointed on or after July 1, 2007; employees enrolled in PFRS or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PFRS or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in PFRS or PERS after May 21, 2010, who do not work the minimum number of hours per week required for tier 4 or tier 5 enrollment, but who earn salary of at least \$5,000.00 annually.

Contribution Requirement and Benefit Provisions - State and local government employers contribute 3.00% of the employees' base salary. Active members contribute 5.50% of base salary. Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non-forfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non-forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

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 based on 7.50% for PERS, 10.00% for PFRS and 5.50% for DCRP of employees' base wages.

TOWNSHIP OF VERONA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

10. TOWNSHIP - OTHER POST-EMPLOYMENT (RETIREMENT) BENEFITS (OPEB)-OTHER THAN PENSIONS

The Township has a defined benefit post-retirement Employee Health Benefits Program authorized pursuant to ordinance(s) to provide medical benefits to retired employees. The Township joined the Bergen Municipal Employee Benefits Fund (BMED) as a cost-effective source for providing quality health benefits to their employees. The Township provides medical insurance to all regular permanent full-time employees upon their successful retirement.

This valuation covers only administrative employees of the Township and their dependents. Operations employees are covered under the New Jersey State Health Benefits Plan at retirement and their actuarial obligations are measured and included as part of that plan.

The net OPEB liability at December 31, 2025 and 2024 was \$41,607,235.00 and \$44,671,677.00 respectively.

Net OPEB Liability, January 1, 2024	\$	44,671,677.00
Service Cost		253,598.00
Interest		1,805,610.00
Difference Between Expected and Actual Experience		
Change in Assumptions		(3,783,390.00)
Benefit Payments		<u>(1,340,260.00)</u>
Net OPEB Liability, December 31, 2025	\$	<u><u>41,607,235.00</u></u>

The OPEB liability above in the amount of \$41,607,235.00 consisted of \$16,615,283.00 for active members and \$24,991,952.00 in retirees. This net OPEB liability was calculated using a discount rate of 4.83% per annum and the plan provisions in effect on December 31, 2025. There are no plan assets to offset the liability. The GASB 75 OPEB expense as of December 31, 2025 is \$1,860,323.00, based upon a discount rate of 4.83%, per annum and the plan provisions in effect on December 31, 2025.

The annual discount rate was based on the December 31, 2024 Bond Buyer 20 Index. Preretirement mortality rates were based on the PUB 2010 "General classification headcount weighted mortality with generational improvement using Scale MP-2021. The medical costs aging factor was based on the NJ SHBP Medical Morbidity rates. Other actuarial assumptions included CPI increase of 2.50%, salary increases of 2.50%, and assumed retirement age.

TOWNSHIP OF VERONA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

10. TOWNSHIP - OTHER POST-EMPLOYMENT (RETIREMENT) BENEFITS (OPEB) - OTHER THAN PENSIONS (continued)

The following represents sensitivity of the Township's net OPEB liability to changes in the discount rate currently 4.83% in 2025.

	1% Decrease (3.83%)	At Current Discount Rate (4.83%)	1% Increase (5.83%)
Net OPEB Liability	\$46,985,693.00	\$ 41,607,235.00	\$ 37,219,597.00

The following represents sensitivity of the Township's net OPEB liability to changes in the medical trend rates currently 7.50-10.00% in 2025:

	1% Decrease	Health Care Trend Rates	1% Increase
Net OPEB Liability	\$34,251,876.00	\$ 41,607,235.00	\$ 50,917,683.00

The valuation has been conducted as of December 31, 2025, based upon census, plan design and cost information provided by the Fund. Census includes 91 retirees and spouses currently receiving retiree benefits, and 41 active participants of whom 17 are eligible to retire as of the valuation date. The average age of the active population is 42 and the average age of the retired population is 69.

New Jersey Chapter 78 requires that certain future retirees contribute toward the cost of their benefits. Specifically, those who had retired prior to passage of Chapter 78 and those employees that had more than 25 years of service on the date of passage are grandfathered. All others are subject to the contribution rates in effect when they retire, but not less than 1.50% of their annual retirement allowance from the Public Employees' Retirement System. For purposes of this valuation and for conservatism, it is assumed that future retiree contributions percentage rates will not increase. Thus, it is assumed that a future retiree will contribute his/her current contribution as reported by the Township increased annually by the rate of the medical trend. For the year ended December 31, 2025 employer contributions for retiree benefits as reported by the Township were \$1,699,140.25.

TOWNSHIP OF VERONA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

11. MUNICIPAL DEBT

The Local Bond Law governs the issuance of bonds and notes to finance general capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within 10 years and 5 months or retired by the issuance of bonds.

The Township's debt as of December 31, 2025 and 2024 is summarized as follows:

Summary of Municipal Debt (Excluding Current and Operating Debt)

	<u>2025</u>	<u>2024</u>
<u>Issued</u>		
General Capital:		
Bonds, Notes and Loans	\$ 45,254,956.59	\$ 44,389,367.45
Water/Sewer Utility Capital:		
Bonds, Notes and Loans	4,686,500.00	6,160,841.00
Swimming Pool Utility Capital:		
Bonds and Notes	2,186,000.00	1,811,700.00
	52,127,456.59	52,361,908.45
Less:		
Reserve to Pay Debt Service:		
General	1,149.73	1,149.73
Excess Bond Anticipation Note Proceeds	148,000.07	148,000.07
	149,149.80	149,149.80
Net Debt Issued	51,978,306.79	52,212,758.65
<u>Authorized but Not Issued</u>		
General Capital:		
Bonds and Notes	10,337,099.02	4,632,156.03
Water/Sewer Utility Capital:		
Bonds and Notes	14,221,298.00	18,518,159.00
Swimming Pool Utility Capital:		
Bonds and Notes		558,000.00
Total Authorized but Not Issued	24,558,397.02	23,708,315.03
Net Bonds and Notes Issued and Authorized but Not Issued	\$ 76,536,703.81	\$ 75,921,073.68

TOWNSHIP OF VERONA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

11. MUNICIPAL DEBT (continued)

The summarized statement of debt condition that follows is extracted from the Township's Annual Debt Statement and indicates a statutory net debt of 1.623% at December 31, 2025:

	<u>Gross Debt</u>	<u>Deduction</u>	<u>Net Debt</u>
Local School District	\$ 39,885,000.00	\$ 39,885,000.00	
Utility Debt	21,093,798.00	21,093,798.00	
General Debt	55,592,055.61	149,149.80	\$ 55,442,905.81
	\$ 116,570,853.61	\$ 61,127,947.80	\$ 55,442,905.81

Net debt, \$55,442,905.81 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$3,425,125,291.00 equals 1.619%.

Summary of Statutory Debt Condition - Annual Debt Statement Borrowing Power Under N.J.S.A. 40A:2-6 as Amended

3 ½% of Equalized Valuation Basis	\$ 119,879,385.19
Net Debt	55,442,905.81
Remaining Borrowing Power	\$ 64,436,479.38

School Debt Deductions

School debt is deductible up to the extent of 4.00% of the Average Equalized Assessed Valuations of real property for the Local District.

Calculation of "Self-Liquidating Purposes" Water/Sewer Utility per N.J.S.A. 40A:2-45

Surplus and Cash Receipts from Fees, Rent or Other Charges for Year		\$ 9,426,582.51
Deductions:		
Operating and Maintenance Costs	\$ 7,250,500.00	
Debt Service per Water/Sewer Utility	582,723.16	
		7,833,223.16
Excess in Revenue		\$ 1,593,359.35

As there is an excess in revenue, all Water and Sewer Utility Debt is deductible for Debt Statement purposes.

TOWNSHIP OF VERONA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

11. MUNICIPAL DEBT (continued)

Calculation of “Self-Liquidating Purposes” Swimming Pool Utility Per N.J.S.A. 40A:2-45

Surplus and Cash Receipts from Fees, Rent or Other Charges for Year		\$ 1,095,851.95
Deductions:		
Operating and Maintenance Costs	\$ 709,350.00	
Debt Service per Swimming Pool Utility Operating Fund	268,091.01	
		977,441.01
Excess in Revenue		\$ 118,410.94

As there is an excess in revenue, all Swimming Pool Utility Debt is deductible for Debt Statement purposes.

The foregoing debt information is materially in agreement with the Annual Debt Statement as filed by the Chief Financial Officer.

General Capital Improvement Bonds

As of December 31, 2025 and 2024, Township's long-term debt is as follows:

	2025	2024
<u>General Obligation Bonds</u>		
\$6,558,000.00, 2013 Bonds due in annual installments of \$500,000.00 to \$528,000.00 through July 2027, at an interest rate of 3.00%	\$ 1,028,000.00	\$ 1,528,000.00
\$14,355,000.00, 2017 Bonds due in annual installments of \$965,000.00 to \$1,060,000.00 through February 2033, interest rate of 3.00%	8,270,000.00	9,210,000.00
\$3,520,000.00, 2023 Bonds due in annual installments of \$290,000.00 to \$370,000.00 through March 2034, interest rate of 4.00%	2,960,000.00	3,245,000.00
\$3,520,000.00, 2023 Bonds due in annual installments of \$300,000.00 to \$600,000.00 through March 2053, interest rate of 4.00% to 5.00%	11,590,000.00	11,890,000.00
	\$ 23,848,000.00	\$ 25,873,000.00
<u>Water and Sewer Utility Bonds</u>		
\$2,043,000.00, 2013 Bonds due in annual installments of \$118,000.00 to \$150,000.00 through July 2028, at an interest rate of 3.00%	\$ 418,000.00	\$ 568,000.00
\$1,505,000.00 2017 Bonds due in annual installments of \$110,000.00 to \$130,000.00 through February 2031, interest rate of 3.00%	715,000.00	820,000.00
\$2,090,000.00 2023 Bonds due in annual installments of \$85,000.00 to \$145,000.00 through March 2043, interest rates of 3.13% to 4.00%	1,935,000.00	2,015,000.00
	\$ 3,068,000.00	\$ 3,403,000.00
<u>Swimming Pool Utility Bonds</u>		
\$1,379,000.00, 2013 Bonds due in annual installments of \$124,000.00 through July 2026, at an interest rate of of 3.00%	\$ 124,000.00	\$ 254,000.00
\$171,000.00, 2017 Bonds due in annual installments of \$15,000.00 through February 2030, at an interest rate of 3.00%	75,000.00	90,000.00
	\$ 199,000.00	\$ 344,000.00

TOWNSHIP OF VERONA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

11. MUNICIPAL DEBT (continued)

Changes in Long-Term Municipal Debt

The Township's long-term debt activity for December 31, 2025 and 2024 is as follows:

	Balance, December 31, 2024	Reductions	Balance, December 31, 2025
Bonds Payable			
General Capital Fund	\$ 25,873,000.00	\$ 2,025,000.00	\$ 23,848,000.00
Water and Sewer Utility Capital Fund	3,403,000.00	335,000.00	3,068,000.00
Swimming Pool Utility Capital Fund	344,000.00	145,000.00	199,000.00
Total Bonds Payable	29,620,000.00	2,505,000.00	27,115,000.00
Green Acres Loan Payable			
General Capital Fund	294,517.45	116,840.86	177,676.59
Total Long-Term Debt	\$ 29,914,517.45	\$ 2,621,840.86	\$ 27,292,676.59
	Balance, December 31, 2023	Reductions	Balance, December 31, 2024
Bonds Payable			
General Capital Fund	\$ 27,868,000.00	\$ 1,995,000.00	\$ 25,873,000.00
Water and Sewer Utility Capital Fund	3,733,000.00	330,000.00	3,403,000.00
Swimming Pool Utility Capital Fund	489,000.00	145,000.00	344,000.00
Total Bonds Payable	32,090,000.00	2,470,000.00	29,620,000.00
Green Acres Loan Payable			
General Capital Fund	409,056.09	114,538.64	294,517.45
Environmental Infrastructure Loans Payable			
Water and Sewer Utility Capital Fund	97,240.09	97,240.09	
Total Long-Term Debt	\$ 32,596,296.18	\$ 2,681,778.73	\$ 29,914,517.45

TOWNSHIP OF VERONA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

11. MUNICIPAL DEBT (continued)

A schedule of annual debt service for future principal and interest for bonded debt is as follows:

	Balance, December 31, 2024	Additions	Reductions	Balance December 31, 2025
Bond Anticipation Notes				
General Capital Fund	\$ 18,221,850.00	\$ 21,229,280.00	\$ 18,221,850.00	\$ 21,229,280.00
Water/Sewer Utility Capital Fund	1,184,000.00	1,673,500.00	1,239,000.00	1,618,500.00
Swimming Pool Utility Capital Fund	1,467,700.00	1,987,000.00	1,467,700.00	1,987,000.00
Total	\$ 20,873,550.00	\$ 24,889,780.00	\$ 20,928,550.00	\$ 24,834,780.00
	Balance, December 31, 2023	Additions	Reductions	Balance December 31, 2024
Bond Anticipation Notes				
General Capital Fund	\$ 13,790,200.00	\$ 18,221,850.00	\$ 13,790,200.00	\$ 18,221,850.00
Water/Sewer Utility Capital Fund	1,500,000.00	1,184,000.00	1,500,000.00	1,184,000.00
Swimming Pool Utility Capital Fund	1,580,700.00	1,467,700.00	1,580,700.00	1,467,700.00
Total	\$ 16,870,900.00	\$ 20,873,550.00	\$ 16,870,900	\$ 20,873,550.00

TOWNSHIP OF VERONA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

11. MUNICIPAL DEBT (continued)

Bond Anticipation Notes

As of December 31, 2025 and 2024 Township's bond anticipation notes payable were as follows:

Bonds and Notes Authorized but Not Issued

There were Bonds and Notes Authorized but Not Issued in the following amounts:

	<u>Balance Dec. 31, 2025</u>	<u>Balance Dec. 31, 2024</u>
General Capital Fund:		
General Improvements	<u>\$ 10,337,099.02</u>	<u>\$ 4,632,156.03</u>
Water/Sewer Utility Capital Fund:		
General Improvements	<u>\$ 14,221,298.00</u>	<u>\$ 18,518,159.00</u>
Swimming Pool Utility Capital Fund:		
General Improvements	<u>\$ -</u>	<u>\$ 558,000.00</u>

12. INTERFUND RECEIVABLES AND PAYABLES

As of December 31, 2025 and 2024, interfund receivables and payables that resulted from various interfund transactions were as follows:

<u>Fund</u>	2025		2024	
	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Current Fund	\$ 2,059.28	\$ 233,112.45	\$ 233,825.56	\$ 162,568.81
Federal and State Grant Fund	233,112.45		162,568.81	
General Trust Fund				226,548.96
Animal Trust Fund		2,059.28		7,276.60
Water/Sewer Capital Fund				200,000.00
Water Operating Fund			200,000.00	
Swimming Pool Operating Fund			700.00	
Swimming Pool Capital Fund				700.00
	<u>\$ 235,171.73</u>	<u>\$ 235,171.73</u>	<u>\$ 597,094.37</u>	<u>\$ 597,094.37</u>

TOWNSHIP OF VERONA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

13. DEFERRED SCHOOL TAX

The Local School District Tax was raised on the school year basis and liability deferred by statute, resulting in school tax payable set forth in liabilities computed as follows:

	Balance December 31, <u>2025</u>	Balance December 31, <u>2024</u>	<u>Increase</u>
*Balance of Tax	\$ 17,919,437.91	\$ 17,184,244.66	\$ 735,193.25
Amount of Deferred	<u>9,234,270.26</u>	<u>9,234,270.26</u>	
Total Payable (Cash Liability)	<u><u>\$ 8,685,167.65</u></u>	<u><u>\$ 7,949,974.40</u></u>	<u><u>\$ 735,193.25</u></u>

	Balance December 31, <u>2024</u>	Balance December 31, <u>2023</u>	<u>Decrease</u>
*Balance of Tax	\$ 17,184,244.66	\$ 16,638,814.91	\$ 545,429.75
Amount of Deferred	<u>9,234,270.26</u>	<u>9,234,270.26</u>	
Total Payable (Cash Liability)	<u><u>\$ 7,949,974.40</u></u>	<u><u>\$ 7,404,544.65</u></u>	<u><u>\$ 545,429.75</u></u>

*Required for school operations for the six-month period following December 31st.

14. RISK MANAGEMENT

The Township is a member of the North Jersey Intergovernmental Insurance Fund for various insurance coverages.

15. CONTINGENT LIABILITIES

a. Compensated Absences

The Township permits its employees to accrue unused vacation and sick pay, which may be taken as compensatory time off or paid at a later date, at an agreed upon rate. It is estimated that the sum of \$1,877,101.67 and \$1,731,464.29, is due and payable to employees and officials of the Township as of December 31, 2025 and 2024, respectively upon their retirements or other separations. This amount was not verified by audit.

The Township has set aside a reserve of \$312,558.50 and \$382,184.90 in the General Trust Fund to fund a portion of the liability for the years ended December 31, 2025 and 2024, respectively.

b. Tax Appeals

At December 31, 2025, the Township Attorney indicated that there were numerous State Tax Appeals pending before the New Jersey Tax Court and Essex County Tax Board matters.

Judgments, adverse to the Township, would apply to the year of appeal plus at least two subsequent years. Refunds or tax credits, including statutory interest thereon, would be chargeable to operations or future budget appropriations.

County taxes paid on the reductions in assessed valuations are subject to credits against County Tax Levy of the year subsequent to the year in which appeals were adjudicated.

TOWNSHIP OF VERONA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

15. CONTINGENT LIABILITIES (continued)

c. Federal Awards and State Financial Assistance

The Township participates in several Federal and State grant programs which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the Township has not complied with the rules and regulations governing the grant, refunds of any money received may be required and the collectability of any related receivable at December 31, 2025 may be impaired. In the opinion of management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying statutory basis financial statements for such contingencies.

d. Litigation

The Township is involved in claims incidental to its operation which has been referred to and are being handled by the Township's liability insurance carrier. No claims are in excess of insurance coverage limits.

16. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

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

	Balance December 31, 2025	Amount to be Raised in 2026	Balance to be Raised in Succeeding Years
<u>Current Fund:</u>			
COVID-19 Special Emergency	\$ 71,386.98	\$ 71,386.98	\$ -
<u>Swimming Pool Utility Fund:</u>			
COVID-19 Special Emergency	60,000.00	60,000.00	-

The COVID-19 special emergency declared was raised to cover anticipated revenue deficits in both the current fund and the swimming pool utility funds as a direct result of the expected revenue losses impacted by the global pandemic, COVID-19. One fifth of these deferred charges will be raised in the Township's pool utility fund 2022-2026 budgets.

17. GASB 77 TAX ABATEMENTS

The Township has entered into several property tax abatement agreements in order to provide incentives to redevelop areas that are in need for improvement or to create economic growth. These agreements are authorized under various New Jersey state statutes. The following represent the Township's most significant tax abatement agreements:

Entity Name	Commencement Date	Termination Date	Pilot Billing	Taxes If Billed In Full	Abated Taxes
Hilltop Pilot 1	March 28, 2007	March 28, 2041	\$ 478,419.55	\$ 573,488.51	\$ 95,068.96
Hilltop Pilot 2	August 11, 2011	August 11, 2045	525,100.16	839,535.24	314,435.08
Children's Institute	August 6, 1996	Not Available	18,505.00	300,969.35	282,464.35
Verona Place Urban Renewal	July 16, 2015	July 16, 2050	251,766.54	725,639.55	473,873.01
Verona Urban Renewal Housing	September 10, 2015	Not Available	54,685.80	144,928.52	90,242.72
Annin Lofts	Not Available	Not Available	375,688.63	899,651.25	523,962.62
Total			\$1,704,165.68	\$3,484,212.42	\$1,780,046.74

TOWNSHIP OF VERONA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

18. FIXED ASSETS

The following is a summary of changes in the General Fixed Assets account group as of December 31, 2025 and 2024:

General Fixed Assets

	Balance December 31, <u>2024</u>	<u>Additions</u>	<u>Reductions</u>	Balance December 31, <u>2025</u>
Land, Buildings and Site Improvements	\$ 48,209,480.48			\$ 48,209,480.48
Fixed and Movable Equipment	<u>13,053,138.00</u>	<u>\$ 381,483.68</u>	<u>\$ 280,472.00</u>	<u>13,154,149.68</u>
	<u>\$ 61,262,618.48</u>	<u>\$ 381,483.68</u>	<u>\$ 280,472.00</u>	<u>\$ 61,363,630.16</u>
	Balance December 31, <u>2023</u>	<u>Additions</u>	<u>Reductions</u>	Balance December 31, <u>2024</u>
Land, Buildings and Site Improvements	\$ 48,209,480.48			\$ 48,209,480.48
Fixed and Movable Equipment	<u>12,530,537.48</u>	<u>\$ 522,600.52</u>	<u>\$ -</u>	<u>13,053,138.00</u>
	<u>\$ 61,262,618.48</u>	<u>\$ 522,600.52</u>	<u>\$ -</u>	<u>\$ 61,262,618.48</u>

The following is a summary of changes in the Water and Sewer Utility Fund Fixed Assets as of December 31, 2025 and 2024:

Water and Sewer Utility Fund

Water and Sewer Fund

	Balance December 31, <u>2024</u>	<u>Additions</u>	<u>Reductions</u>	Balance December 31, <u>2025</u>
Land and Site Improvements	<u>\$ 49,235,167.59</u>	<u>\$ 1,290,544.52</u>		<u>\$ 50,525,712.11</u>
Fixed Capital Authorized and Uncompleted	<u>\$ 22,117,701.40</u>	<u>\$ 1,082,200.00</u>	<u>\$ 3,291,725.41</u>	<u>\$ 19,908,175.99</u>
	Balance December 31, <u>2023</u>	<u>Additions</u>	<u>Reductions</u>	Balance December 31, <u>2024</u>
Land and Site Improvements	<u>\$ 46,660,364.03</u>	<u>\$ 2,574,803.56</u>		<u>\$ 49,235,167.59</u>
Fixed Capital Authorized and Uncompleted	<u>\$ 16,052,795.10</u>	<u>\$ 8,726,000.00</u>	<u>\$ 2,661,093.70</u>	<u>\$ 22,117,701.40</u>

TOWNSHIP OF VERONA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

18. FIXED ASSETS (continued)

The following is a summary of changes in the Swimming Pool Utility Fund Fixed Assets as of December 31, 2025 and 2024:

Swimming Pool Utility Fixed Assets

	Balance December 31, <u>2024</u>	<u>Additions</u>	<u>Reductions</u>	Balance December 31, <u>2025</u>
Land and Site Improvements	\$ 6,025,244.43	\$ 267,376.92		\$ 6,292,621.35
Buildings and Building Improvements	<u>523,415.09</u>			<u>523,415.09</u>
	<u>\$ 6,548,659.52</u>	<u>\$ 267,376.92</u>	<u>\$ -</u>	<u>\$ 6,816,036.44</u>
Fixed Capital Authorized and Uncompleted	<u>\$ 605,000.00</u>	<u>\$ 27,500.00</u>	<u>\$ 282,500.00</u>	<u>\$ 350,000.00</u>
	Balance December 31, <u>2023</u>	<u>Additions</u>	<u>Reductions</u>	Balance December 31, <u>2024</u>
Land and Site Improvements	\$ 5,317,244.43	\$ 783,000.00	\$ 75,000.00	\$ 6,025,244.43
Buildings and Building Improvements	<u>523,415.09</u>			<u>523,415.09</u>
	<u>\$ 5,840,659.52</u>	<u>\$ 783,000.00</u>	<u>\$ 75,000.00</u>	<u>\$ 6,548,659.52</u>
Fixed Capital Authorized and Uncompleted	<u>\$ 803,000.00</u>	<u>\$ 585,000.00</u>	<u>\$ 783,000.00</u>	<u>\$ 605,000.00</u>

19. SUBSEQUENT EVENTS

The Township has evaluated subsequent events occurring after December 31, 2025 through the date of June 25, 2026, which is the date the financial statements were available to be issued. Based on this evaluation, the Township has determined the following subsequent events have occurred which require disclosure in the financial statements:

On February 25, 2026, the Township issued \$14,020,357.00 of bond anticipation notes, consisting of \$13,117,857.00 general improvement bond anticipation notes and \$902,500.00 water and sewer utility bond anticipation notes, at an interest rate of 3.50.

On February 25, 2026, the Township issued \$9,304,000.00 of general obligation bonds, consisting of \$5,928,000 general improvements bonds, \$1,548,000 water and sewer utility bonds, and \$1,828,000.00 pool utility bonds, at interest rates ranging from 1.00% to 4.00%.

TOWNSHIP OF VERONA
ESSEX COUNTY, NEW JERSEY

PART II
SUPPLEMENTARY INFORMATION

TOWNSHIP OF VERONA
CURRENT FUND

A-4

CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED DECEMBER 31, 2025

	<u>Ref.</u>	<u>Regular Fund</u>
Balance, December 31, 2024	A	\$ 18,196,136.11
Increased by:		
Miscellaneous Revenues Not Anticipated	A-2d	\$ 68,007.66
Petty Cash Fund Returned	A-7	400.00
Due from State of New Jersey - Senior Citizens' and Veterans' Tax Deductions	A-8	44,841.58
Taxes Receivable	A-9	75,803,561.19
Revenue Accounts Receivable	A-11	5,676,002.98
Accounts Payable	A-19	43,315.47
Budget Appropriation Refunds	A-3	2,043,487.94
Appropriation Reserves Refunds	A-14	60,192.14
Due to State of New Jersey	A-16	22,695.00
Interfunds Receivable	A-13	524,359.91
Prepaid Taxes	A-20	453,482.19
		<u>84,740,346.06</u>
		102,936,482.17
Decreased by:		
Disbursements	A-5	<u>84,387,079.11</u>
Balance, December 31, 2025	A	<u>\$ 18,549,403.06</u>

TOWNSHIP OF VERONA
CURRENT FUND

CASH DISBURSEMENTS - COLLECTOR - TREASURER
YEAR ENDED DECEMBER 31, 2025

A-5

	<u>Ref.</u>	
Budget Appropriations	A-3	\$ 27,133,558.30
Petty Cash Funds	A-7	400.00
Appropriation Reserves	A-14	956,564.47
Due to State of New Jersey	A-16	22,545.00
Local School District Tax	A-17	43,041,070.75
County Taxes	A-18	12,144,650.49
Accounts Payable	A-19	147,377.46
Interfunds Payable - Current Fund	A-13	219,990.71
Municipal Open Space Taxes	A-22	<u>720,921.93</u>
	A-4	<u>\$ 84,387,079.11</u>

TOWNSHIP OF VERONA
CURRENT FUND

CHANGE FUNDS
YEAR ENDED DECEMBER 31, 2025

A-6

	<u>Ref.</u>	
Balance, December 31, 2025 and 2024	A	<u>\$ 325.00</u>
 <u>Analysis of Balance</u>		
Tax Collector		\$ 75.00
Library		75.00
Recreation		50.00
Clerk		25.00
Construction Code Official		50.00
Public Works		<u>50.00</u>
	A	<u>\$ 325.00</u>

PETTY CASH FUNDS
YEAR ENDED DECEMBER 31, 2025

A-7

	<u>Ref.</u>	
Balance, December 31, 2024		\$ -
 Increased by:		
Petty Cash Funds Advanced:		
Administration		\$ 200.00
Pool Utility		100.00
Library		
Recreation		<u>100.00</u>
	A-5	\$ 400.00
 Decreased by:		
Petty Cash Funds Returned	A-4	<u>400.00</u>
Balance, December 31, 2025		<u>\$ -</u>

TOWNSHIP OF VERONA
CURRENT FUND

A-8

DUE TO STATE OF NEW JERSEY, CH. 129, P.L. 1976
VETERANS AND SENIOR CITIZENS TAX DEDUCTIONS
YEAR ENDED DECEMBER 31, 2025

	<u>Ref.</u>		
Balance, December 31, 2024 (Due To)	A		\$ 15,995.44
Increased by:			
Collections	A-4	<u>\$ 44,841.58</u>	<u>44,841.58</u>
			<u>60,837.02</u>
Decreased by:			
Tax Deductions per Tax Duplicate:			
Senior Citizens		3,250.00	
Disabled Person		1,250.00	
Surviving Spouse		250.00	
Veterans & Widows of Veterans		38,500.00	
Allowed by Tax Collector		<u>584.25</u>	
	A-9		<u>43,834.25</u>
Balance, December 31, 2025 (Due To)	A		<u><u>\$ 17,002.77</u></u>

TOWNSHIP OF VERONA
CURRENT FUND

TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
YEAR ENDED DECEMBER 31, 2025

A-9

Year	Balance	2025 Levy	Collected		Due from State of New Jersey	Adjusted, Canceled	Balance Dec. 31, 2025
	Dec. 31, 2024		2024	2025			
2024	\$ 560,598.60			\$ 560,598.60			
2025		\$ 76,199,935.45	\$ 374,120.23	75,242,962.59	\$ 43,834.25	\$ 71,021.67	\$ 467,996.71
	<u>\$ 560,598.60</u>	<u>\$ 76,199,935.45</u>	<u>\$ 374,120.23</u>	<u>\$ 75,803,561.19</u>	<u>\$ 43,834.25</u>	<u>\$ 71,021.67</u>	<u>\$ 467,996.71</u>
<u>Ref.</u>	A	Below	A-2c, A-21	A-2c, A-4	A-2c, A-8	Reserved	A

ANALYSIS OF 2025 PROPERTY TAX LEVY

Tax Yield

General Purpose Tax:

Tax Levy

Added/Omitted Taxes

Ref.

\$ 76,076,271.21

123,664.24

Above

\$ 76,199,935.45

Tax Levy

Local School District Tax (Abstract)

County Taxes:

County Tax - General Levy (Abstract)

County Tax - Open Space (Abstract)

Due County for Added Taxes

(N.J.S.A. 54:4-63.1)

A-2c, A-17

\$ 43,776,264.00

A-2c, A-18

11,616,147.25

A-2c, A-18

517,338.03

A-2c, A-18

15,207.50

A-2c

\$ 55,924,956.78

Local Tax for Municipal Purpose (Budget)

Municipal Open Space

Plus: Additional Taxes Levied

A-2

19,445,600.00

A-21

720,921.93

Above

108,456.74

20,274,978.67

Above

\$ 76,199,935.45

TOWNSHIP OF VERONA
CURRENT FUND

PROPERTY ACQUIRED FOR TAXES AT ASSESSED VALUATION
YEAR ENDED DECEMBER 31, 2025

A-10

	<u>Ref.</u>	
Balance, December 31, 2025 and 2024	A	<u>\$ 267,817.00</u>

Analysis of Balance

<u>Block</u>	<u>Lot</u>	
42	51	\$ 6,800.00
86	106	6,300.00
58	15	10,200.00
62	100.01	69,563.00
62	100.04	12,004.00
68	12	7,200.00
112	87	3,600.00
127	8	4,350.00
128	22	103,000.00
39	43	11,700.00
42	48	25,500.00
42	52	3,000.00
59	8	1,500.00
86	106	2,100.00
88-01	9	1,000.00
		<u>\$ 267,817.00</u>

TOWNSHIP OF VERONA
CURRENT FUND

REVENUE ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2025

A-11

	Ref.	Balance December 31, 2024	Accrued	Collections 2025	Balance December 31, 2025
Township Clerk:					
Alcoholic Beverage Licenses	A-2a		\$ 19,217.00	\$ 19,217.00	
Fees and Permits	A-2b		9,255.00	9,255.00	
Other Licenses	A-2b		7,730.00	7,730.00	
Construction Code Official:					
Building Fees and Permits	A-2a		319,620.00	319,620.00	
Other Licenses	A-2b		150.00	150.00	
Rent Control:					
Fees and Permits	A-2b		14,800.00	14,800.00	
Health Department:					
Health Licenses	A-2b		16,610.00	16,610.00	
Health Copies	A-2b		3,540.00	3,540.00	
Health Transport Fees	A-2b		4,215.00	4,215.00	
Fire Department:					
State of New Jersey Rebate	A-2a		25,719.92	25,719.92	
Fire Detectors	A-2b		17,490.00	17,490.00	
Registrar of Vital Statistics:					
Marriage Licenses	A-2b		219.00	219.00	
Fees and Permits	A-2b		1,600.00	1,600.00	
Tax Collector:					
Interest and Costs on Taxes	A-2b		130,035.08	130,035.08	
6% Delinquent Penalty	A-1				
Interest on Investments and Deposits	A-2a		738,574.91	738,574.91	
Public Works Department:					
Fees and Permits	A-2b		1,696.00	1,696.00	
Police Department:					
Fees and Permits	A-2b		16,011.00	16,011.00	
Parking Permits	A-2b		63,870.00	63,870.00	
Parking Meters	A-2a		79,622.48	79,622.48	
Board of Adjustment:					
Fees and Permits	A-2b		28,335.00	28,335.00	
Recreation Department:					
Fees and Permits	A-2a		440,260.00	440,260.00	
Community Center Rental	A-2a		56,000.00	56,000.00	
Miscellaneous Fees and Permits	A-2b		30,651.83	30,651.83	
Municipal Court:					
Fines and Costs	A-2a		173,268.38	173,268.38	
Treasurer:					
Payments in Lieu of Taxes:					
Hilltop - I	A-2a		464,721.52	464,721.52	
Hilltop - II	A-2a		512,346.51	512,346.51	
Annin Lofts	A-2a		388,561.05	388,561.05	
Verona Place Urban Renewal	A-2a		54,026.41	54,026.41	
Children's Institute	A-2a		18,505.00	18,505.00	
Verona Senior Citizens' HFA	A-2a		262,515.62	262,515.62	
Comcast Franchise Fee	A-2a		68,738.69	68,738.69	
Verizon Franchise Fee	A-2a		146,531.28	146,531.28	
Tower Lease	A-2a		174,087.16	174,087.16	
General Capital Surplus	A-2a		100,000.00	100,000.00	
Interlocal Agreements:					
Borough of Roseland	A-2a		114,029.07	114,029.07	
State of New Jersey:					
Energy Tax Receipts	A-2a		1,173,450.07	1,173,450.07	
		\$ -	\$ 5,676,002.98	\$ 5,676,002.98	\$ -
Ref.	A		Reserve	A-4	A

TOWNSHIP OF VERONA
CURRENT FUND

DEFERRED CHARGES - SPECIAL EMERGENCY
YEAR ENDED DECEMBER 31, 2025

A-12

<u>Date Authorized</u>	<u>Purpose</u>	<u>Net Amount Authorized</u>	<u>Balance December 31, 2024</u>	<u>Decrease</u>	<u>Balance December 31, 2025</u>
December 27, 2020	COVID-19	\$ 450,000.00	\$ 142,776.98	\$ 71,390.00	\$ 71,386.98
			<u>\$ 142,776.98</u>	<u>\$ 71,390.00</u>	<u>\$ 71,386.98</u>
		<u>Ref.</u>	A	A-3	A

TOWNSHIP OF VERONA
CURRENT FUND

INTERFUNDS RECEIVABLE/(PAYABLE)
YEAR ENDED DECEMBER 31, 2025

A-13

<u>Interfund Account</u>	<u>Balance</u> <u>December 31, 2024</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u> <u>December 31, 2025</u>
Animal Control Fund	\$ 7,276.60	\$ 2,059.28	\$ 7,276.60	\$ 2,059.28
Federal/State Grant Fund	(162,568.81)	219,990.71	290,534.35	(233,112.45)
Other Trust Fund	226,548.96		226,548.96	
	<u>\$ 71,256.75</u>	<u>\$ 222,049.99</u>	<u>\$ 524,359.91</u>	<u>\$ (231,053.17)</u>
	<u>Ref.</u> Below	Below	A-4	A
Interfunds Receivable	A \$ 233,825.56			\$ 2,059.28
Interfunds Payable	A (162,568.81)			<u>(233,112.45)</u>
	Above <u>\$ 71,256.75</u>			<u>\$ (231,053.17)</u>
		<u>Ref.</u>		
Cash Disbursements		A-5 \$ 219,990.71		
Animal Control Statutory Excess		Above 2,059.28		
		Above <u>\$ 222,049.99</u>		

TOWNSHIP OF VERONA
CURRENT FUND
 APPROPRIATION RESERVES
 YEAR ENDED DECEMBER 31, 2025

A-14
 Sheet #1

	Balance December 31, 2024		Balance After Transfers	Cash Receipts	Paid or Charged	Balance Lapsed
	Committed	Uncommitted				
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>GENERAL GOVERNMENT</u>						
Administrative and Executive:						
Salaries and Wages:						
Manager's Office		\$ 18,891.26	\$ 8,891.26		\$ 673.34	\$ 8,217.92
Mayor and Council		261.84	261.84			261.84
Township Clerk		2,115.31	2,115.31			2,115.31
Other Expenses	\$ 24,628.71	1,472.81	26,101.52	\$ 225.00	10,985.00	15,341.52
Elections:						
Other Expenses	8,958.52	12,302.86	21,261.38		1,805.47	19,455.91
Financial Administration:						
Annual Audit	41,500.00	20,300.00	61,800.00		45,779.00	16,021.00
Administrative and Economic Development:						
Other Expenses	5,718.02	834.63	6,552.65	900.00	6,381.22	1,071.43
Assessment of Taxes:						
Salaries and Wages		2,734.00	2,734.00			2,734.00
Other Expenses	17,750.00	6,408.37	24,158.37		400.00	23,758.37
Collection of Taxes:						
Salaries and Wages		2,472.58	2,472.58		2,075.28	397.30
Other Expenses:						
Tax Sale Costs		642.04	642.04			642.04
Miscellaneous Other Expenses	8,976.49	6,617.76	15,594.25		4,327.80	11,266.45
Liquidation of Tax Title Liens		2,000.00	2,000.00			2,000.00
Legal Services and Costs:						
Other Expenses	77,928.37	726.44	78,654.81	45,776.39	70,463.60	53,967.60
Public Buildings and Grounds:						
Salaries and Wages		22,318.95	22,318.95		2,368.08	19,950.87
Other Expenses	31,146.69	1,841.21	32,987.90		17,455.00	15,532.90
Municipal Land Use Law (N.J.S.A. 40:55D-1):						
Planning Board:						
Salaries and Wages		6,276.43	4,276.43		222.60	4,053.83
Other Expenses	1,593.60	11,280.84	6,874.44		3,270.89	3,603.55
Board of Adjustment:						
Salaries and Wages		4,271.85	4,271.85		453.94	3,817.91
Other Expenses	1,383.37	8,305.65	6,689.02		833.33	5,855.69

TOWNSHIP OF VERONA
CURRENT FUND

APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2025

A-14
Sheet #2

	<u>Balance</u> <u>December 31, 2024</u>		<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Cash</u> <u>Receipts</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
	<u>Committed</u>	<u>Uncommitted</u>				
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>GENERAL GOVERNMENT</u>						
Rent Leveling Board:						
Salaries and Wages		\$ 800.00	\$ 800.00			\$ 800.00
Other Expenses		6,532.55	6,532.55			6,532.55
Shade Trees:						
Other Expenses	\$ 2.50	64.04	66.54			66.54
Insurance (N.J.S.A. 40a:4-45(00) P.L. 2003, C92 S-906):						
Employee Group Health	14,407.50	152,747.85	167,155.35			167,155.35
Health Waivers		1,010.79	1,010.79			1,010.79
<u>PUBLIC SAFETY</u>						
Engineer:						
Other Expenses	10,000.00	1,235.00	11,235.00		\$ 10,000.00	1,235.00
Fire:						
Other Expenses:						
Miscellaneous Other Expenses	52,998.34	3,214.85	56,213.19		41,684.85	14,528.34
Fire Prevention:						
Salaries and Wages		14,536.50	14,536.50		6,574.94	7,961.56
Other Expenses	3,934.79	1,048.91	4,983.70		2,188.90	2,794.80
Police:						
Salaries and Wages		32,740.88	48,740.88	\$ 8,982.48	56,708.59	1,014.77
Other Expenses	64,747.82	9,763.09	74,510.91		30,518.89	43,992.02
Communications:						
Salaries and Wages		7,427.17	7,427.17		2,950.00	4,477.17
Other Expenses	3,455.88	1,231.78	4,687.66		128.28	4,559.38
Police Dispatchers:						
Salaries and Wages		3,547.42	5,547.42		5,512.16	35.26
Parking Meter Maintenance:						
Other Expenses	1,370.00	832.96	2,202.96		2,202.96	
Emergency Management Services:						
Other Expenses	1,795.16	204.84	2,000.00		1,795.16	204.84
Road Repairs and Maintenance:						
Salaries and Wages		53,866.43	42,866.43	412.74	27,554.00	15,725.17
Other Expenses	47,493.54	1,753.13	49,246.67		9,882.34	39,364.33
Vehicle Maintenance	20,445.57	455.28	20,900.85	463.33	18,621.31	2,742.87

See Independent Auditors' Report

TOWNSHIP OF VERONA
CURRENT FUND

APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2025

A-14
Sheet #3

	Balance December 31, 2024		Balance After Transfers	Cash Receipts	Paid or Charged	Balance Lapsed
	Committed	Uncommitted				
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>HEALTH AND WELFARE</u>						
(Board of Health - Local Health Agency):						
Board of Health:						
Salaries and Wages		\$ 6,733.54	\$ 2,733.54		\$ 1,322.97	\$ 1,410.57
Other Expenses	\$ 16,398.37	1,814.62	18,212.99		16,368.35	1,844.64
<u>RECREATION AND EDUCATION</u>						
Recreation:						
Salaries and Wages		6,800.45	16,800.45		16,800.45	
Other Expenses	14,413.42	29.93	25,443.35		25,187.10	256.25
Field Maintenance	1,037.45	1,569.77	2,607.22			2,607.22
Contribution to Senior Citizens' Center (N.J.S.A. 40:48-9.4):						
Salaries and Wages		5,845.00	2,845.00		2,216.00	629.00
Other Expenses		3,028.00	3,028.00		(2,615.00)	5,643.00
Celebration of Public Event, Anniversary or Holiday:						
Other Expenses	13,122.15	6,222.95	19,345.10	\$ 184.00	13,755.26	5,773.84
<u>MISCELLANEOUS AND OTHER</u>						
Mandatory Recycling:						
Salaries and Wages		4,292.92	4,292.92		1,043.97	3,248.95
Other Expenses	77,732.08	45,134.74	122,866.82		41,092.87	81,773.95
Garbage and Trash Removal - Contractual	195,393.36	373,829.33	569,222.69		236,631.09	332,591.60
State Uniform Construction Code:						
Construction Official (Chief Administrator of Enforcement Agency):						
Salaries and Wages	126.00	27,360.64	16,986.64		1,611.73	15,374.91
Other Expenses		10,555.48	10,555.48		490.94	10,064.54
<u>UNCLASSIFIED</u>						
Utilities:						
Electricity	30,297.60	48,765.37	79,062.97		35,519.99	43,542.98
Telephone, Internet, Cable		2,297.81	2,297.81			2,297.81
Gasoline	12,703.85	9,189.28	21,893.13	3,248.20	7,308.04	17,833.29
<u>CONTINGENT</u>						
		25,000.00	25,000.00			25,000.00

See Independent Auditors' Report

TOWNSHIP OF VERONA
CURRENT FUND

APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2025

A-14
Sheet #4

	<u>Balance</u> <u>December 31, 2024</u>		<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Cash</u> <u>Receipts</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
	<u>Committed</u>	<u>Uncommitted</u>				
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>STATUTORY EXPENDITURES</u>						
Contributions to:						
Public Employees' Retirement System		\$ 1,105.19	\$ 1,105.19			\$ 1,105.19
Social Security System (OASI)		13,028.67	13,028.67			13,028.67
Defined Contribution Retirement Plan		9,282.04	9,282.04		\$ 1,343.83	7,938.21
Total Appropriations Within "CAPS"	\$ 801,459.15	1,026,974.03	1,817,933.18	\$ 60,192.14	781,894.52	1,096,230.80
<u>OTHER OPERATIONS</u>						
Maintenance of Free Public Library	8,214.61	52,926.24	61,140.85		61,140.85	
Recycling - State Tax		7,764.00	7,764.00		1,043.97	6,720.03
General Liability Insurance		468.74	468.74			468.74
Health Insurance Exclusion (over 4%)		75,609.00	75,609.00		40,689.27	34,919.73
<u>INTERLOCAL MUNICIPAL SERVICE AGREEMENTS</u>						
Borough of North Caldwell:						
Municipal Court	87,038.35		96,038.35		95,166.40	871.95
Borough of Roseland:						
Construction Code Official	6,210.00	550.14	8,260.14		6,414.24	1,845.90
Fire Sub-Code Official		7,425.00	7,425.00			7,425.00
Construction Outside Contract Official	445.00	3,380.00	3,825.00		571.00	3,254.00
Total Appropriations Excluded from "CAPS"	101,907.96	148,123.12	260,531.08		205,025.73	55,505.35
Total Appropriations	\$ 903,367.11	\$ 1,175,097.15	\$ 2,078,464.26	\$ 60,192.14	\$ 986,920.25	\$ 1,151,736.15

<u>Ref.</u>	A	A		A-4	Below	A-1
-------------	---	---	--	-----	-------	-----

	A-5	\$ 956,564.47
Cash Disbursed	A-19	30,355.78
Transferred to Accounts Payable	Above	<u>\$ 986,920.25</u>

TOWNSHIP OF VERONA
CURRENT FUND

RESERVE FOR SALE OF TOWNSHIP-OWNED PROPERTY
YEAR ENDED DECEMBER 31, 2025

A-15

	<u>Ref.</u>	
Balance, December 31, 2025 and 2024	A	<u>\$ 19,248.19</u>

TOWNSHIP OF VERONA
CURRENT FUND

DUE TO STATE OF NEW JERSEY
MARRIAGE LICENSES AND BUILDING FEE SURCHARGE
YEAR ENDED DECEMBER 31, 2025

A-16

	<u>Ref.</u>	
Balance, December 31, 2024	A	\$ 2,922.32
Increased by:		
Cash Received	A-4	<u>22,695.00</u>
		25,617.32
Decreased by:		
Cash Disbursed	A-5	<u>22,545.00</u>
Balance, December 31, 2025	A	<u><u>\$ 3,072.32</u></u>

TOWNSHIP OF VERONA
CURRENT FUND

LOCAL SCHOOL DISTRICT TAX PAYABLE
YEAR ENDED DECEMBER 31, 2025

A-17

	<u>Ref.</u>	<u>School Tax Payable</u>	<u>Deferred School Tax</u>
Balance, December 31, 2024	A	\$ 7,949,974.40	\$ 9,234,270.26
Increased by:			
Levy for Fiscal Year 2025-2026	A-1, A-2c, A-9	43,776,264.00	
		<u>51,726,238.40</u>	<u>9,234,270.26</u>
Decreased by:			
Cash Disbursed	A-5	43,041,070.75	
		<u>43,041,070.75</u>	<u>-</u>
Balance, December 31, 2025	A	<u>\$ 8,685,167.65</u>	<u>\$ 9,234,270.26</u>

TOWNSHIP OF VERONA
CURRENT FUND

COUNTY TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2025

A-18

	<u>Ref.</u>		
Balance, December 31, 2024	A		\$ 11,150.87
Increased by:			
General Levy	A-9	\$ 11,616,147.25	
County Open Space	A-9	517,338.03	
Due County for Added Taxes per N.J.S.A. 54:4-63.1 et seq.	A-9	<u>15,207.50</u>	
	A-1, A-2c		<u>12,148,692.78</u>
			<u>12,159,843.65</u>
Decreased by:			
Cash Disbursed	A-5		<u>12,144,650.49</u>
Balance, December 31, 2025	A		<u>\$ 15,193.16</u>

ACCOUNTS PAYABLE
YEAR ENDED DECEMBER 31, 2025

A-19

	<u>Ref.</u>		
Balance, December 31, 2024	A		\$ 141,401.67
Increased by:			
Cash Received	A-4	\$ 43,315.47	
Transfer from Appropriation Reserves	A-14	<u>30,355.78</u>	
Cash Received	A-4		<u>73,671.25</u>
			<u>215,072.92</u>
Decreased by:			
Cash Disbursed	A-5		<u>147,377.46</u>
Balance, December 31, 2025	A, Below		<u>\$ 67,695.46</u>
<u>Analysis of Balance</u>			
Other			\$ 36,786.36
County of Essex - 5% PILOT			<u>30,909.10</u>
	Above		<u>\$ 67,695.46</u>

TOWNSHIP OF VERONA
CURRENT FUND

PREPAID TAXES
YEAR ENDED DECEMBER 31, 2025

A-20

	<u>Ref.</u>	
Balance, December 31, 2024	A	\$ 374,120.23
Increased by:		
Collections	A-4	<u>453,482.19</u>
		827,602.42
Decreased by:		
Applied to Taxes Receivable	A-9	<u>374,120.23</u>
Balance, December 31, 2025	A	<u><u>\$ 453,482.19</u></u>

TOWNSHIP OF VERONA
CURRENT FUND
MUNICIPAL OPEN SPACE TAXES
YEAR ENDED DECEMBER 31, 2025

A-21

	<u>Ref.</u>	
Balance, December 31, 2024	A	\$ -
Increased by:		
Open Space Tax Levy	A-1, A-2c, A-9	<u>720,921.93</u>
Decreased by:		
Cash Disbursed to Open Space Trust Fund	A-1, A-5	<u>720,921.93</u>
Balance, December 31, 2025	A	<u>\$ -</u>

TOWNSHIP OF VERONA
CURRENT FUND

FEDERAL AND STATE GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2025

A-22

	<u>Balance</u> <u>December 31, 2024</u>	<u>Budget</u> <u>Revenue</u> <u>Realized</u>	<u>Collections</u>	<u>Adjustments</u> <u>Cancellations</u>	<u>Balance</u> <u>December 31, 2025</u>
Municipal Alliance on Alcoholism and Drug Abuse	\$ 16,921.26		\$ 16,921.26		
Stormwater Assistance	10,000.00				\$ 10,000.00
Drive Sober or Get Pulled Over	7,000.00		7,000.00		
Sustainable Jersey Small Grants Program	5,000.00		5,000.00		
Municipal Alliance Alcohol and Drug Abuse	16,921.26				16,921.26
NJDCA ARP Firefighter 2024	70,000.00				70,000.00
NJDCA ARP Firefighter 2024	67,514.66		67,514.66		
NJ BPU Community Energy Plan Grant	10,000.00		7,500.00		2,500.00
Pedestrian Safety, Education & Enforcement	10,000.00		8,820.00	\$ (1,180.00)	
Municipal Alliance Committee - VMAC		\$ 22,625.00	10,177.62		12,447.38
Green Communities		19,000.00			19,000.00
Recycling Tonnage Grant		20,345.91	20,345.91		
Sustainable NJ Grant		5,000.00			5,000.00
Drive Sober or Get Pulled Over		7,000.00			7,000.00
Distracted Driving		21,000.00	19,880.00		1,120.00
National Opioid Settlement		10,195.57	10,195.57		
Highway Safety		14,000.00		(14,000.00)	
Clean Communities - Ch. 159		34,679.33	34,679.33		
Age Inclusion Grant		70,000.00	10,000.00		60,000.00
Staffing & Community Engagement		10,000.00	10,000.00		
Human Services Healthy Comm.		250,000.00	62,500.00		187,500.00
Department of Agriculture Grant		20,000.00			20,000.00
	<u>\$ 213,357.18</u>	<u>\$ 503,845.81</u>	<u>\$ 290,534.35</u>	<u>\$ (15,180.00)</u>	<u>\$ 411,488.64</u>
<u>Ref.</u>	A	A-2a , A-24	A-23	A-24	A

TOWNSHIP OF VERONA
FEDERAL/STATE GRANT FUND

INTERFUNDS RECEIVABLE
YEAR ENDED DECEMBER 31, 2025

A-23

	<u>Ref.</u>	<u>Federal and State Grant Fund</u>
Balance, December 31, 2024	A	\$ 162,568.81
Increased by:		
Grants Receivable Collections	A-22	<u>290,534.35</u> 453,103.16
Decreased by:		
Expenses Paid Through Current Fund	A-24	<u>219,990.71</u>
Balance, December 31, 2025	A	<u>\$ 233,112.45</u>

TOWNSHIP OF VERONA
CURRENT FUND

APPROPRIATED RESERVES FOR FEDERAL & STATE GRANTS
YEAR ENDED DECEMBER 31, 2025

A-24

<u>Grant</u>	Balance December 31, 2024	Transferred from Budget Appropriations	Expended	Adjustments/ Canceled	Balance December 31, 2025
Drunk Driving Enforcement Fund	\$ 5,552.98		\$ 1,188.60		\$ 4,364.38
Medical Transport - United Way	4,368.08				4,368.08
Medical Transport	28,337.51				28,337.51
DEA Equitable Share	30,292.67				30,292.67
Matching Funds	20,375.00				20,375.00
Body Worn Camera Grant	7,859.76				7,859.76
Environmental - Green Communities	952.70				952.70
Clean Communities	51,060.48		8,435.49		42,624.99
Assistance to Firefighters Grant	674.00				674.00
Pedestrian Safety Grant	601.32				601.32
National Opioid Settlement	8,803.92		8,803.92		
Stormwater Assistance Grant	18,800.00		12,177.51		6,622.49
Body Armor Replacement	1,242.62		1,242.62		
National Opioid Settlement Funds	24,706.36		10,435.22		14,271.14
Municipal Alliance Alcohol and Drug Abuse	12,081.17		12,081.17		
Municipal Alliance Alcohol and Drug Abuse - Match	4,230.32		4,230.32		
NJDCA ARP Firefighter 2024	70,000.00		64,961.70		5,038.30
NJ BPU Community Energy Plan Grant	10,000.00		2,500.00		7,500.00
Pedestrian Safety, Education & Enforcement	10,000.00		8,820.00	\$ (1,180.00)	
Clean Communities	34,945.48		8,150.51		26,794.97
Distracted Driving Statewide Crackdown Grant	70.00				70.00
Body Armor Grant	198.41				198.41
Recycling Tonnage	22,991.07		16,560.18		6,430.89
Body Armor Replacement Fund	2,782.14				2,782.14
Sustainable Jersey Small Grants Program	5,000.00		4,061.15		938.85
Municipal Alliance Committee - VMAC		\$ 22,625.00	6,418.22		16,206.78
Municipal Alliance Committee - VMAC Matching		12,225.00			
Green Communities		19,000.00			19,000.00
Recycling Tonnage Grant		20,345.91			20,345.91
Sustainable NJ Grant		5,000.00	487.60		4,512.40
Drive Sober or Get Pulled Over		7,000.00	7,000.00		
Distracted Driving		21,000.00	12,880.00		8,120.00
National Opioid Settlement		10,195.57	7,899.33		2,296.24
Clean Communities - Ch. 159		34,679.33	5,633.00		29,046.33
Highway Safety		14,000.00		(14,000.00)	
Age Inclusion Grant		70,000.00	11,250.00		58,750.00
Staffing & Community Engagement		10,000.00	1,855.42		8,144.58
Human Services Healthy Comm.		250,000.00	2,918.75		247,081.25
Department of Agriculture Grant		20,000.00			20,000.00
	<u>\$ 375,925.99</u>	<u>\$ 516,070.81</u>	<u>\$ 219,990.71</u>	<u>\$ (15,180.00)</u>	<u>\$ 644,601.09</u>

See Independent Auditors' Report

Ref.

A

A-3

A-23

A-22

A

TOWNSHIP OF VERONA
CURRENT FUND

RESERVE FOR REVALUATION
YEAR ENDED DECEMBER 31, 2025

A-25

	<u>Ref.</u>	
Balance, December 31, 2024	A	\$ 6,017.21
Decreased by:		
Cancelled via Resolution	A-1	6,017.21
Balance, December 31, 2025	A	\$ -

TOWNSHIP OF VERONA
CURRENT FUND

RESERVE FOR TAX APPEALS
YEAR ENDED DECEMBER 31, 2025

A-26

	<u>Ref.</u>	
Balance, December 31, 2024	A	\$ 95,121.46
Decreased by:		
Cancelled via Resolution	A-1	95,121.46
Balance, December 31, 2025	A	\$ -

TOWNSHIP OF VERONA
TRUST FUND

CASH RECEIPTS AND DISBURSEMENTS - COLLECTOR - TREASURER
YEAR ENDED DECEMBER 31, 2025

B-1

	<u>Ref.</u>	<u>Animal Control Trust Fund</u>	<u>General Trust Fund</u>	<u>Open Space Trust Fund</u>
Balance, December 31, 2024	B	\$ 17,719.60	\$ 2,393,182.26	\$ 535,411.35
Increased by Receipts:				
Taxes Levied	B-10			\$ 720,921.93
Interest Earned	B-10			17,674.12
Reimbursement of Expenses	B-10			1,900,000.00
Special Deposits	B-4		\$ 3,757,002.99	
State Unemployment Compensation Insurance Fund	B-5		39,940.08	
State Fees Collected	B-9	\$ 778.20		
Dog and Cat License Fees	B-7	4,982.00		
Escrow Deposits	B-8		224,818.79	
		<u>5,760.20</u>	<u>4,021,761.86</u>	<u>2,638,596.05</u>
		23,479.80	6,414,944.12	3,174,007.40
Decreased by Disbursements:				
Interfunds	B-3	7,276.60	226,548.96	
Reserve for Unemployment Insurance	B-5		25,906.59	
Open Space Expenditures	B-10			856,532.90
Paid to State of New Jersey	B-9	769.20		
Special Deposits	B-4		622,852.07	
Expenditures Under R.S. 41:19-15.11	B-7	1,648.52		
Escrow Refunds	B-8		163,356.88	
		<u>9,694.32</u>	<u>1,038,664.50</u>	<u>856,532.90</u>
Balance, December 31, 2025	B	<u>\$ 13,785.48</u>	<u>\$ 5,376,279.62</u>	<u>\$ 2,317,474.50</u>

TOWNSHIP OF VERONA
TRUST FUNDS

DUE FROM ESSEX COUNTY
(COMMUNITY DEVELOPMENT BLOCK GRANT)
YEAR ENDED DECEMBER 31, 2025

B-2

	<u>Ref.</u>	
Balance, December 31, 2024	B	<u>\$ 200,000.00</u>
Increased by:		
Grant Award	B-6	<u>100,000.00</u>
		300,000.00
Decreased by:		
Cash Received	B-6	<u>100,000.00</u>
Balance, December 31, 2025	B	<u><u>\$ 200,000.00</u></u>

TOWNSHIP OF VERONA
TRUST FUNDS

INTERFUNDS PAYABLE
YEAR ENDED DECEMBER 31, 2025

B-3

			<u>Animal Control Fund</u>	<u>Self Unemployment Insurance</u>
<u>Ref.</u>		<u>Total</u>	<u>Current Fund</u>	<u>Trust Other</u>
Balance, December 31, 2024	B	\$ 233,825.56	\$ 7,276.60	\$ 226,548.96
Increased by:				
Statutory Excess	B-7	2,059.28	2,059.28	
		<u>235,884.84</u>	<u>9,335.88</u>	<u>226,548.96</u>
Decreased by:				
Cash Disbursed	B-1	233,825.56	7,276.60	226,548.96
Balance, December 31, 2025	B	<u>\$ 2,059.28</u>	<u>\$ 2,059.28</u>	<u>\$ -</u>

TOWNSHIP OF VERONA
TRUST FUNDS

B-4

SPECIAL DEPOSITS
YEAR ENDED DECEMBER 31, 2025

	<u>Balance</u>		<u>Balance</u>
	<u>Dec. 31, 2024</u>	<u>Increase</u>	<u>Dec. 31, 2025</u>
		<u>Decrease</u>	
Senior Citizens - Donations	\$ 16,322.57		\$ 16,322.57
Veteran Banners	5,522.00	\$ 100.00	5,622.00
Law Enforcement Escrow	17,558.12	426.56	17,984.68
Public Defender	17,095.00	875.00	17,970.00
Childrens Fund	71,402.84	3,171.00	\$ 74,573.84
9/11 Fund	2,065.33		2,065.33
Firemans Pension	15,726.61	11,116.61	15,726.61
Terminal Leave	382,184.90	106,600.00	176,226.40
Fire Code Penalty	15,014.42	2,300.00	17,314.42
Environmental Commission	2,227.52		2,227.52
Reserve for Recreation	144,990.25	46,736.79	26,944.99
Recycling	71,805.99		71,805.99
Reserve for Storm Recovery	273,860.73		93,952.69
Reserve for MAC	6,486.11		6,486.11
Parking Adjudication	17,605.20	2,148.00	19,753.20
General Liability	38,711.21	39,242.40	73,313.68
TTL Premiums and Redemptions	143,631.72	74,000.00	81,300.00
Reserve for Tax Appeals	153,734.47	75,000.00	228,734.47
Tree Replacement Fund	37,186.57	14,200.00	17,600.00
Reserve for Medical Transportation	15,000.00		15,000.00
Reserve for Energy Sustainability		23,658.48	23,658.48
Flexible Savings Account	10,030.90	14,046.26	15,228.98
Police Special Duty	94,287.87	72,948.61	50,380.04
COAH	127,428.69	3,270,433.28	55,732.68
	<u>\$ 1,679,879.02</u>	<u>\$ 3,757,002.99</u>	<u>\$ 622,852.07</u>
	<u>\$ 1,679,879.02</u>	<u>\$ 3,757,002.99</u>	<u>\$ 622,852.07</u>
<u>Ref.</u>	B	B-1	B-1
			B

TOWNSHIP OF VERONA
TRUST FUNDS

UNEMPLOYMENT COMPENSATION INSURANCE FUND
YEAR ENDED DECEMBER 31, 2025

	<u>Ref.</u>	<u>B-5</u>
Balance, December 31, 2024	B	\$ 287,439.61
Increased by:		
Interest Earned		
Employee Deductions	B-1	39,940.08
		<u>327,379.69</u>
Decreased by:		
Quarterly Premiums and Claims	B-1	25,906.59
		<u>25,906.59</u>
Balance, December 31, 2025	B	<u>\$ 301,473.10</u>

RESERVE FOR COMMUNITY DEVELOPMENT BLOCK GRANT
YEAR ENDED DECEMBER 31, 2025

	<u>Ref.</u>	<u>B-6</u>
Balance, December 31, 2024	B	\$ 200,000.00
Increased by:		
Grant Award	B-2	100,000.00
		<u>300,000.00</u>
Decreased by:		
Cash Receipt	B-2	100,000.00
		<u>100,000.00</u>
Balance, December 31, 2025	B	<u>\$ 200,000.00</u>

TOWNSHIP OF VERONA
TRUST FUNDS

RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES
YEAR ENDED DECEMBER 31, 2025

B-7

	<u>Ref.</u>		
Balance, December 31, 2024	B		\$ 10,452.00
Increased by:			
License Fees:			
2025 Collections	B-1	\$ 4,796.00	
Other	B-1	186.00	4,982.00
			15,434.00
Decreased by:			
Due to Current Fund	B-3	2,059.28	
Expenditures Under R.S. 4:19-15.11	B-1	1,648.52	3,707.80
Balance, December 31, 2025	B		\$ 11,726.20

License Fees Collected

<u>Year</u>	Amount
2023	\$ 5,200.80
2024	6,525.40
	\$ 11,726.20

Note: R.S. 4:19-15.11

"....there shall be transferred from such special account to the general funds of the municipality any amount then in such special account which is in excess of the total amount paid into such special account during the last two fiscal years next preceding".

TOWNSHIP OF VERONA
TRUST FUNDS

ESCROW DEPOSITS
YEAR ENDED DECEMBER 31, 2025

B-8

	<u>Ref.</u>	
Balance, December 31, 2024	B	\$ 199,314.67
Increased by:		
Deposits	B-1	<u>224,818.79</u>
		424,133.46
Decreased by:		
Refunds	B-1	<u>163,356.88</u>
Balance, December 31, 2025	B	<u><u>\$ 260,776.58</u></u>

TOWNSHIP OF VERONA
ANIMAL CONTROL TRUST FUND

DUE FROM STATE OF NEW JERSEY
YEAR ENDED DECEMBER 31, 2025

	<u>Ref.</u>		<u>B-9</u>
Balance, December 31, 2024	B	\$	9.00
Increased by:			
Cash Disbursements	B-1		769.20
			<u>778.20</u>
Decreased by:			
Cash Receipts	B-1		778.20
			<u>778.20</u>
Balance, December 31, 2025	B	\$	<u><u>-</u></u>

TOWNSHIP OF VERONA
TRUST FUNDS

RESERVE FOR OPEN SPACE TRUST
YEAR ENDED DECEMBER 31, 2025

B-10

	<u>Ref.</u>		
Balance, December 31, 2024	B		\$ 535,411.35
Increased by:			
Due from Green Acres	B-11	\$ 1,815,389.00	
Reimbursement - Green Acres	B-1	1,900,000.00	
2025 Levy	B-1	720,921.93	
Interest Income	B-1	17,674.12	
		4,453,985.05	4,989,396.40
Decreased by:			
Expenses	B-1		856,532.90
Balance, December 31, 2025	B		\$ 4,132,863.50

TOWNSHIP OF VERONA
TRUST FUNDS
 DUE FROM GREEN ACRES
YEAR ENDED DECEMBER 31, 2025

B-11

	<u>Ref.</u>	
Balance, December 31, 2024	B	\$ -
Increased by:		
Green Acres Funding - Open Space Acquisition	B-10	<u>1,815,389.00</u>
Balance, December 31, 2025	B	<u><u>\$ 1,815,389.00</u></u>

TOWNSHIP OF VERONA
GENERAL CAPITAL FUND

CASH RECEIPTS AND DISBURSEMENTS - TREASURER
YEAR ENDED DECEMBER 31, 2025

C-2

	<u>Ref.</u>		
Balance, December 31, 2024	C		\$ 5,194,582.16
Increased by Cash Receipts:			
Premium on Sale of Notes	C-1	\$ 204,473.44	
Note Proceeds	C-14	4,272,725.00	
State Grants Receivable	C-4	780,024.47	
Current Fund Budget Appropriation	C-8	350,000.00	
Reserve for Future Improvements	C-10	<u>20,000.00</u>	
			<u>5,627,222.91</u>
			10,821,805.07
Decreased by Disbursements:			
Fund Balance Utilized in Current Fund Budget	C-1	100,000.00	
Notes Repaid	C-14	1,179,495.00	
Improvement Authorizations	C-12	<u>6,659,438.87</u>	
			<u>7,938,933.87</u>
Balance, December 31, 2025	C		<u><u>\$ 2,882,871.20</u></u>

TOWNSHIP OF VERONA
GENERAL CAPITAL FUND

ANALYSIS OF CAPITAL CASH
YEAR ENDED DECEMBER 31, 2025

C-3
Sheet #1

Ordinance Number	Balance December 31, 2024	Receipts		Disbursements		Transfers		Balance December 31, 2025	
		Note Proceeds	Other	Improvement Authorizations	Other	From	To		
<u>Improvement Authorizations - General</u>									
Various Capital Improvements	18-16	\$ 78,872.74		\$ 78,870.99		\$ 1.75			
Various Improvements, Equipment and Repairs	18-26	4,810.00		4,810.00					
Various Capital Improvements	20-05	22,755.40		9,267.02			13,488.38		
Sidewalk Repair and Replacement	20-11	15,361.56					15,361.56		
Acquisition of Real Property - Kuvant	20-17	12,857.83						\$ 12,857.83	
ADA Improvements Community Center	21-04	17,205.85						17,205.85	
Reconstruction of Lynwood Road	21-05	340,682.68		151,862.42				188,820.26	
Update Master Plan	21-18	33,244.12		15,647.63				17,596.49	
Upgrades to 911 System	21-19	43,733.87		10,500.00				33,233.87	
Various Capital Improvements	21-26	566,544.64		6,522.47	\$ 377,245.00		\$ 131,250.00	314,027.17	
Acquisition of Real Property	22-06	2,569.05						2,569.05	
Various Road Improvements	22-10	339,943.64		\$ 126,250.00	14,649.59	226,250.00		225,294.05	
Acquisition of Real Property- Police Department	22-28			(54,247.26)				54,247.26	
Community Center Playground	22-37	63,993.59		63,993.59	350,000.00		350,000.00		
ADA Improvements Town (Supp. #21-13)	23-14	58,173.60		133.20				58,040.40	
Acquisition of Property	23-17	81,628.42		5,043.43				76,584.99	
Various Capital Improvements	23-22	399,172.06		1,176.08				397,995.98	
Trees/Catch Basin/Sidewalks	23-27	5,637.25		5,637.25					
Reconstruction of Balston Dr, Windemere Rd, Whitney Terrace	23-30	335,145.82		75,000.00	6,097.42	300,000.00	225,000.00	329,048.40	
Reconstruction of Douglas Place	23-31	110,814.02		64,740.47	5,155.48			170,399.01	
Accessible/Sensory Playground at Community Center	24-01	(318,869.77)	\$ 510,000.00	200,000.00	21,005.48		350,000.00	20,124.75	
Acquisition and Installation of Police Equipment	24-02	(119,000.00)	119,000.00						
Rescue Squad SOV Vehicle	24-15	42,138.02						42,138.02	
Preliminary Everett Field	24-16	(40,418.64)	47,500.00		7,081.36				
Various Capital Improvements	24-22	(903,653.07)	2,903,725.00	75,000.00	1,453,829.99			621,241.94	
Various Capital Improvements	24-24	127,971.62			30,968.20			97,003.42	
Supplement Hilltop Park	24-25	(351,719.52)	355,000.00		934.29			2,346.19	
Purchase and Improvements 46 Lakeside	24-27	2,210,360.19			637,691.86			1,572,668.33	
Supplement Preliminary Everett	24-33	6,685.00	142,500.00		149,185.00				
Supplement Pickleball	24-37	(600.00)	195,000.00		178,817.83			15,582.17	
Repointing Windows Townhall	24-39	266,000.00			340,000.00	(74,000.00)			
Salt Trucks	25-01				182,494.20		10,000.00	(172,494.20)	
Various Capital Improvements	25-10 (A)			239,034.00	3,332,311.35		237,750.00	(2,855,527.35)	
IT Equipment	25-12						20,000.00	20,000.00	
Everett Field - Supplemental	25-20								
<u>General Accounts</u>									
Fund Balance		422,068.52		204,473.44		100,000.00		28,000.00	554,541.96
Capital Improvement Fund		8,667.38		350,000.00			267,750.00	851.69	91,769.07
Reserve for Debt Service		1,149.73							1,149.73
Reserve for Future Improvements		800,755.25		20,000.00					820,755.25
Reserve for Refunding Bond Sale Costs		5,651.24							5,651.24
Excess Bond Anticipation Notes		504,250.07					356,250.00		148,000.07
		<u>\$ 5,194,582.16</u>	<u>\$ 4,272,725.00</u>	<u>\$ 1,354,497.91</u>	<u>\$ 6,659,438.87</u>	<u>\$ 1,279,495.00</u>	<u>\$ 1,002,851.69</u>	<u>\$ 1,002,851.69</u>	<u>\$ 2,882,871.20</u>
<u>Ref.</u>	C		C-2	C-2	C-2	C-2	Contra	Contra	C

TOWNSHIP OF VERONA
GENERAL CAPITAL FUND

DUE FROM STATE OF NEW JERSEY - GRANTS AND AID
YEAR ENDED DECEMBER 31, 2025

C-4

	<u>Ref.</u>	
Balance, December 31, 2024	C	\$ 733,373.49
Increased by:		
2025 Grant Awards	C-11	1,476,368.00
		2,209,741.49
Decreased by:		
Cash Received for Unfunded Ordinance	C-7	780,024.47
		780,024.47
Balance, December 31, 2025	C, Below	\$ 1,429,717.02

Analysis of Balance:

<u>Ordinance Number</u>	<u>Description</u>	<u>Amount</u>
23-31	NJDOT - Reconstruction of Douglas Place	\$ 267,383.02
25-10A	NJDOT - Reconstruction Dodd, Summit	93,622.00
25-10A	NJDOT - Reconstruction of Linden Avenue	318,712.00
25-10A	NJDEP Green Acres - Jake's Law Grant - Everett Field	750,000.00
		\$ 1,429,717.02

Above

TOWNSHIP OF VERONA
GENERAL CAPITAL FUND

RESERVE FOR REFUNDING BOND SALE COSTS
YEAR ENDED DECEMBER 31, 2025

	<u>Ref.</u>	
Balance, December 31, 2025 and 2024	C	<u>\$ 5,651.24</u>

TOWNSHIP OF VERONA
GENERAL CAPITAL FUND

DEFERRED CHARGES TO
FUTURE TAXATION - FUNDED
YEAR ENDED DECEMBER 31, 2025

C-6

	<u>Ref.</u>		
Balance, December 31, 2024	C		\$ 26,167,517.45
Decreased by:			
Serial Bonds Redeemed	C-13	\$ 2,025,000.00	
Green Acres Loan Paid	C-15	<u>116,840.86</u>	<u>2,141,840.86</u>
Balance, December 31, 2025	C		<u>\$ 24,025,676.59</u>

TOWNSHIP OF VERONA
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
YEAR ENDED DECEMBER 31, 2025

C-7

Improvement Description	Ordinance		Balance December 31, 2024	2025			Note Paydowns	Grant Receipts	Balance December 31, 2025	Analysis of Balance December 31, 2025		
	Number	Date		Authorizations	Canceled	Adjustment				Bond Anticipation Notes	Expended	Unexpended Balance of Improvement Authorizations
Acquisition of Real Property	18-34	12-27-18	\$ 2,716,900.00				\$ 35,910.00	\$ 2,680,990.00	\$ 2,680,990.00			
Various Improvements	20-12	7-2-20	3,601,900.00				49,890.00	3,552,010.00	3,552,010.00			
Reconstruction of Lynwood Road	21-05	4-1-21	350,000.00					350,000.00	350,000.00			
Update Master Plan	21-18	7-15-21	60,000.00					60,000.00	60,000.00			
Various Capital Improvements	21-26	9-20-21	2,192,057.54		\$ 274,302.54			1,917,755.00	1,917,755.00			
Acquisition of Real Property	22-06	3-24-22	1,250,000.00					1,250,000.00	1,250,000.00			
ADA Improvements Municipal Building	22-10	5-19-22	920,000.00					693,750.00	693,750.00			
Police Department Equipment	22-28	9-16-22	322,999.93					322,999.93	322,999.93			
Playground Project - Community Center	22-37	12-23-22	523,500.00			\$ (150,000.00)		173,500.00	173,500.00			
Accessible/Sensory Playground at Community Center (Supp. #22-37)	24-01	2-29-24	360,000.00			150,000.00		510,000.00	510,000.00			
ADA Improvements Town (Supp. #21-13)	23-14	5-26-23	125,000.00					125,000.00	125,000.00			
Acquisition of Property	23-17	6-12-23	1,666,500.00					1,666,500.00	1,666,500.00			
Various Capital Improvements	23-22	5-15-23	570,500.00					570,500.00	570,500.00			
Reconstruction of Balston Dr, Windemere Rd, Whitney Terrace	23-30	8-17-23	842,000.00				75,000.00	767,000.00	767,000.00			
Reconstruction of Douglas Place	23-31	8-17-23	528,673.49				64,740.47	463,933.02	196,550.00		\$ 267,383.02	
Acquisition and Installation of Equipment	24-02	2-29-24	119,000.00					119,000.00	119,000.00			
Preliminary Everett Field	24-16	5-30-24	47,500.00					47,500.00	47,500.00			
Various Capital Improvements	24-22	6-13-24	2,978,725.00				75,000.00	2,903,725.00	2,903,725.00			
Supplement Hilltop Park	24-25	6-13-24	355,000.00					355,000.00	355,000.00			
Purchase and Improvements 46 Lakeside	24-27	8-15-24	2,142,000.00					2,142,000.00	2,142,000.00			
Supplement Preliminary Everett	24-33	10-17-24	142,500.00					142,500.00	142,500.00			
Supplement Pickleball	24-37	12-16-24	195,000.00					195,000.00	195,000.00			
Repainting Windows Townhall	24-39	12-16-24	340,000.00					340,000.00	340,000.00			
Salt Trucks	25-01	2-13-25		\$ 190,000.00				190,000.00		\$ 172,494.20	17,505.80	
Various Capital Improvements	25-10 (A)	7-31-25		9,793,750.00				9,554,716.00		2,855,527.35	6,699,188.65	
Everett Field - Supplemental	25-20	12-25-25		325,000.00				325,000.00			325,000.00	
			<u>\$ 22,349,755.96</u>	<u>\$ 10,308,750.00</u>	<u>\$ 374,302.54</u>	<u>\$ -</u>	<u>\$ 85,800.00</u>	<u>\$ 780,024.47</u>	<u>\$ 31,418,378.95</u>	<u>\$ 21,081,279.93</u>	<u>\$ 3,028,021.55</u>	<u>\$ 7,309,077.47</u>
	Ref.	C		C-12	C-12	C-3	C-14	C-4	C	Below	C-3	Below
						Bond Anticipation Notes Less: Excess Notes Issued		C-14 Ord. 20-12 Ord. 22-18 C-3 Above	\$ (148,000.00) (0.07) <u>(148,000.07)</u>	\$ 21,229,280.00 <u>\$ 21,081,279.93</u>	Ref.	
								Improvement Authorizations Unfunded Less: Unexpended Proceeds of Bond Anticipation Notes Issued		C-13	\$ 11,408,897.78	
										Ord. 21-05	189,620.26	
										Ord. 21-18	17,596.49	
										Ord. 21-19	33,233.87	
										Ord. 21-26	314,027.17	
										Ord. 21-10	225,294.05	
										Ord. 22-06	2,569.05	
										Ord. 22-28	54,247.26	
										Ord. 23-14	58,040.40	
										Ord. 23-17	76,584.99	
										Ord. 23-22	397,995.98	
										Ord. 23-30	329,048.40	
										Ord. 23-31	170,399.01	
										Ord. 24-01	20,124.75	
										Ord. 24-22	621,241.94	
										Ord. 24-25	2,346.19	
										Ord. 24-27	1,572,668.33	
										Ord. 24-37	15,582.17	
										Above	<u>\$ 7,309,077.47</u>	

TOWNSHIP OF VERONA
GENERAL CAPITAL FUND

C-8

CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2025

	<u>Ref.</u>	
Balance, December 31, 2024	C	\$ 8,667.38
Increased by:		
Current Fund Budget Appropriation	C-2	\$ 350,000.00
Cancelled Improvement Authorizations	C-12	<u>851.69</u>
		<u>350,851.69</u>
		359,519.07
Decreased by:		
Appropriation to Finance Improvement Authorizations	C-12	<u>267,750.00</u>
Balance, December 31, 2025	C	<u>\$ 91,769.07</u>

TOWNSHIP OF VERONA
GENERAL CAPITAL FUND

RESERVE FOR PAYMENT OF DEBT SERVICE
YEAR ENDED DECEMBER 31, 2025

C-9

	<u>Ref.</u>	
Balance, December 31, 2025 and 2024	C	<u>\$ 1,149.73</u>

RESERVE FOR FUTURE IMPROVEMENTS
YEAR ENDED DECEMBER 31, 2025

C-10

	<u>Ref.</u>	
Balance, December 31, 2024	C	\$ 800,755.25
Increased by:		
Cash Receipts	C-2	<u>20,000.00</u>
Balance, December 31, 2025	C	<u>\$ 820,755.25</u>

TOWNSHIP OF VERONA
GENERAL CAPITAL FUND

C-11

RESERVE FOR STATE GRANTS AND AID RECEIVABLE
YEAR ENDED DECEMBER 31, 2025

	<u>Ref.</u>	
Balance, December 31, 2024	C	\$ 733,373.49
Increased by:		
Grants Awarded	C-4	<u>1,476,368.00</u>
		2,209,741.49
Decreased by:		
Cash Received	C-4	<u>780,024.47</u>
Balance, December 31, 2025	C	<u><u>\$ 1,429,717.02</u></u>

See Independent Auditors' Report

TOWNSHIP OF VERONA
GENERAL CAPITAL FUND
SERIAL BONDS
YEAR ENDED DECEMBER 31, 2025

C-13

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding December 31, 2025		Interest Rate	Balance December 31, 2024	Bonds Redeemed	Balance December 31, 2025
			Date	Amount				
General Bonds of 2013	7-15-13	\$ 6,558,000.00	7-15-26	\$ 500,000.00	3.000 %	\$ 1,528,000.00	\$ 500,000.00	\$ 1,028,000.00
			7-15-27	528,000.00	3.000			
General Bonds of 2017	6-28-17	14,355,000.00	2-15-26	965,000.00	3.000	9,210,000.00	940,000.00	8,270,000.00
			2-15-27	990,000.00	3.000			
			2-15-28	1,020,000.00	3.000			
			2-15-29	1,055,000.00	3.000			
			2-15-30/33	1,060,000.00	3.000			
General Bonds of 2023	2-15-23	3,520,000.00	3-1-26	290,000.00	4.000	3,245,000.00	285,000.00	2,960,000.00
			3-1-27	300,000.00	4.000			
			3-1-28	305,000.00	4.000			
			3-1-29	320,000.00	4.000			
			3-1-30	330,000.00	4.000			
			3-1-31	340,000.00	4.000			
			3-1-32	350,000.00	4.000			
			3-1-33	355,000.00	4.000			
			3-1-34	370,000.00	4.000			
			General Bonds of 2023	10-12-23	12,190,000.00			
3-1-37	350,000.00	4.000						
3-1-38	365,000.00	4.000						
3-1-39	380,000.00	4.000						
3-1-40	395,000.00	4.125						
3-1-41	410,000.00	4.125						
3-1-42	425,000.00	4.250						
3-1-43	445,000.00	4.250						
3-1-44	465,000.00	4.250						
3-1-45	485,000.00	4.375						
3-1-46	505,000.00	4.375						
3-1-47	530,000.00	4.375						
3-1-48	555,000.00	4.375						
3-1-49	580,000.00	4.500						
3-1-50/53	600,000.00	4.500						
						<u>11,890,000.00</u>	<u>300,000.00</u>	<u>11,590,000.00</u>
						<u>\$ 25,873,000.00</u>	<u>\$ 2,025,000.00</u>	<u>\$ 23,848,000.00</u>

Ref.

C

C-6, Below

C

Paid by Budget Appropriation	\$ 1,725,000.00
Paid by Open Space Trust	<u>300,000.00</u>
Above	<u>\$ 2,025,000.00</u>

TOWNSHIP OF VERONA
GENERAL CAPITAL FUND

BOND ANTICIPATION NOTES
YEAR ENDED DECEMBER 31, 2025

C-14

Ordinance		Description	Date of Issue of Original Note	Date of Maturity	Rate of Interest	Balance December 31, 2024	Increase	Decrease	Balance December 31, 2025
Number	Date								
18-34	12-27-18	Acquisition of Real Property	3-3-22	10-21-26	3.50 %	\$ 2,716,900.00	\$ 2,680,990.00	\$ 2,716,900.00	\$ 2,680,990.00
20-12	7-2-20	Acquisition of Real Property - Cameco	10-27-22	10-21-26	3.50	3,749,900.00	3,700,310.00	3,750,200.00	3,700,010.00
21-05	4-1-21	Reconstruction of Lynwood Road	6-8-22	2-26-26	4.00	350,000.00	350,000.00	350,000.00	350,000.00
21-18	7-15-21	Update Master Plan	6-8-22	2-26-26	4.00	60,000.00	60,000.00	60,000.00	60,000.00
21-26	9-20-21	Various Improvements	6-8-22	2-26-26	4.00	2,295,000.00	1,917,755.00	2,295,000.00	1,917,755.00
22-06	3-24-22	Acquisition of Real Property	10-25-23	10-21-26	3.50	1,250,000.00	1,250,000.00	1,250,000.00	1,250,000.00
22-10	5-19-22	Road Improvements	6-8-22	2-26-26	4.00	920,000.00	693,750.00	920,000.00	693,750.00
22-28	9-16-22	Acquisition of Real Property- Police Department	2-29-24	2-26-26	4.00	323,000.00	323,000.00	323,000.00	323,000.00
22-37	7-31-23	Trees/Catch Basin/Sidewalks	2-29-24	2-26-26	4.00	523,500.00	173,500.00	523,500.00	173,500.00
23-14	5-26-23	Supplemental to Ordinance 21-23 & 22-30	2-29-24	2-26-26	4.00	125,000.00	125,000.00	125,000.00	125,000.00
23-17	6-12-23	Acquisition of Property	2-29-24	2-26-26	4.00	1,666,500.00	1,666,500.00	1,666,500.00	1,666,500.00
23-22	5-15-23	Various Capital Improvements	2-29-24	2-26-26	4.00	570,500.00	570,500.00	570,500.00	570,500.00
23-30	8-17-23	Reconstruction of Balston Dr, Windemere Rd, Whitney Terrace	2-29-24	2-26-26	4.00	1,067,000.00	767,000.00	1,067,000.00	767,000.00
23-31	8-17-23	Reconstruction of Douglas Place	2-29-24	2-26-26	4.00	196,550.00	196,550.00	196,550.00	196,550.00
24-01	2-29-24	Supplement Playground	2-27-25	2-26-26	4.00		510,000.00		510,000.00
24-02	2-29-24	Acquisition and Installation of Police Equipment	2-27-25	2-26-26	4.00		119,000.00		119,000.00
24-16	5-30-24	Preliminary Everett Field	2-27-25	2-26-26	4.00		47,500.00		47,500.00
24-22	6-13-24	Various Capital Improvements	2-27-25	2-26-26	4.00		2,903,725.00		2,903,725.00
24-25	6-13-24	Supplement Hilltop Park	2-27-25	2-26-26	4.00		355,000.00		355,000.00
24-27	8-15-24	Purchase and Improvements 46 Lakeside	10-23-24	10-21-26	3.50	2,142,000.00	2,142,000.00	2,142,000.00	2,142,000.00
24-33	10-17-24	Supplement Preliminary Everett	2-27-25	2-26-26	4.00		142,500.00		142,500.00
24-37	12-16-24	Supplement Pickleball	2-27-25	2-26-26	4.00		195,000.00		195,000.00
24-39	12-16-24	Repointing Windows Townhall	10-23-24	2-26-26	4.00	266,000.00	340,000.00	266,000.00	340,000.00
						<u>\$ 18,221,850.00</u>	<u>\$ 21,229,580.00</u>	<u>\$ 18,222,150.00</u>	<u>\$ 21,229,280.00</u>

<u>Ref.</u>	C	Below	Below	C
	Notes Renewed	Below	\$ 16,956,855.00	
	Notes Issued	C-2, C-16	4,272,725.00	
	Above		<u>\$ 21,229,580.00</u>	
		Note Paydowns	C-7	\$ 85,800.00
		Cash Disbursements	C-2	1,179,495.00
		Renewals	Above	16,956,855.00
		Above		<u>\$ 18,222,150.00</u>

TOWNSHIP OF VERONA
GENERAL CAPITAL FUND

GREEN ACRES LOAN PAYABLE
YEAR ENDED DECEMBER 31, 2025

C-15

<u>Date of Loan</u>	<u>Amount of Loan</u>	<u>Interest Rate</u>	<u>Balance December 31, 2024</u>	<u>Loan Paid</u>	<u>Balance December 31, 2025</u>
9-18-07	\$ 1,965,000.00	2.00 %	<u>\$ 294,517.45</u>	<u>\$ 116,840.86</u>	<u>\$ 177,676.59</u>
		<u>Ref.</u>	C	C-6	C

TOWNSHIP OF VERONA
GENERAL CAPITAL FUND

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2025

C-16

General Improvements	Ordinance Number	Date	Debt Authorized	Balance December 31, 2024	2025 Authorizations	Adjustment	Notes Issued	Grant Receipts	Cancellation	Balance December 31, 2025
Various Capital Improvements	21-26	9-20-21		\$ 28,307.54					\$ 28,307.54	
Various Road Improvements	22-10	5-19-22	\$ 1,550,000.00							
Reconstruction of Balston Drive, Windemere Road and Whitney Terr.	23-30	8-17-23	1,333,000.00							
Reconstruction of Douglas Place	23-31	8-17-23	619,000.00	332,123.49				\$ 64,740.47		\$ 267,383.02
Supplement Playground	24-01	2-29-24	510,000.00	360,000.00		\$ 150,000.00	\$ 510,000.00			
Acquisition and Installation of Police Equipment	24-02	2-29-24	0.00	119,000.00			119,000.00			
Preliminary Everett Field	24-16	5-30-24	0.00	47,500.00			47,500.00			
Various Capital Improvements	24-22	6-13-24	2,978,725.00	2,978,725.00			2,903,725.00	75,000.00		
Supplement Hilltop Park	24-25	6-13-24	355,000.00	355,000.00			355,000.00			
Supplement Preliminary Everett	24-33	10-17-24	142,500.00	142,500.00			142,500.00			
Supplement Pickleball	24-37	12-16-24	195,000.00	195,000.00			195,000.00			
Repointing Windows Townhall	24-39	12-16-24	340,000.00	74,000.00		(74,000.00)				
Salt Trucks	25-01	2-13-25	190,000.00		\$ 190,000.00					190,000.00
Various Capital Improvements	25-10 (A)	7-31-25	9,793,750.00		9,793,750.00			239,034.00		9,554,716.00
IT Equipment	25-20	12-25-25	325,000.00		325,000.00					325,000.00
				<u>\$ 4,632,156.03</u>	<u>\$ 10,308,750.00</u>	<u>\$ 76,000.00</u>	<u>\$ 4,272,725.00</u>	<u>\$ 378,774.47</u>	<u>\$ 28,307.54</u>	<u>\$ 10,337,099.02</u>
			<u>Ref.</u>	C	C-7		C-14	C-4	C-7	C

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

D-5

CASH RECEIPTS AND DISBURSEMENTS - COLLECTOR - TREASURER
YEAR ENDED DECEMBER 31, 2025

	<u>Ref.</u>	<u>Operating Fund</u>	<u>Capital Fund</u>
Balance, December 31, 2024	D	\$ 2,543,881.79	\$ 33,375.27
Increased by Receipts:			
Premium on Sale of Notes	D-2		\$ 16,654.36
Miscellaneous Revenue	D-3	\$ 267,299.34	
Interfund Accounts	D-20	200,000.00	
Rents Receivable	D-8	8,683,679.07	
Interest Earned	D-3	100,604.10	
I-Bank Interim Financing Payable	D-7		2,689,861.00
Budget Appropriation	D-19		75,000.00
Bond Anticipation Notes Issued	D-19		434,500.00
Capital Improvement Fund	D-14		200,000.00
		<u>9,251,582.51</u>	<u>3,416,015.36</u>
		11,795,464.30	3,449,390.63
Decreased by Disbursements:			
Budget Appropriations	D-4	6,982,991.07	
Appropriation Reserves	D-11	355,388.11	
Payment of Interest on Bonds and Notes	D-12	164,235.00	
Interfund Accounts	D-20		200,000.00
Improvement Authorizations	D-7, D-17		3,042,732.48
		<u>7,502,614.18</u>	<u>3,242,732.48</u>
Balance, December 31, 2025	D	<u>\$ 4,292,850.12</u>	<u>\$ 206,658.15</u>

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

D-6

ANALYSIS OF CAPITAL CASH
YEAR ENDED DECEMBER 31, 2025

	Balance December 31, 2024	Receipts	Disbursements		Transfers		Balance December 31, 2025
			Improvement Authorizations	Other	From	To	
Fund Balance	\$ 409,481.38	\$ 16,654.36				\$ 0.01	\$ 426,135.75
Capital Improvement Fund	332,470.25	200,000.00			\$ 179,700.00	1,180.89	353,951.14
Interfunds	200,000.00			\$ 200,000.00			
Excess Bond Anticipation Note Proceeds	0.01					0.01	
<u>Water and Sewer Improvements</u>							
Ordinance #08-11	(500.00)						(500.00)
Ordinance #05-14	10,109.33		\$ 8,928.44		1,180.89		
Ordinance #19-15	6,024.56		1,133.81				4,890.75
Ordinance #20-18	8,200.00		8,200.00				
Ordinance #21-27	(237,175.31)	1,279,153.00	852,644.34				189,333.35
Ordinance #22-11	19,052.84		1,427.02				17,625.82
Ordinance #22-34	11,600.00						11,600.00
Ordinance #23-32	(329,720.62)	448,246.74	118,526.12				
Ordinance #23-33	799.75		799.75				
Ordinance #23-41	(43,120.34)	376,687.26	718,365.87				(384,798.95)
Ordinance #23-42	(39,773.60)	333,415.00	79,895.61				213,745.79
Ordinance #24-19	(186,389.75)	247,500.00	54,142.46				6,967.79
Ordinance #24-21	(130,683.23)	457,359.00	761,826.56				(435,150.79)
Ordinance #24-34	3,000.00	57,000.00	60,000.00				
Ordinance #25-11			340,277.50			47,500.00	(292,777.50)
Ordinance #25-14			36,565.00			132,200.00	95,635.00
	<u>\$ 33,375.27</u>	<u>\$ 3,416,015.36</u>	<u>\$ 3,042,732.48</u>	<u>\$ 200,000.00</u>	<u>\$ 180,880.90</u>	<u>\$ 180,880.90</u>	<u>\$ 206,658.15</u>
<u>Ref.</u>	D	D-5	D-5, D-17	D-5	Contra	Contra	D

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

I-BANK INTERIM FINANCING PAYABLE
YEAR ENDED DECEMBER 31, 2025

D-7

	<u>Ref.</u>	
Balance, December 31, 2024	D	\$ 1,573,841.00
Increased by:		
Cash Receipts	D-5, D-21	<u>2,689,861.00</u>
Balance, December 31, 2025	D	<u><u>\$ 4,263,702.00</u></u>

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

D-8

WATER/SEWER RENTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2025

	<u>Ref.</u>		
Balance, December 31, 2024	D		\$ 176,693.37
Increased by:			
Collector's Adjustments	Reserve	\$ 176,944.29	
Billings	Reserve	<u>8,541,365.76</u>	<u>8,718,310.05</u>
			8,895,003.42
Decreased by:			
Collections	D-3		<u>8,683,679.07</u>
Balance, December 31, 2025	D		<u><u>\$ 211,324.35</u></u>

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

D-9

FIXED CAPITAL
YEAR ENDED DECEMBER 31, 2025

	<u>Ref.</u>	
Balance, December 31, 2024	D	\$ 49,235,167.59
Increased by:		
Transferred from Fixed Capital Authorized and Uncompleted	D-10	<u>1,290,544.52</u>
Balance, December 31, 2025	D	<u><u>\$ 50,525,712.11</u></u>

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
YEAR ENDED DECEMBER 31, 2025

D-10

Ordinance Number	Improvement Description	Ordinance		Balance December 31, 2024	Increase	Cancellations	Transfer to Fixed Capital	Balance December 31, 2025
		Date	Amount					
<u>Water/Sewer Improvements</u>								
5-14	Various Sewer Capital Improvements	7-14-14	\$ 1,255,000.00	\$ 1,090,725.41		\$ 1,180.89	\$ 1,089,544.52	
19-15	Mechanical Bar Screen	5-30-19	600,000.00	550,000.00				\$ 550,000.00
20-18	Rehab of Primary Clarifier Pump Station	9-17-20	115,000.00	115,000.00			115,000.00	
21-27	Various Water/Sewer Capital Improvements	10-8-21	1,405,000.00	1,405,000.00				1,405,000.00
22-11	Improvement of Sanitary Sewer Distribution System	5-19-22	1,000,000.00	634,975.99				634,975.99
22-34	Peckman Bank Stabilization	12-14-22	70,000.00	70,000.00				70,000.00
23-32	Improvements at Fairview Ave and Linn Drive Wells (Supp. #2021-24)	8-17-23	500,000.00	500,000.00				500,000.00
23-33	Wastewater Treatment Plant Assessment	8-17-23	26,000.00	26,000.00			26,000.00	
23-41	Improvements at Linn Drive Well	11-9-23	4,000,000.00	4,000,000.00		2,000,000.00		2,000,000.00
23-42	Improvements at Fairview Ave Well	11-9-23	5,000,000.00	5,000,000.00				5,000,000.00
24-19	Improvement of the Water and Sewer Utility Syste,	6-13-24	260,000.00	260,000.00				260,000.00
24-21	Various Water Capital Improvements	6-13-24	8,406,000.00	8,406,000.00				8,406,000.00
24-34	Improvement of Sewer Line near Peckman River	11-11-24	60,000.00	60,000.00			60,000.00	
25-11	Various Water/Sewer Capital Improvements	7-21-25	950,000.00		\$ 950,000.00			950,000.00
25-14	Various Water/Sewer Capital Improvements	38,550.00	132,200.00		132,200.00			132,200.00
				<u>\$ 22,117,701.40</u>	<u>\$ 1,082,200.00</u>	<u>\$ 2,001,180.89</u>	<u>\$ 1,290,544.52</u>	<u>\$ 19,908,175.99</u>
		<u>Ref.</u>		D	D-17	Below	D-9	D
					Improvement Authorizations	<u>Ref.</u>		
					Reserve for Amortization	D-17	\$ 2,000,000.00	
						D-15	1,180.89	
						Above	<u>\$ 2,001,180.89</u>	

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

D-11

2024 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2025

<u>Appropriation</u>	Balance December 31, 2024		<u>Balance After Transfers</u>	<u>Expenditures</u>	<u>Balance Lapsed</u>
	Committed	Uncommitted			
<u>Operating</u>					
Salaries and Wages		\$ 215,925.09	\$ 215,925.09	\$ 18,593.55	\$ 197,331.54
Other Expenses	\$ 317,431.44	48,137.48	365,568.92	336,794.56	28,774.36
	<u>\$ 317,431.44</u>	<u>\$ 264,062.57</u>	<u>\$ 581,494.01</u>	<u>\$ 355,388.11</u>	<u>\$ 226,105.90</u>
<u>Ref.</u>	D	D	D	D-5	D-1

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

D-12

ACCRUED INTEREST ON BONDS AND NOTES
YEAR ENDED DECEMBER 31, 2025

	<u>Ref.</u>	
Balance, December 31, 2024	D	\$ 86,087.75
Increased by:		
Budget Appropriation	D-4	172,723.16
		258,810.91
Decreased by:		
Payment of Interest on Bonds and Notes	D-5	164,235.00
		164,235.00
Balance, December 31, 2025	D	\$ 94,575.91

Analysis of Balance

<u>Date of Issue</u>	<u>Balance December 31, 2025</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
<u>Bonds:</u>						
7-15-2013	\$ 418,000.00	3.00%	7-15-25	12-31-25	5.50 Months	\$ 5,747.50
6-28-2017	715,000.00	3.00%	8-15-25	12-31-25	4.50 Months	8,043.75
2-15-2023	1,935,000.00	4.00%	9-1-25	12-31-25	4.00 Months	25,800.00
	\$ 3,068,000.00					39,591.25
<u>Bond Anticipation Notes:</u>						
2-25-2025	\$ 1,618,500.00	4.00%	2-25-25	12-31-25	310 Days	54,984.66
Total						\$ 94,575.91

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

D-13

OVERPAYMENTS
YEAR ENDED DECEMBER 31, 2025

	<u>Ref.</u>	
Balance, December 31, 2025 and 2024	D	<u>\$ 14,751.40</u>

D-14

CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2025

	<u>Ref.</u>	
Balance, December 31, 2024	D	\$ 332,470.25
Increased by:		
Budget Appropriation - Cash Received	D-5	\$ 200,000.00
Cancelled Improvement Authorizations	D-17	<u>1,180.89</u>
		<u>201,180.89</u>
		533,651.14
Decreased by:		
Funded Improvement Authorizations	D-17	<u>179,700.00</u>
Balance, December 31, 2025	D	<u>\$ 353,951.14</u>

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

D-15

RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2025

	<u>Ref.</u>		
Balance, December 31, 2024	D		\$ 46,435,869.00
Increased by:			
Serial Bonds Redeemed	D-18	\$ 335,000.00	
Note Principal Payments	D-19	75,000.00	
Transferred from Deferred Reserve for Amortization	D-16	<u>144,000.00</u>	
			<u>554,000.00</u>
			46,989,869.00
Decreased by:			
Canceled Improvement Authorizations	D-10		<u>1,180.89</u>
Balance, December 31, 2025	D		<u>\$ 46,988,688.11</u>

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

DEFERRED RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2025

D-16

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance December 31, 2024</u>	<u>Increase</u>	<u>Transfer to Reserve for Amortization</u>	<u>Balance December 31, 2025</u>
20-18	Rehab of Primary Clarifier Pump Station	\$ 115,000.00		\$ 115,000.00	
22-34	Peckman Bank Stabilization	70,000.00			\$ 70,000.00
23-32	Improvements at Fairview Ave and Linn Drive Wells (Supp. #2021-24)	24,000.00			24,000.00
23-33	Wastewater Treatment Plant Assessment	26,000.00		26,000.00	
24-34	Improvement of Sewer Line near Peckman River	3,000.00		3,000.00	
25-11	Various Water/Sewer Capital Improvements		\$ 47,500.00		47,500.00
25-14	Various Water/Sewer Capital Improvements		132,200.00		132,200.00
		<u>\$ 238,000.00</u>	<u>\$ 179,700.00</u>	<u>\$ 144,000.00</u>	<u>\$ 273,700.00</u>
	<u>Ref.</u>	D	D-14	D-15	D

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

D-18

SERIAL BONDS
YEAR ENDED DECEMBER 31, 2025

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding December 31, 2025		Interest Rate	Balance December 31, 2024	Bonds Redeemed	Balance December 31, 2025
			Date	Amount				
Water/Sewer Improvements	7-15-13	\$ 2,043,000.00	01-15-26/27	\$ 150,000.00	3.000 %	\$ 568,000.00	\$ 150,000.00	\$ 418,000.00
			01-15-28	118,000.00	3.000			
Water/Sewer Improvements	6-28-17	1,505,000.00	2-15-26	110,000.00	3.000	820,000.00	105,000.00	715,000.00
			2-15-27/28	115,000.00	3.000			
			2-15-29	120,000.00	3.000			
			2-15-30	125,000.00	3.000			
			2-15-31	130,000.00	3.000			
Water/Sewer Improvements	2-15-23	2,090,000.00	3-1-26/28	85,000.00	4.000	2,015,000.00	80,000.00	1,935,000.00
			3-1-29/30	90,000.00	4.000			
			3-1-31/32	95,000.00	4.000			
			3-1-33/34	100,000.00	4.000			
			3-1-35	105,000.00	4.000			
			3-1-36	110,000.00	3.125			
			3-1-37	110,000.00	3.250			
			3-1-38	115,000.00	3.375			
			3-1-39	120,000.00	3.500			
			3-1-40	130,000.00	3.500			
			3-1-41	135,000.00	3.625			
			3-1-42	140,000.00	3.625			
			3-1-43	145,000.00	3.750			
						<u>\$ 3,403,000.00</u>	<u>\$ 335,000.00</u>	<u>\$ 3,068,000.00</u>
<u>Ref.</u>						D	D-15	D

See Independent Auditors' Report

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

D-19

BOND ANTICIPATION NOTES
YEAR ENDED DECEMBER 31, 2025

Ordinance Number	Improvement Description	Original		Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2024	Increased	Decreased	Balance December 31, 2025	
		Amount	Date								
19-15	Mechanical Bar Screen	\$ 600,000.00	5/30/19	2/27/25	2/26/26	4.00%	\$ 550,000.00	\$ 550,000.00	\$ 550,000.00	\$ 550,000.00	
21-27	Various Water/Sewer Capital Improvements	150,000.00	2/27/25	2/27/25	2/26/26	4.00%		205,000.00	55,000.00	150,000.00	
22-11	Various Water/Sewer Improvements	1,000,000.00	6/8/22	2/27/25	2/26/26	4.00%	634,000.00	614,000.00	634,000.00	614,000.00	
24-19	Improvement of the Water and Sewer Utility System	247,500.00	2/27/25	2/27/25	2/26/26	4.00%		247,500.00		247,500.00	
24-34	Improvement of Sewer Line near Peckman River	57,000.00	2/27/25	2/27/25	2/26/26	4.00%		57,000.00		57,000.00	
							<u>\$ 1,184,000.00</u>	<u>\$ 1,673,500.00</u>	<u>\$ 1,239,000.00</u>	<u>\$ 1,618,500.00</u>	
							<u>Ref.</u>	D	Below	Below	D
								<u>Ref.</u>			
							Notes Renewed	\$ 1,164,000.00	\$ 1,164,000.00		
							New Notes	D-4, D-5	434,500.00		
							Paid by Budget Appropriation	D-4, D-5	75,000.00	75,000.00	
								Above	<u>\$ 1,673,500.00</u>	<u>\$ 1,239,000.00</u>	

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

D-20

INTERFUNDS PAYABLE/(RECEIVABLE)
YEAR ENDED DECEMBER 31, 2025

	<u>Ref.</u>	<u>Water/Sewer Operating</u>		<u>Water Capital</u>
		<u>Total</u>	<u>Water Capital Fund</u>	<u>Water/Sewer Operating Fund</u>
Balance December 31, 2024	D		\$ 200,000.00	\$ (200,000.00)
Increased by:				
Cash Disbursements	D-5	\$ 200,000.00	200,000.00	
		<u>200,000.00</u>	<u>200,000.00</u>	<u>-</u>
Decreased by:				
Cash Receipts	D-5	200,000.00		200,000.00
Balance December 31, 2025		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

D-21

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2025

Authorizations	Ordinance		Balance December 31, 2024	2025 Authorizations	I-Bank Proceeds	Bond Anticipation Notes Issued	Balance Canceled	Balance December 31, 2025
	Number	Date						
Various Sewer Improvements	8-11	8-15-11	\$ 500.00					\$ 500.00
Various Water/Sewer Capital Improvements	21-27	9-20-21	1,405,000.00		\$ 1,074,153.00	\$ 205,000.00		125,847.00
Improvements to Linn Drive Well (NJ I-Bank)	23-41	11-9-23	2,943,038.00		376,687.26		\$ 2,000,000.00	566,350.74
Improvement at the Fairview Avenue Well (NJ I-Bank)	23-42	11-9-23	5,000,000.00		333,415.00			4,666,585.00
Improvement of the Water and Sewer Utility System	24-19	6-13-24	247,500.00			247,500.00		
Various Water Capital Improvements (NJ I-Bank)	24-21	6-13-24	8,406,000.00		457,359.00			7,948,641.00
Improvement of Sewer Line Near Peckman River	24-34	11-11-24	57,000.00			57,000.00		
Various Water/Sewer Capital Improvements	25-11	7-21-25		\$ 902,500.00				902,500.00
			<u>\$ 18,518,159.00</u>	<u>\$ 902,500.00</u>	<u>\$ 2,689,861.00</u>	<u>\$ 509,500.00</u>	<u>\$ 2,000,000.00</u>	<u>\$ 14,221,298.00</u>
	<u>Ref.</u>		D	D-17	D-7	D-19	D-17	D

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

CASH RECEIPTS AND DISBURSEMENTS
COLLECTOR - TREASURER
YEAR ENDED DECEMBER 31, 2025

E-5

	<u>Ref.</u>	<u>Operating Fund</u>	<u>Capital Fund</u>
Balance, December 31, 2024	E	\$ 486,451.60	\$ 14,803.40
Increased by Receipts:			
Premium on Sale of Notes	E-2		\$ 20,446.23
Membership Fees	E-3	\$ 696,159.00	
Miscellaneous Revenue	E-3	199,692.95	
Petty Cash Returned	E-7	100.00	
Interfunds Received	E		700.00
Capital Improvement Fund	E-12		25,000.00
Bond Anticipation Notes Issued	E-17		1,987,000.00
		<u>895,951.95</u>	<u>2,033,146.23</u>
		1,382,403.55	2,047,949.63
Decreased by Disbursements:			
Budget Appropriations	E-4	774,332.69	
Petty Cash Advanced	E-7	100.00	
Interest on Bonds and Notes	E-11	72,472.25	
Appropriation Reserves	E-10	7,993.27	
Improvement Authorizations	E-15		515,110.03
Bond Anticipation Notes Redeemed	E-17		1,429,000.00
		<u>854,898.21</u>	<u>1,944,110.03</u>
Balance, December 31, 2025	E	<u>\$ 527,505.34</u>	<u>\$ 103,839.60</u>

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

ANALYSIS OF CAPITAL CASH
YEAR ENDED DECEMBER 31, 2025

E-6

	<u>Ordinance Number</u>	<u>Balance December 31, 2024</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Transfers</u>		<u>Balance December 31, 2025</u>
					<u>From</u>	<u>To</u>	
<u>Improvement Authorizations - General</u>							
Supplemental 2019-33 Splash Park Improvements at the Big Pool	23-24	\$ 106.04		\$ 106.04			
Pool Furniture Replacement	24-20	(40,314.76)		274,609.28			\$ (314,924.04)
Supplemental Appropriation for Improvements at the Big Pool	24-23	3,617.79		3,617.79			
	24-38	(600.00)		224,400.00		\$ 558,000.00	333,000.00
	25-13			12,376.92		12,376.92	
<u>General Accounts</u>							
Fund Balance		41,209.33	\$ 20,446.23				61,655.56
Capital Improvement Fund		11,485.00	25,000.00		\$ 12,376.92		24,108.08
Bond Anticipation Notes			1,987,000.00	1,429,000.00	558,000.00		
Due from Swimming Pool Utility Operating		(700.00)	700.00				
		<u>\$ 14,803.40</u>	<u>\$ 2,033,146.23</u>	<u>\$ 1,944,110.03</u>	<u>\$ 570,376.92</u>	<u>\$ 570,376.92</u>	<u>\$ 103,839.60</u>
<u>Ref.</u>		E	E-5	E-5	Contra	Contra	E

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

PETTY CASH FUND
YEAR ENDED DECEMBER 31, 2025

E-7

	<u>Ref.</u>	<u>Operating</u>
Balance, December 31, 2024	E	\$ -
Increased by:		
Petty Cash Funds Advanced	E-5	<u>100.00</u>
Decreased by:		
Petty Cash Funds Returned	E-5	<u>100.00</u>
Balance, December 31, 2025	E	<u><u>\$ -</u></u>

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

FIXED CAPITAL
YEAR ENDED DECEMBER 31, 2025

	<u>Ref.</u>	<u>E-8</u>
Balance, December 31, 2024	E	\$ 6,548,659.52
Increased by:		
Transferred from Fixed Capital Authorized and Uncompleted	E-9	<u>267,376.92</u>
Balance, December 31, 2025	E	<u><u>\$ 6,816,036.44</u></u>

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
YEAR ENDED DECEMBER 31, 2025

E-9

<u>General Improvements</u>	<u>Ordinance</u>		<u>Amount</u>	<u>Balance</u> <u>December 31, 2024</u>	<u>2025</u> <u>Authorizations</u>	<u>Transfer</u> <u>To Fixed</u> <u>Capital</u>	<u>Cancelled</u>	<u>Balance</u> <u>December 31, 2025</u>
	<u>Number</u>	<u>Date</u>						
Supplemental 2019-33 Splash Park	23-34	8-17-23	20,000.00	\$ 20,000.00		\$ 20,000.00		
Improvements at the Big Pool	24-20	6-13-24	350,000.00	350,000.00				\$ 350,000.00
Pool Furniture Replacement	24-23	6-13-24	10,000.00	10,000.00		10,000.00		
Supplemental Appropriation for Improvements at the Big Pool	24-38	12-16-24	225,000.00	225,000.00		225,000.00		
Pool Furniture Replacement	25-13	7-17-25	27,500.00		\$ 27,500.00	12,376.92	\$ 15,123.08	
				<u>\$ 605,000.00</u>	<u>\$ 27,500.00</u>	<u>\$ 267,376.92</u>	<u>\$ 15,123.08</u>	<u>\$ 350,000.00</u>
			<u>Ref.</u>	E	E-15	E-8	E-12	E

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2025

E-10

	<u>Balance</u> <u>Dec. 31, 2024</u>		<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Expenditures</u>	<u>Balance</u> <u>Lapsed</u>
	<u>Encumbered</u>	<u>Uncommitted</u>			
<u>Operating</u>					
Salaries and Wages		\$ 12,179.98	\$ 12,179.98	\$ 56.72	\$ 12,123.26
Other Expenses	\$ 9,031.39	8,180.46	17,211.85	7,936.55	9,275.30
	<u>\$ 9,031.39</u>	<u>\$ 20,360.44</u>	<u>\$ 29,391.83</u>	<u>\$ 7,993.27</u>	<u>\$ 21,398.56</u>
<u>Ref.</u>	E	E		E-5	E-1

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

ACCRUED INTEREST ON BONDS AND NOTES
YEAR ENDED DECEMBER 31, 2025

E-11

	<u>Ref.</u>	
Balance, December 31, 2024	E	\$ 57,525.66
Increased by:		
Budget Appropriation	E-4	84,391.01
		141,916.67
Decreased by:		
Payments	E-5	72,472.25
		72,472.25
Balance, December 31, 2025	E	\$ 69,444.42

Analysis of Balance

<u>Date of Issue</u>	<u>Balance</u> December 31, 2025	<u>Rate</u>		<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
<u>Serial Bonds:</u>							
07-15-13	\$ 124,000.00	3.00 %		7-15-25	12-31-25	5.5 Months	\$ 1,705.00
7-20-17	75,000.00	3.00		8-15-25	12-31-25	4.5 Months	843.75
	\$ 199,000.00						2,548.75
<u>Bond Anticipation Notes:</u>							
2-29-24	\$ 17,600.00	4.00 %		2-28-25	12-31-25	306 Days	592.53
2-29-24	14,400.00	4.00		2-28-25	12-31-25	306 Days	484.80
2-29-24	672,000.00	4.00		2-28-25	12-31-25	306 Days	22,624.00
2-29-24	725,000.00	4.00		2-28-25	12-31-25	306 Days	24,408.33
2-27-25	558,000.00	4.00		2-28-25	12-31-25	306 Days	18,786.00
	\$ 1,987,000.00						66,895.67
							\$ 69,444.42

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2025

E-12

Balance, December 31, 2024	E		\$ 11,485.00
Increased by:			
Improvement Authorizations Canceled	E-15	\$ 15,123.08	
Budget Appropriation	E-5	25,000.00	
			40,123.08
			51,608.08
Decreased by:			
Improvement Authorization Funded	E-9 , E-15		27,500.00
Balance, December 31, 2025	E		\$ 24,108.08

RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2025

E-13

	<u>Ref.</u>		
Balance, December 31, 2024	E		\$ 4,736,959.52
Increased by:			
Bonds Redeemed	E-16	\$ 145,000.00	
Transfer from Deferred Amortization-Capital Ordinances	E-14	30,000.00	
Paydown on Notes	E-17	38,700.00	
Paydown on Notes	E-9	27,500.00	
			241,200.00
			4,978,159.52
Decreased by:			
Cancellations	E-9		15,123.08
Balance, December 31, 2025	E		\$ 4,963,036.44

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

DEFERRED RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2025

E-14

	<u>Ref.</u>	
Balance, December 31, 2024	E	\$ 47,000.00
Decreased by:		
Transferred to Reserve for Amortization	E-13	<u>30,000.00</u>
Balance, December 31, 2025	E	<u>\$ 17,000.00</u>
<u>Analysis of Balance</u>	<u>Ordinance Number</u>	<u>Amount</u>
Improvements at the Big Pool	2024-20	<u>\$ 17,000.00</u>
	Above	<u>\$ 17,000.00</u>

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2025

E-15

	<u>Ordinance</u>		<u>Balance</u> <u>Dec. 31, 2024</u>		<u>2025</u> <u>Authorizations</u>	<u>Paid or</u> <u>Charged</u>	<u>Canceled</u>	<u>Balance</u>
	<u>Number</u>	<u>Date</u>	<u>Amount</u>	<u>Funded</u>				<u>Unfunded</u>
								<u>Unfunded</u>
<u>General Improvements</u>								
Supplemental 2019-33 Splash Park	23-34	8-17-23	20,000.00	\$ 106.04		\$ 106.04		
Improvements at the Big Pool	24-20	6-13-24	350,000.00		\$ 292,685.24	274,609.28		\$ 18,075.96
Pool Furniture Replacement	24-23	6-13-24	10,000.00	3,617.79		3,617.79		
Supplemental Appropriation for Improvements at the Big Pool	24-38	12-16-24	225,000.00		224,400.00	224,400.00		
Pool Furniture Replacement	25-13	7-17-25	27,500.00			12,376.92	\$ 15,123.08	
				<u>\$ 3,723.83</u>	<u>\$ 517,085.24</u>	<u>\$ 27,500.00</u>	<u>\$ 515,110.03</u>	<u>\$ 18,075.96</u>
		<u>Ref.</u>		E	E	E-12	E-5	E-12
								E

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

SERIAL BONDS
YEAR ENDED DECEMBER 31, 2025

E-16

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2025</u>		<u>Interest Rate</u>	<u>Balance December 31, 2024</u>	<u>Bonds Redeemed</u>	<u>Balance December 31, 2025</u>
			<u>Date</u>	<u>Amount</u>				
Improvements to Pool Facilities	7-15-13	\$ 1,379,000.00	7-15-26	\$ 124,000.00	3.00 %	\$ 254,000.00	\$ 130,000.00	\$ 124,000.00
Improvements to Pool Facilities	7-20-17	171,000.00	2-15-26	15,000.00	3.00			
			2-15-27	15,000.00	3.00			
			2-15-28	15,000.00	3.00			
			2-15-29	15,000.00	3.00			
			2-15-30	15,000.00	3.00			
						<u>90,000.00</u>	<u>15,000.00</u>	<u>75,000.00</u>
						<u>\$ 344,000.00</u>	<u>\$ 145,000.00</u>	<u>\$ 199,000.00</u>
					<u>Ref.</u>	E	E-13	E

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY
 BOND ANTICIPATION NOTES
YEAR ENDED DECEMBER 31, 2025

E-17

Ordinance Number	Improvement Description	Original Issue	Date of Maturity	Interest Rate	Balance December 31, 2024	Increased	Decreased	Balance December 31, 2025
7-14	Various Pool Improvements	3-2-23	2-26-26	4.00	% \$ 23,800.00	\$ 17,600.00	\$ 23,800.00	\$ 17,600.00
17-16	Various Pool Improvements	3-2-23	2-26-26	4.00	20,900.00	14,400.00	20,900.00	14,400.00
19-33	Improvements to Pool Facility	3-2-23	2-26-26	4.00	698,000.00	672,000.00	698,000.00	672,000.00
23-20	Splash Park (Supp. Ord. #19-33)	3-2-23	2-26-26	4.00	725,000.00	725,000.00	725,000.00	725,000.00
24-20/24-38	Improvements to Pool Facility	2-27-25	2-26-26	4.00	558,000.00	558,000.00	558,000.00	558,000.00
					<u>\$ 1,467,700.00</u>	<u>\$ 1,987,000.00</u>	<u>\$ 1,467,700.00</u>	<u>\$ 1,987,000.00</u>
				<u>Ref.</u>	E	Below	Below	E
				Renewals	E-5	\$ 1,987,000.00	\$ 1,429,000.00	
				Paydown from Budget	E-13		38,700.00	
				Above		<u>\$ 1,987,000.00</u>	<u>\$ 1,467,700.00</u>	

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY OPERATING FUND

DEFERRED CHARGES - SPECIAL EMERGENCY
YEAR ENDED DECEMBER 31, 2025

E-18

<u>Date Authorized</u>	<u>Purpose</u>	<u>Amount Authorized</u>	<u>Balance December 31, 2024</u>	<u>Decrease</u>	<u>Balance December 31, 2025</u>
12-27-2020	COVID-19 Deficit	\$ 300,000.00	<u>\$ 120,000.00</u>	<u>\$ 60,000.00</u>	<u>\$ 60,000.00</u>
		<u>Ref.</u>	E	E-4	E

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY CAPITAL FUND

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2025

E-19

<u>Authorizations</u>	<u>Ordinance</u>		<u>Debt Authorized</u>	<u>Balance December 31, 2024</u>	<u>Notes Issued</u>	<u>Balance December 31, 2025</u>
	<u>Number</u>	<u>Date</u>				
Improvements at the Big Pool	24-20	6-13-24	\$ 333,000.00	\$ 333,000.00	\$ 333,000.00	\$ -
Supplemental Appropriation for Improvements at the Big Pool	24-38	12-16-24	225,000.00	<u>225,000.00</u>	<u>225,000.00</u>	<u> </u>
				<u>\$ 558,000.00</u>	<u>\$ 558,000.00</u>	<u>\$ -</u>
			<u>Ref.</u>	E	E-17	E

TOWNSHIP OF VERONA
PUBLIC ASSISTANCE TRUST FUND

CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED DECEMBER 31, 2025

F-1

	<u>Ref.</u>	
Balance, December 31, 2024	F	\$ 3,202.15
Increased by Receipts:		
Interest on Deposits	F-2	<u>83.77</u>
Balance, December 31, 2025	F	<u>\$ 3,285.92</u>

TOWNSHIP OF VERONA
PUBLIC ASSISTANCE TRUST FUND

RESERVE FOR EXPENDITURES
YEAR ENDED DECEMBER 31, 2025

F-2

	<u>Ref.</u>	
Balance December 31, 2024	F	\$ 3,202.15
Increased by:		
Interest on Deposits	F-1	<u>83.77</u>
Balance December 31, 2025	F	<u>\$ 3,285.92</u>

TOWNSHIP OF VERONA
FREE PUBLIC LIBRARY

CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED DECEMBER 31, 2025

G-2

	<u>Ref.</u>	<u>Fees Account</u>	<u>Memorial Account</u>	<u>Landsberger Account</u>	<u>VPL Savings Account</u>
Balance, December 31, 2024	G	\$ 71,245.69	\$ 213,400.46	\$ 11,487.80	\$ -
Increased by Receipts:					
Fees and Fines	G-1	\$ 1,755.09			
State Aid	G-1	7,892.85			
Donations	G-1	26,224.33			
Book Sales	G-1	1,942.75			
Printing	G-1	2,540.76			
Lost Book Fees	G-1	608.99			
Coffee	G-1	90.00			
Miscellaneous	G-1	49,400.58			
Interest on Landsberger Account	G-1			\$ 261.75	\$ 898.44
Interest on Fees Account	G-1	466.64			
Interest on Memorial Account	G-1		\$ 4,862.36		
Transfer from Fees Account	G-1				50,000.00
		<u>90,921.99</u>	<u>4,862.36</u>	<u>261.75</u>	<u>50,898.44</u>
		<u>162,167.68</u>	<u>218,262.82</u>	<u>11,749.55</u>	<u>50,898.44</u>
Decreased by Disbursements:					
Books, Compact Discs, Supplies, Dues, Registrations, Refunds, Postage, Subscriptions and Programs	G-1	67,462.54			
Transfer to VPL Savings Account	G-1	<u>50,000.00</u>			
		<u>117,462.54</u>			
Balance, December 31, 2025	G	<u><u>\$ 44,705.14</u></u>	<u><u>\$ 218,262.82</u></u>	<u><u>\$ 11,749.55</u></u>	<u><u>\$ 50,898.44</u></u>

See accompanying notes to the financial statements.

TOWNSHIP OF VERONA
PAYROLL FUND

H-1

CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED DECEMBER 31, 2025

	<u>Balance</u> <u>December 31, 2024</u>	<u>Gross</u> <u>Payroll</u>	<u>Other</u> <u>Receipts</u>	<u>Disbursements</u>	<u>Adjustments</u>	<u>Balance</u> <u>December 31, 2025</u>
Net Salaries and Wages		\$ 8,769,457.75		\$ 8,769,457.75		
Federal Income Tax		1,192,969.70	\$ 294,903.18	1,487,872.88		
New Jersey State Income Tax		1,345,980.85	314,819.28	1,660,800.13		
Social Security		199,929.78	46,464.98	246,394.76		
NJ Dept of Labor			25,906.59	25,906.59		
Health Benefits		784,768.52		784,768.52		
FSA Contributions		13,883.40		13,883.40		
State Unemployment Compensation Insurance		19,104.40		19,104.40		
Public Employees' Retirement System	\$ 3,312.80	478,686.18	847,266.00	1,317,007.92	\$ (649.92)	\$ 12,906.98
Police and Firemen's Retirement System	(47.29)	480,329.53	1,495,354.00	1,975,551.96		84.28
Defined Contribution Retirement	652.07	34,114.80	26,786.72	60,865.10		688.49
457(B) Mass Mutual + Roth		388,134.85		388,134.85		
AFLAC		14,997.70		14,997.70		
Garnishments		3,737.59		3,737.59		
OPEIU (Union Dues)	24.25	31,597.75		31,597.75		24.25
PBA Dues		29,672.00		29,672.00		
NY Life Insurance		2,472.76		2,167.00		305.76
Colonial Life	35.63	5,400.27		5,435.90		
EE Reimb. to the Township		3,090.47				3,090.47
Other	5,221.01			3,021.16	3,212.10	5,411.95
	<u>\$ 3,977.46</u>	<u>\$ 13,798,328.30</u>	<u>\$ 3,051,500.75</u>	<u>\$ 16,840,377.36</u>	<u>\$ 2,562.18</u>	<u>\$ 22,512.18</u>

Ref.

H

H

TOWNSHIP OF VERONA
ESSEX COUNTY, NEW JERSEY

PART III
SINGLE AUDIT SECTION



**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 Township Council
Township of Verona
Verona, 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 ("Division"), the regulatory basis financial statements of the Township of Verona ("Township") as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated June 25, 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 Township's internal control over financial reporting ("internal control") to determine the 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 Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township'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 Township'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.

**The Honorable Mayor and Members
of the Township Council
Township of Verona**

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township'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 Township'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 Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PKF O'Connor Davies, LLP

Cranford, New Jersey
June 25, 2026

Robert E. Provost

Robert E. Provost, CPA
Registered Municipal Accountant, No. 582



Report on Compliance for Each Major State Program and Report on Internal Control Over Compliance Required by NJ OMB Circular 25-12

Independent Auditors' Report

**The Honorable Mayor and Members
of the Township Council
Township of Verona
Verona, New Jersey**

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Township of Verona, New Jersey's ("Township") compliance with the types of compliance requirements identified as subject to audit in the New Jersey *State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Township's major state programs for the year ended December 31, 2025. The Township's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States ("Government Auditing Standards"); and New Jersey OMB Circular 25-12, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards and New Jersey OMB Circular 25-12 are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report. We are required to be independent of the Township and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the Township's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

**The Honorable Mayor and Members
of the Township Council
Township of Verona
Verona, New Jersey**

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Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Township's compliance based on our audit.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and New Jersey OMB Circular 25-12 will always detect material noncompliance when it exists.

The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error; as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Township's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and New Jersey OMB Circular 25-12, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Township's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Township's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the New Jersey OMB Circular 25-12, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

**The Honorable Mayor and Members
of the Township Council
Township of Verona
Verona, New Jersey**

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Our consideration of internal control over compliance was for the limited purpose described above and was not designed to identify all deficiencies that might be material weaknesses or significant deficiencies. Accordingly, no opinion is expressed on the effectiveness of internal control over compliance.

The purpose of this report is solely to describe the scope of our testing of internal control over compliance and the results of that testing in accordance with New Jersey OMB Circular 25-12. Accordingly, this report is not suitable for any other purpose.

PKF O'Connor Davies, LLP

Cranford, New Jersey
June 25, 2026

Robert E. Provost

Robert E. Provost, CPA
Registered Municipal Accountant, No. 582

**NOTES TO THE SCHEDULE OF EXPENDITURES OF
STATE FINANCIAL ASSISTANCE**

TOWNSHIP OF VERONA
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2025

State Funding Department or Division	Program	State Account Number	Grant Period		Award	Expenditures	Cumulative Expenditures
			From	To			
NJ Board of Public Utilities:	New Jersey Board of Public Utilities (NJBPU)	Not Available	7-01-24	6-30-25	\$ 10,000.00	\$ 2,500.00	\$ 2,500.00
NJ Department of Community Affairs:	Municipal Alliance on Alcohol and Drug Abuse:						
	State Funds (7/1/2024-6/30/2025)	2000-475-9915120-60	7-01-24	6-30-25	21,151.58	12,081.17	16,921.26
	State Funds (7/1/2025-6/30/2026)	2000-475-9915120-60	7-01-25	6-30-26	22,625.00	6,418.22	6,418.22
	Total Municipal Alliance on Alcohol and Drug Abuse				43,776.58	18,499.39	23,339.48
	Jake's Law Grant	Not Available	7-01-25	6-30-26	750,000.00	249,138.56	249,138.56
Total NJ Department of Community Affairs:					793,776.58	267,637.95	272,478.04
NJ Department of Environmental Protection:							
	Clean Communities	4900-765-178910-60	1-01-24	12-31-24	34,965.48	16,586.00	16,586.00
	Clean Communities	4900-765-178910-60	1-01-25	12-31-25	34,679.33	5,633.00	5,633.00
	Total Clean Communities				69,644.81	22,219.00	22,219.00
	Recycling Tonnage Grant	4900-752-178840-60	1-01-24	12-31-24	22,991.07	16,560.18	22,991.07
	Recycling Tonnage Grant	4900-752-178840-60	1-01-25	12-31-25	20,345.91		
	Total Recycling Tonnage Grant				43,336.98	16,560.18	22,991.07
	Stormwater Assistance Grant	Not Available	1-01-25	12-31-25	25,000.00	12,177.51	12,177.51
	NJ Infrastructure Bank Sewerage Facility Construction Cluster:						
	NJ Environmental Infrastructure Trust	Not Available	1-01-25	12-31-25	9,000,000.00	2,689,861.00	4,263,702.00
	Preserve NJ Green Acres-Constitutional Dedication-Loans & Grants Local	4875-100-421	1-01-25	12-31-25	1,200,000.00	1,200,000.00	1,200,000.00
	1995 Green Acres Bond Fund	4800-566-010	1-01-25	12-31-25	700,000.00	700,000.00	700,000.00
Total NJ Department of Environmental Protection:					11,017,635.88	4,640,817.69	6,279,383.12
NJ Department of Health and Human Services:							
	Age-Friendly Community Grants	Not Available	1-01-25	1-01-25	70,000.00	11,250.00	11,250.00
	Staffing & Community Engagement Grant	Not Available	1-01-25	1-01-25	10,000.00	927.71	927.71
	Healthy Communities	Not Available	1-01-25	1-01-25	250,000.00	2,918.75	2,918.75
Total NJ Department of Health and Human Services:					330,000.00	15,096.46	15,096.46
NJ Department of Law and Public Safety:							
	Body Armor Replacement	Not Available	1-01-25	12-31-25	2,111.52	1,242.62	1,242.62
Total NJ Department of Law and Public Safety:					2,111.52	1,242.62	1,242.62
NJ Division of Highway Traffic Safety:							
	Drunk Driving Enforcement Fund	6400-100-078-6400	1-01-25	12-31-25	7,000.00	1,188.60	5,957.16
Total NJ Division of Highway Traffic Safety:					7,000.00	1,188.60	5,957.16
NJ Department of Transportation:							
Transportation Cluster:							
	Highway Planning and Construction (Municipal Aid Highway Program) - Reconstruction of Douglas Place	6320-480-078-6320	1-1-23	Completion	442,450.00	5,155.48	212,217.97
	Highway Planning and Construction (Municipal Aid Highway Program) - Reconstruction of Dodd Terrace, Summit Road, and Afterglow Avenue	6320-480-078-6320	7-31-25	Completion	332,656.00	110,503.25	110,503.25
Transportation Cluster Subtotal:					775,106.00	115,658.73	322,721.22
Total NJ Department of Transportation:					775,106.00	115,658.73	322,721.22
NJ Economic Development Authority							
	Local Property Acquisition Grant Program	Not Available	1-01-25	12-31-25	1,000,000.00	1,000,000.00	1,000,000.00
Total NJ Economic Development Authority:					1,000,000.00	1,000,000.00	1,000,000.00
Total State Awards						\$ 6,045,384.67	\$ 6,609,304.12

**TOWNSHIP OF VERONA
ESSEX COUNTY, NEW JERSEY**

**Notes to Schedules of Expenditures of State Financial Assistance
December 31, 2025**

Note 1 - General:

The accompanying schedules of expenditures of state financial assistance present the activity of all state award programs of the Township of Verona. The Township is defined in Note 1 to the financial statements. To the extent identified, the state financial assistance that passed through other governmental agencies are included on the schedules of expenditures of state financial assistance.

Note 2 - Basis of Accounting:

The accompanying schedules of expenditures of state financial assistance is presented using the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is described in Note 2, Summary of Significant Accounting Policies of the Township's financial statements. The information in the schedule of expenditures of state financial assistance is presented in accordance with New Jersey OMB Circular 25-12.

Note 3 - Relationship to Financial Statements:

Amounts reported in the accompanying schedules agree with amounts reported in the Township's financial statements.

Note 4 - Relationship to State Financial Reports:

Amounts reported in the accompanying schedule of expenditures of state financial assistance agree with the amounts reported in the related state financial reports, where required.

Note 5 – Indirect Cost Rate:

The Township has not elected to use an indirect cost rate for state financial assistance programs.

Note 6 – NJEDA Local Property Acquisition Grant Program:

During the year ended December 31, 2025, the Township received funding under the New Jersey Economic Development Authority (NJEDA) Local Property Acquisition Grant Program.

This program provides financial assistance for the acquisition of real property for redevelopment and community improvement purposes. The Township recognized state financial assistance related to this program based on reimbursement of eligible costs incurred in accordance with the grant agreement.

Management has represented that the Township complied with all applicable requirements of the program, including allowable costs, eligibility, and reporting provisions.

Note 7 – Federal Single Audit:

Pursuant to the requirements of the Uniform Guidance, the Township was not required to and did not undergo a Federal Single Audit .

**TOWNSHIP OF VERONA
ESSEX COUNTY, NEW JERSEY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2025**

PART I – SUMMARY OF AUDITORS’ RESULTS

Financial Statement Section

Type of auditors’ report issued: Unmodified – Regulatory Basis

Internal Control over financial reporting:

Material weakness(es) identified?	_____	Yes	_____ X _____	No
Significant deficiency(ies) identified?	_____	Yes	_____ X _____	None Reported
Noncompliance material to the financial statements noted?	_____	Yes	_____ X _____	No

State Financial Assistance

Internal Control over major programs:

Material weakness(es) identified?	_____	Yes	_____ X _____	No
Significant deficiency(ies) identified?	_____	Yes	_____ X _____	None Reported

Type of auditors’ report issued on compliance for major programs:

_____ Unmodified _____

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular 25-12?

_____	Yes	_____ X _____	No
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Identification of major state programs:

State Account Number

Name of State Program

Not Available	New Jersey Department of Environmental Protection 1995 Green Acres Bond Fund
Not Available	New Jersey Department of Environmental Protection Preserve NJ Green Acres – Constitutional Dedication
Not Available	New Jersey Economic Development Authority Local Property Acquisition Grant Program

Dollar threshold used to distinguish between type A and B programs:

_____ \$1,000,000.00 _____

Auditee qualified as low-risk auditee?

_____	Yes	_____ X _____	No
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TOWNSHIP OF VERONA
ESSEX COUNTY, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2025

PART II – SCHEDULE OF FINANCIAL STATEMENT FINDINGS

No financial statement findings noted that are required to be reported under *Government Auditing Standards*.

**TOWNSHIP OF VERONA
ESSEX COUNTY, NEW JERSEY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2025**

PART III – STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

None.

**TOWNSHIP OF VERONA
ESSEX COUNTY, NEW JERSEY**

**PART IV
ROSTER OF OFFICIALS
GENERAL COMMENTS
YEAR ENDED DECEMBER 31, 2025**

ROSTER OF OFFICIALS AND REPORT ON SURETY BONDS AT DECEMBER 31, 2025

<u>Name</u>	<u>Title</u>	<u>Amount of Surety</u>
Christopher Tamburro	Mayor	
Jack McEvoy	Deputy Mayor	
Christine McGrath	Councilperson	
Cynthia Holland	Councilperson	
Alex Roman	Councilperson	
Joseph D'Arco	Township Manager	
Christopher Kiernan	Police Chief	
Kevin O'Sullivan	Manager	
Michael Kraus	Deputy	
Jennifer Kiernan	Municipal Clerk	
Jennifer Muscara	Chief Financial Officer	
	Deputy Treasurer – Tax Collector	
	Tax Search Officer	\$1,000,000.00
George Librizzi	Tax Assessor	
Brian Aloia	Township Attorney	
Thomas Jacobsen	Construction Code Enforcement Officer	
Lenny Waterman	Buildings and Grounds Superintendent	
Charles Molinaro	Superintendent of Public Works	
Claudine Pascale	Library Director	

Public Employee Dishonesty coverage in the amount of \$25,000.00, per loss, covers all other employees.

All policies were provided through the North Jersey Intergovernmental Insurance Fund.

GENERAL COMMENTS

Contracts and Agreements Required to be Advertised per (N.J.S.A. 40A:11-4)

N.J.S.A. 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 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 \$17,500.00 except by contract or agreement."

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

The bidding threshold from January 1, 2025 to June 30, 2025 was \$44,000.00, and from July 1, 2025 to December 31, 2025, it was \$53,000.00, in accordance with the provisions of N.J.S.A. 40A:11-3c based on the appointment of a qualified purchasing agent.

Purchases, Contracts or Agreements Not Required to be Advertised (N.J.S.A. 40A:11-6.1)

N.J.S.A. 40A:11-6.1 states, "Except contracts which require the performance of professional services, all contracts or agreements which do not require public advertising for bids and the estimated cost or price exceeds fifteen percent of the bid threshold or \$6,600.00 from January 1, 2025 to July 1, 2025 and \$7,950.00 from July 2, 2025 to December 31, 2025, at least two quotations as to the cost or price, whenever practicable, shall be solicited by the contracting agent, and the contract or agreement shall be made with and awarded to the lowest responsible bidder."

Reference is made to the Local Public Contract Guidelines and Local Public Contract Regulations promulgated by the New Jersey Division of Local Government Services in the Department of Community Affairs.

Our examination of expenditures revealed that no payments were made in excess of \$44,000.00 from January 1, 2025 to June 30, 2025 or \$53,000.00 from July 1, 2025 to December 31, 2025 "for the performance of any work or the furnishing or hiring of any materials or supplies" other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of N.J.S. 40A:11-6.

Collection of Interest on Delinquent Taxes and Other Municipal Charges

N.J.S.A. 54:4-47, as amended, provides the method for authorizing interest and the maximum rate to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The Governing Body adopted the following resolution in January 2025 authorizing interest to be charged on delinquent taxes, assessments and utility bills:

"WHEREAS, R.S. 54:4-66 regulates the due dates for the payment of taxes and assessments, and

WHEREAS, Chapter 105, P.L. 1965, amending R.S. 54:4-67 authorizes the municipalities to provide a grace period not exceeding ten (10) days.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Township of Verona that the Collector is hereby authorized to allow a period of ten (10) days grace from the installment due date before charging interest; after ten (10) days, interest reverts back to the due date, and

BE IT FURTHER RESOLVED that the rate of interest to be charged for the payment of taxes or assessments or sewer utility bills, when they become delinquent, shall be at the rate of eight percent (8.00%) per annum on the first \$1,500.00 of the delinquency, and eighteen percent (18.00%) per annum in the excess of \$1,500.00 and an additional penalty of six percent (6.00%) on any delinquency in excess of \$10,000.00 for the prior year.

Tests of the Tax Collector's records indicate that interest was collected in accordance with the provisions of the foregoing ordinance.

Delinquent Taxes and Tax Title Liens

A tax sale was held in 2025 and was complete.

Revenues

Receipts from licenses, fees, fines and costs, etc., for all departments, including the Municipal Court, were checked to the records maintained to the extent deemed necessary. No exceptions were noted.

Purchase Order System and Encumbrance System

The Township's budgetary operation is on a full encumbrance system with the exception of payrolls and other direct costs. All purchases are made directly by the purchasing department or subsequently confirmed on an emergency basis. Tests of the system disclosed no exceptions. Blanket orders and other outstanding encumbrances were reviewed at the close of the year, and adjustments and cancellations were made where appropriate to reflect actual commitments outstanding for budgetary control.

Payment of Claims

The examination did not and does not determine the character of services rendered for which payment had been made or for which reserves had been set up, nor could it determine the character, proper price or quantity of materials supplied for which claims had been passed. Authorization for payment of claims is delegated to the Chief Financial Officer and bill lists are submitted to the Township Council for approval and recorded as a supplement to the official minutes.

Finding 2025-001

In accordance with N.J.A.C. 5:30-5.3, a certification of availability of funds must be made and funds encumbered prior to any commitment of rendered services or purchased goods. During our testing, we noted certain transactions were committed prior to funds being encumbered.

We recommend that all requisitions be submitted prior to any commitment of goods or services.

Issuance of Bond Anticipation Notes

The Township, as of December 31, 2025 and 2024, has issued bond anticipation notes in excess of what was authorized in the amount of \$148,000.07 in the general capital fund. Many of these instances relate to receiving the cash for anticipated grants after the issuance of bond anticipation notes.

Although this condition still exists, the Township has made progress towards correcting this recommendation from the prior year and corrective action is in progress.

Cybersecurity

As part of its overall risk management, the Township reviews security measures in place relating to its Information Technology (IT), including the use of specialized assessments. With the ever increasing challenges relating to cybersecurity, each organization determines what particular assessment or combination of assessments best fits its information security strategy. We suggest management continue to assess risks related to cybersecurity along with utilization of specialized assessments, which would also include a periodic reporting mechanism to those charged with governance.

Grant Funding

The Township receives and administers various grant awards throughout the year, which require coordination among multiple departments to ensure proper budgeting, financial reporting, and compliance with grant requirements. Effective communication of grant award information and supporting documentation is necessary to ensure all related activity is accurately recorded and reported.

Finding 2025-002

There appears to be inconsistent communication among Township departments regarding grant activity. We noted instances where grant award information was not consistently shared with all relevant personnel, resulting in inaccuracies in ordinances and the risk that grant receivables and related activity may not be properly recorded in the financial records.

We recommend the Township implement procedures to ensure all grant documentation is distributed timely to appropriate departments.

Status of Prior Years' Audit Recommendations

In accordance with regulations promulgated by the Division of Local Government Services, all municipalities are required to prepare and submit to the Division of Local Government Services a Corrective Action Plan with regard to audit deficiencies.

This plan must be approved by formal resolution of the Governing Body and submitted within 60 days from the date the audit is received.

Miscellaneous

A separate report summarizing collections of Dog License Fees and remittances of State Registration Fees was also prepared and filed with the New Jersey Department of Health and the Division of Local Government Services.

A statutory report on the operations of the Municipal Court was prepared as part of our examination and copies were filed with the New Jersey Administrative Office of the Courts, the Division of Local Government Services, the Municipal Court and the Township Clerk.

A separate report on the operations of the Uniform Construction Code office was also prepared and filed with the New Jersey Division of Local Government Services.

Revenue and receipts were established and verified as to source and amount only insofar as the local records permitted.

In verifying expenditures, computations were tested on claims approved and paid. No attempt was made in this connection to establish proof of rendition, character or extent of services, nor quantities, nature, propriety of prices or receipt of materials, these elements being left necessarily to internal review in connection with approval of claims.

The propriety of deductions for pensions, withholding tax, social security and other purposes from individual employee salaries was not verified as part of this examination.

Activity of the State Unemployment Compensation Insurance Trust Fund, established for the accumulation of pertinent payroll deductions, municipal contributions and interest on deposits, appears in Section "B" of the report.

A copy of this report was filed with the New Jersey Division of Local Government Services.

A summary or synopsis of this report was prepared for publication and filed with the Township Clerk.

RECOMMENDATIONS

2025-001

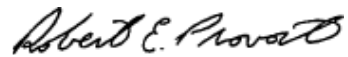
We recommend that all requisitions be submitted prior to any commitment of goods or services.

2025-002

We recommend the Township implement procedures to ensure all grant documentation is distributed timely to appropriate departments.

We desire to express our appreciation for the assistance and courtesies rendered by the Township officials and employees during the course of the examination.

Respectfully submitted,



Robert E. Provost, CPA
Registered Municipal Accountant, No. 582

June 25, 2026