TOWNSHIP OF PARSIPPANY-TROY HILLS
COUNTY OF MORRIS

FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA
AND INFORMATION
YEARS ENDED DECEMBER 31, 2025 AND 2024
WITH
REPORT OF INDEPENDENT AUDITORS

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

TOWNSHIP OF PARSIPPANY – TROY HILLS
MORRIS COUNTY, NEW JERSEY

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MORRIS COUNTY, NEW JERSEY

PART I
INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS - REGULATORY BASIS

Independent Auditors' Report

**The Honorable Mayor and Members
of the Township Council
Township of Parsippany-Troy Hills
Parsippany, 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 Parsippany-Troy Hills, New Jersey, ("Township") which comprise the balance sheets as of December 31, 2025, and the related statements of operations and changes in fund balance for the year 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 the regulatory basis statements of operations and changes in fund balances for the year then ended and the regulatory basis statements of revenue and statements of expenditures for the year ended December 31, 2025 and the related notes to the financial statements, in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("Division") described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

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

As described in Note 1 of the financial statements, the financial statements are prepared by 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 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events considered in the aggregate that raise substantial doubt about the 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 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 judgment, 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.

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.

Prior Period Financial Statements

The regulatory-basis financial statements of the Township of Parsippany-Troy Hills as of December 31, 2024, were audited by other auditors whose report dated May 27, 2025, expressed an unmodified opinion on those statements in accordance with the financial reporting provisions of the Division. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived, except for the restatement as described in Note 20 in the notes to financial statements. The predecessor auditor reported on the financial statements for the year ended December 31, 2024 before the restatement.

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 – Regulatory Basis and Part IV – General Comments and Recommendations, as listed in the table of contents, is presented for purposes of additional analysis as required by the Division and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 14, 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
July 14, 2026

Anthony Branco

Anthony Branco, CPA
Registered Municipal Accountant, No. 595

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 Parsippany-Troy Hills
Parsippany, 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 Parsippany-Troy Hills ("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 July 14, 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") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

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We identified a control deficiency, described in the accompanying schedule of findings, as item 2025-001 that we consider to be a significant deficiency.

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
July 14, 2026

Anthony Branco

Anthony Branco, CPA
Registered Municipal Accountant, No. 595

FINANCIAL STATEMENTS - REGULATORY BASIS

Exhibit - A

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

CURRENT FUND
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
DECEMBER 31, 2025 AND 2024

ASSETS AND DEFERRED CHARGES	REF.	2025	2024
Current Fund:			
Cash and Cash Equivalents - Treasurer	A-4	$ 19,967,185.49	$ 24,544,467.20
Change Funds	A-5	1,565.00	1,565.00
Due from State of NJ- Sr. Cit. Ded	A-17	49,926.47	50,885.64
		20,018,676.96	24,596,917.84
Receivables and Other Assets With Full Reserves:			
Taxes Receivable	A-7	2,623,949.29	1,085,265.55
Tax Title Liens Receivable	A-8	1,945,111.69	1,663,460.05
Property Acquired for Taxes (At Assessed Valuation)	A-9	1,428,800.00	1,428,800.00
Revenue Accounts Receivable	A-10	42,008.26	88,326.39
Other Liens Receivable	A-11	191,926.95	191,926.95
Interfund Receivable	A-12	30,683.57	44,688.64
		6,262,479.76	4,502,467.58
Deferred Charges:			
Special Emergency (40A:4-53)	A-26	2,760,488.76	4,229,702.36
Total Current Fund		29,041,645.48	33,329,087.78
Federal and State Grant Fund:			
Cash and Cash Equivalents	A-4	1,110,108.92	1,145,395.64
Federal and State Grants Receivable	A-28	2,152,713.07	2,727,713.07
Interfund Receivable	A-29	5.00	
Total Federal and State Grant Fund		3,262,826.99	3,873,108.71
		$ 32,304,472.47	$ 37,202,196.49

LIABILITIES, RESERVES AND FUND BALANCE	REF.	2025	2024
Current Fund:			
Appropriation Reserves	A-3, A-13	$ 5,490,617.10	$ 5,822,707.03
Reserve for Encumbrances	A-3,A-19	979,093.32	1,455,766.72
Accounts Payable	A-14	1,273.36	
Tax Overpayments	A-15	101,258.15	77,471.46
Prepaid Taxes	A-16	3,578,793.48	3,466,485.27
Due to State of NJ- Various Fees	A-18	155,587.00	51,200.00
Local School Taxes Payable			3.00
Reserve for Tax Appeals	A-23	1,575,556.70	1,558,624.70
Reserve for Sale of Municipal Assets	A-24	54,678.00	
Reserve for Watershed Moratorium	A-25	55,178.00	55,178.00
Interfund Payable	A-12	5.00	2,000,000.00
Special Emergency Notes Payable	A-27	1,388,000.00	2,422,000.00
		13,380,040.11	16,909,436.18
Reserve for Receivables	Reserve	6,262,479.76	4,502,467.58
Fund Balance	A-1	9,399,125.61	11,917,184.02
Total Current Fund		29,041,645.48	33,329,087.78
Federal and State Grant Fund:			
Reserve for State and Federal Grants:			
Appropriated	A-30	3,262,172.79	3,447,557.14
Unappropriated	A-31	654.20	425,551.57
Total Federal and State Grant Fund		3,262,826.99	3,873,108.71
		$ 32,304,472.47	$ 37,202,196.49

See Accompanying Notes to Financial Statements

Exhibit - A-1

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

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

	REF.	2025	2024
REVENUE AND OTHER INCOME REALIZED			
Fund Balance Appropriated	A-2	$ 6,370,000.00	$ 5,400,000.00
Miscellaneous Revenues Anticipated	A-2	22,677,078.28	22,755,746.45
Receipts from Delinquent Taxes	A-2	1,115,306.14	1,377,408.18
Receipts from Current Taxes	A-2	257,311,613.83	252,475,310.40
Non-Budget Revenue	A-2	528,392.09	242,827.59
Other Credits to Income:			
Interfund Loan Returns	A-12	44,688.64	60,726.12
Accounts Payable Cancelled			22,657.27
Tax Overpayments Cancelled			33,801.44
Unexpended Balances of Appropriation Reserves	A-13	1,833,007.66	2,403,168.16
Refund of Prior Year Expenditures	A-4	21,766.97	
Total Revenues and Other Income		289,901,853.61	284,771,645.61
EXPENDITURES AND OTHER CHARGES			
Budget Appropriations:			
Operating:			
Salaries and Wages	A-3	35,028,010.00	34,745,378.00
Other Expenses	A-3	32,810,533.43	31,737,536.69
Capital Improvements	A-3	100,000.00	100,000.00
Municipal Debt Service	A-3	13,914,120.00	13,630,924.96
Statutory Expenditures	A-3	9,243,175.00	9,040,506.60
Deferred Charges- Emergency Authorization	A-3	1,469,213.60	1,306,406.00
Interfund Loan Advanced			44,688.64
Prior Year Sr. Cit. and Vet. Ded. Disallowed by Collector (Net)	A-17	11,279.30	11,750.00
County Taxes	A-20	24,622,850.17	23,853,564.35
Local District School Tax	A-21	160,322,884.00	156,341,086.00
Special District Taxes	A-22	6,221,789.00	5,648,627.00
Open Space Taxes	A-22A	1,469,510.02	1,470,842.46
Reserve for Tax Appeals	A-23	800,000.00	1,000,000.00
Refund of Prior Year Revenue	A-4	36,547.50	72,497.00
Total Expenditures		286,049,912.02	279,003,807.70
Excess in Revenue over Expenditures		3,851,941.59	5,767,837.91
Adjustments to Excess Before Fund Balance:			
Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Year Special Emergency Authorization (40A:4-53)			1,255,000.00
Statutory Excess to Fund Balance		3,851,941.59	7,022,837.91
Balance - January 1	A	11,917,184.02	10,294,346.11
		15,769,125.61	17,317,184.02
Decreased by:			
Utilization as Anticipated Revenue	A-2	6,370,000.00	5,400,000.00
Balance - December 31	A	$ 9,399,125.61	$ 11,917,184.02

See Accompanying Notes to Financial Statements

TOWNSHIP OF PARSIPPANY - TROY HILLS
MORRIS COUNTY, NEW JERSEY

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

	ANTICIPATED BUDGET	N.J.S.A. 40A:4-87	TOTAL BUDGET	REALIZED	EXCESS OR (DEFICIT)
Surplus Anticipated	$ 6,370,000.00		$ 6,370,000.00	$ 6,370,000.00	
Total Surplus Anticipated	6,370,000.00	-	6,370,000.00	6,370,000.00	-
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	89,900.00		89,900.00	97,055.00	$ 7,155.00
Other	275,000.00		275,000.00	284,514.00	9,514.00
Fees and Permits	925,000.00		925,000.00	1,366,401.79	441,401.79
Fines and Costs:			-		
Municipal Court	300,000.00		300,000.00	542,431.32	242,431.32
Interest and Costs on Taxes	350,000.00		350,000.00	355,833.55	5,833.55
Interest on Investments and Deposits	1,500,000.00		1,500,000.00	1,673,338.91	173,338.91
Garbage and Trash Removal	1,646,000.00		1,646,000.00	1,826,014.24	180,014.24
Community Center Revenue - Concession Rents	220,000.00		220,000.00	303,925.00	83,925.00
Ambulance Service Billing	1,400,000.00		1,400,000.00	1,599,045.30	199,045.30
Lease of Township Assets	750,000.00		750,000.00	602,651.65	(147,348.35)
Payment in Lieu of Taxes - BT Property, LLC (UPS)	800,070.00		800,070.00	827,355.00	27,285.00
Hotel Use and Occupancy Tax	1,900,000.00		1,900,000.00	2,177,317.95	277,317.95
Subtotal - Local Revenues	10,155,970.00		10,155,970.00	11,655,883.71	1,499,913.71
Energy Receipts Tax	4,548,623.00		4,548,623.00	4,548,623.26	0.26
Watershed Aid	55,178.00		55,178.00	55,178.00	
Subtotal - State Aid Revenues	4,603,801.00		4,603,801.00	4,603,801.26	0.26
Dedicated Uniform Construction Code Fees:					
Uniform Construction Code Fees	3,000,000.00		3,000,000.00	4,441,337.36	1,441,337.36
Subtotal - Uniform Construction Code Revenues	3,000,000.00		3,000,000.00	4,441,337.36	1,441,337.36
Interlocal:					
Shared Services - Municipal Court	158,916.00		158,916.00	158,916.00	
Subtotal - Interlocal Revenues	158,916.00		158,916.00	158,916.00	-
Public and Private Revenues Off-Set with Appropriations:					
State Body Armor Replacement Program	7,413.55		7,413.55	7,413.55	
Bulletproof Vest Partnership	5,028.03		5,028.03	5,028.03	
Emergency Management Performance	10,000.00		10,000.00	10,000.00	
Highway Safety Grants	21,140.00		21,140.00	21,140.00	
National Opioid Settlement	374,159.99		374,159.99	374,159.99	
Cable Television Grant	14,000.00		14,000.00	14,000.00	
Clean Communities Program		$ 143,958.37	143,958.37	143,958.37	
Recycling Tonnage Grant		121,208.24	121,208.24	121,208.24	
Bulletproof Vest Partnership		9,707.97	9,707.97	9,707.97	
Highway Safety Grants		8,715.00	8,715.00	8,715.00	
Emergency Management Performance Grants		10,000.00	10,000.00	10,000.00	
National Opioid Grant		102,017.68	102,017.68	102,017.68	
Recreation Opportunities for Individuals with Disabilities		20,000.00	20,000.00	20,000.00	
Subtotal - Public and Private Revenues	431,741.57	415,607.26	847,348.83	847,348.83	-
Other Special Items Offset With Appropriations:					
Uniform Fire Safety Act	215,000.00		215,000.00	209,705.32	(5,294.68)
Cablevision Franchise Fees	245,085.80		245,085.80	245,085.80	
Reserve for Debt Service	265,000.00		265,000.00	265,000.00	
Reserve for Police Outside Employment	250,000.00		250,000.00	250,000.00	
Subtotal - Other Special Item Revenues	975,085.80		975,085.80	969,791.12	(5,294.68)
Total Miscellaneous Revenues	19,325,514.37	415,607.26	19,741,121.63	22,677,078.28	2,935,956.65
Receipts from Delinquent Taxes	1,085,000.00		1,085,000.00	1,115,306.14	30,306.14
Subtotal General Revenues	26,780,514.37	415,607.26	27,196,121.63	30,162,384.42	2,966,262.79
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	63,840,071.40		63,840,071.40	62,345,721.64	(1,494,349.76)
Addition to Local District School Tax Minimum Library Tax	3,428,859.00		3,428,859.00	3,428,859.00	
Total Amount to be Raised by Taxes for Support of Municipal Budget	67,268,930.40		67,268,930.40	65,774,580.64	(1,494,349.76)
Total General Revenues	94,049,444.77	415,607.26	94,465,052.03	95,936,965.06	1,471,913.03
Non-Budget Revenues				528,392.09	528,392.09
	$ 94,049,444.77	$ 415,607.26	$ 94,465,052.03	$ 96,465,357.15	$ 2,000,305.12
Ref.	A-3	A-3		A-1	

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025

ANALYSIS OF REALIZED REVENUES	REF.		
Allocation of Current Tax Collections:			
2025 Collections	A-7	$ 253,655,515.14	
Prepaid Taxes Applied	A-7	3,466,485.27	
State Share of Sr. Citizens' and Veterans' Deductions Allowed	A-7	189,613.42	
	A-1		$ 257,311,613.83
Allocated to:			
Local District School Tax and County Taxes	A-7		192,637,033.19
Reserve for Tax Appeals	A-23		800,000.00
			63,874,580.64
Add: Reserve for Uncollected Taxes	A-3		1,900,000.00
Amount for Support of Municipal Budget	A-2		$ 65,774,580.64
Receipts from Delinquent Taxes:			
Delinquent Taxes	A-7	$ 1,035,402.02	
Tax Title Liens	A-8	79,904.12	
	A-1		$ 1,115,306.14
Analysis of Miscellaneous Revenue Not Anticipated:			
PILOT- District 1515		$ 296,821.97	
Clerk's Office		3,700.00	
Health Department		730.00	
Tax Collector		6,179.88	
Tax Assessor		1,870.00	
Zoning Board of Adjustment		1,200.00	
Planning Board		700.00	
Police Department		20,784.00	
Public Works		26,250.00	
Engineering Department		20.00	
Finance Department		147,755.42	
Administration		75.00	
Mayor's Office		1,977.91	
Recreation Department		189.00	
Other		20,138.91	
	A-1		$ 528,392.09

See Accompanying Notes to Financial Statements

Exhibit A-3
Sheet #1

TOWNSHIP OF PARSIPPANY - TROY HILLS
MORRIS COUNTY, NEW JERSEY

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

	2025 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED PAID OR CHARGED	EXPENDED ENCUMBERED	EXPENDED RESERVED
Operations Within "CAPS"					
GENERAL GOVERNMENT:					
Executive:					
Salaries and Wages	$ 216,518.00	$ 131,518.00	$ 82,850.42		$ 48,667.58
Other Expenses	137,700.00	137,700.00	86,782.20	$ 3,554.96	47,362.84
Administration:					
Salaries and Wages	642,374.00	535,874.00	461,752.65		74,121.35
Other Expenses	99,800.00	69,800.00	14,522.69	643.61	54,633.70
Township Council					
Salaries and Wages	46,627.00	46,627.00	46,626.12		0.88
Other Expenses	3,675.00	3,675.00	1,583.36		2,091.64
Township Clerk:					
Salaries and Wages	278,482.00	287,482.00	280,722.81		6,759.19
Other Expenses	104,600.00	104,600.00	95,954.86		8,645.14
Grant Writer: Other Expenses					
Other Expenses	40,000.00	25,000.00	21,600.00		3,400.00
Finance Administration					
Salaries and Wages	270,148.00	170,148.00	135,688.18		34,459.82
Other Expenses	138,900.00	153,900.00	127,425.04	6,229.98	20,244.98
Annual Audit					
Other Expenses	116,764.00	101,764.00	94,457.28		7,306.72
Tax Collection					
Salaries and Wages	128,999.00	125,499.00	89,672.53		35,826.47
Other Expenses	36,900.00	36,900.00	24,904.50	60.00	11,935.50
Tax Assessment Administration					
Salaries and Wages	353,702.00	362,702.00	360,360.52		2,341.48
Other Expenses	68,700.00	68,700.00	58,062.34	882.86	9,754.80
Legal Services and Costs					
Other Expenses	625,000.00	595,000.00	389,840.98	4,833.75	200,325.27
Engineering Services and Costs:					
Salaries and Wages	496,491.00	496,491.00	425,653.10		70,837.90
Other Expenses	71,770.00	71,770.00	39,908.34	8,714.31	23,147.35
LAND USE ADMINISTRATION:					
Department of Planning					
Salaries and Wages	60,759.00	63,759.00	61,850.08		1,908.92
Other Expenses	82,300.00	82,300.00	27,042.59	7,849.18	47,408.23
Board of Adjustment					
Salaries and Wages	84,535.00	84,535.00	84,533.94		1.06
Other Expenses	31,250.00	31,250.00	12,880.24	3,639.56	14,730.20
INSURANCES:					
Unemployment Insurance	100,000.00	100,000.00	100,000.00		
Liability Insurance	967,000.00	967,000.00	966,977.00		23.00
Workers Compensation	870,400.00	940,400.00	940,400.00		
Employee Health and Group Life	11,856,000.00	11,856,000.00	11,665,138.53	2,237.90	188,623.57
Health Benefit Waivers	95,000.00	95,000.00	76,015.00		18,985.00

TOWNSHIP OF PARSIPPANY - TROY HILLS
MORRIS COUNTY, NEW JERSEY

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

	2025 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED PAID OR CHARGED	ENCUMBERED	RESERVED
PUBLIC SAFETY:					
Police Department					
Salaries and Wages	$ 17,811,840.00	$ 17,061,840.00	$ 15,833,639.27		$ 1,228,200.73
Other Expenses	1,461,140.00	1,461,140.00	1,056,013.87	$ 216,259.70	188,866.43
Office of Emergency Management					
Salaries and Wages	44,139.00	44,139.00	33,980.12		10,158.88
Other Expenses	79,100.00	79,100.00	19,193.30	11,253.44	48,653.26
Aid to First Aid Organization	300,000.00	300,000.00	300,000.00		
Fire Prevention Bureau					
Salaries and Wages	424,877.00	425,877.00	402,815.19		23,061.81
Other Expenses	63,087.00	63,087.00	48,322.40	1,105.57	13,659.03
Municipal Prosecutor					
Salaries and Wages	6,000.00	6,000.00			6,000.00
Other Expenses	40,000.00	40,000.00	30,250.00	2,750.00	7,000.00
Municipal Court					
Salaries and Wages	627,146.00	627,146.00	541,923.14	250.00	84,972.86
Other Expenses	32,250.00	32,250.00	16,939.44	1,253.27	14,057.29
Public Defender					
Other Expenses	30,000.00	30,000.00	550.00		29,450.00
Information Technology					
Other Expenses	201,400.00	201,400.00	83,122.83	31,387.33	86,889.84
PUBLIC WORKS:					
Streets and Roads Maintenance:					
Salaries and Wages	2,118,110.00	2,238,110.00	2,183,431.22		54,678.78
Other Expenses	789,000.00	789,000.00	700,348.69	52,872.68	35,778.63
Sanitation and Recycling					
Salaries and Wages	2,861,626.00	2,861,626.00	2,515,055.46		346,570.54
Other Expenses	819,900.00	714,900.00	468,059.82	24,916.02	221,924.16
Buildings and Grounds					
Salaries and Wages	317,752.00	328,752.00	325,007.76		3,744.24
Other Expenses	204,300.00	204,300.00	144,260.19	52,965.21	7,074.60
Vehicle Maintenance:					
Other Expenses	979,850.00	979,850.00	841,117.43	60,708.85	78,023.72
Condominium Costs	325,000.00	385,000.00	282,169.48		102,830.52
HEALTH AND HUMAN SERVICES:					
Public Health Services					
Salaries and Wages	558,823.00	558,823.00	526,285.04		32,537.96
Other Expenses	138,977.00	138,977.00	94,335.97	4,451.58	40,189.45
Office of Social Services					
Salaries and Wages	511,781.00	513,781.00	512,059.53		1,721.47
Other Expenses	45,300.00	45,300.00	37,400.23	1,785.54	6,114.23
Animal Control					
Other Expenses	200,000.00	200,000.00	200,000.00		
Contribution to Day Care Center	60,000.00	60,000.00	45,000.00		15,000.00
Ambulance Services:					
Salaries and Wages	1,366,766.00	1,371,766.00	1,358,503.49		13,262.51
Other Expenses	436,667.00	436,667.00	275,770.14	67,856.84	93,040.02

TOWNSHIP OF PARSIPPANY - TROY HILLS
MORRIS COUNTY, NEW JERSEY

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

	2025 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED PAID OR CHARGED	EXPENDED ENCUMBERED	EXPENDED RESERVED
PARKS AND RECREATION:					
Recreation Services:					
Salaries and Wages	$ 741,202.00	$ 641,202.00	$ 603,430.24		$ 37,771.76
Other Expenses	499,300.00	499,300.00	334,059.08	$ 62,877.36	102,363.56
Maintenance of Parks:					
Salaries and Wages	2,443,362.00	2,243,362.00	2,087,531.14		155,830.86
Other Expenses	373,500.00	373,500.00	63,415.73	188,545.37	121,538.90
CODE ENFORCEMENT & ADMINISTRATION					
Housing Code Enforcement					
Salaries and Wages	291,259.00	291,259.00	241,765.43		49,493.57
Other Expenses	37,030.00	37,030.00	25,785.71	905.55	10,338.74
Zoning Code Enforcement					
Salaries and Wages	382,786.00	382,786.00	371,331.79		11,454.21
Other Expenses	16,130.00	16,130.00	9,080.27	203.57	6,846.16
UTILITIES:					
Utilities and Gasoline	2,400,000.00	2,400,000.00	1,966,783.28	132,574.32	300,642.40
Solid Waste Disposal Costs	2,350,000.00	2,400,000.00	2,080,778.95		319,221.05
LANDFILL MAINTENANCE:					
Salaries and Wages	15,000.00	15,000.00	10,414.03		4,585.97
Other Expenses	61,500.00	61,500.00	18,407.71	21,717.48	21,374.81
UNIFORM CONSTRUCTION CODE:					
Construction Official					
Salaries and Wages	1,821,906.00	1,846,906.00	1,771,474.16		75,431.84
Other Expenses	291,307.00	291,307.00	226,223.11	3,807.53	61,276.36
UNCLASSIFIED					
Accumulated Absence Liabilities	10,000.00	1,170,000.00	1,166,656.93		3,343.07
SFSP Fire District Adjustments	18,948.00	18,948.00	18,948.00		
Total Operations Within "CAPS"	62,632,455.00	62,632,455.00	56,644,844.87	979,093.32	5,008,516.81
DETAIL					
Salaries and Wages	35,028,010.00	35,028,010.00	32,591,029.29	250.00	2,436,730.71
Other Expenses	27,604,445.00	27,604,445.00	24,053,815.58	978,843.32	2,571,786.10
DEFERRED CHARGES AND STATUTORY EXPENDITURES MUNICIPAL WITHIN "CAPS"					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System (PERS)	2,550,153.00	2,550,153.00	2,550,153.00		
Social Security System (O.A.S.I)	1,868,600.00	1,868,600.00	1,751,011.91		117,588.09
Police/ Firemen's Retirement System (PFRS)	4,807,422.00	4,807,422.00	4,807,422.00		
DCRP	17,000.00	17,000.00	11,787.80		5,212.20
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	9,243,175.00	9,243,175.00	9,120,374.71		122,800.29
Total General Appropriations for Municipal Purposes Within "CAPS"	71,875,630.00	71,875,630.00	65,765,219.58	979,093.32	5,131,317.10

TOWNSHIP OF PARSIPPANY - TROY HILLS
MORRIS COUNTY, NEW JERSEY

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

	2025 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED PAID OR CHARGED	ENCUMBERED	RESERVED
OPERATIONS EXCLUDED FROM "CAPS"					
Maintenance of Free Public Library (PL 1985, c82)	$ 3,906,859.00	$ 3,906,859.00	$ 3,906,759.00		$ 100.00
Length of Service Award Program	60,000.00	60,000.00			60,000.00
Insurance- Employee Group Health	299,000.00	299,000.00			299,000.00
Total Other Operations Excluded from "CAPS"	4,265,859.00	4,265,859.00	3,906,759.00	-	359,100.00
Shared Service Agreements:					
Health Officer	92,880.60	92,880.60	92,680.60		200.00
Total Interlocal Municipal Service Agreements	92,880.60	92,880.60	92,680.60	-	200.00
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES					
Bulletproof Vest Partnership Grant	5,028.03	5,028.03	5,028.03		
Emergency Management Performance	10,000.00	10,000.00	10,000.00		
Law and Public Safety - Div. of Highway Traffic Safety	21,140.00	21,140.00	21,140.00		
State Body Armor Replacement Program	7,413.55	7,413.55	7,413.55		
National Opioid Settlement	374,159.99	374,159.99	374,159.99		
Cable Television Grant	14,000.00	14,000.00	14,000.00		
Clean Communities Program		143,958.37	143,958.37		
Recycling Tonnage Grant		121,208.24	121,208.24		
Bulletproof Vest Partnership		9,707.97	9,707.97		
Highway Safety Grants		8,715.00	8,715.00		
Emergency Management Performance Grants		10,000.00	10,000.00		
National Opioid Grant		102,017.68	102,017.68		
Recreation Opportunities for Individuals with Disabilities		20,000.00	20,000.00		
Total Public and Private Revenues Offset by Revenues	431,741.57	847,348.83	847,348.83		-
Total Operations Excluded From "CAPS"	4,790,481.17	5,206,088.43	4,846,788.43	-	359,300.00
DETAIL					
Other Expenses	4,790,481.17	5,206,088.43	4,846,788.43		359,300.00
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"					
Capital Improvement Fund	100,000.00	100,000.00	100,000.00		-
Total Capital Improvements - Excluded from "CAPS"	100,000.00	100,000.00	100,000.00	-	-
MUNICIPAL DEBT SERVICE- EXCLUDED FROM "CAPS'					
Payment of Bond Principal	10,535,000.00	10,535,000.00	10,535,000.00		
Interest on Bonds	2,244,475.00	2,244,475.00	2,244,475.00		
Interest on Notes	1,019,919.00	1,019,919.00	1,019,919.00		
Special Emergency Note Interest	114,726.00	114,726.00	114,726.00		
Total Mun. Debt Service - Excl. from "CAPS"	13,914,120.00	13,914,120.00	13,914,120.00	-	-

TOWNSHIP OF PARSIPPANY - TROY HILLS
MORRIS COUNTY, NEW JERSEY

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

		2025 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED: PAID OR CHARGED	EXPENDED: ENCUMBERED	EXPENDED: RESERVED
DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM "CAPS"						
Deferred Charges:						
Emergency Authorization:						
5 Year Emergency Authorization		$ 460,000.00	$ 460,000.00	$ 460,000.00		
Special Emergency Authorizations:						
Retirement Payouts - 2020		126,329.60	126,329.60	126,329.60		
Retirement Payouts - 2021		207,795.00	207,795.00	207,795.00		
Retirement Payouts - 2022		183,570.00	183,570.00	183,570.00		
Retirement Payouts - 2023		240,519.00	240,519.00	240,519.00		
Retirement Payouts - 2024		251,000.00	251,000.00	251,000.00		
Total Deferred Charges- Municipal- Excluded From "CAPS"		1,469,213.60	1,469,213.60	1,469,213.60	-	-
Total General Appropriations for Municipal Purposes Excluded from "CAPS"		20,273,814.77	20,689,422.03	20,330,122.03	-	$ 359,300.00
Subtotal General Appropriations		92,149,444.77	92,565,052.03	86,095,341.61	$ 979,093.32	5,490,617.10
Reserve for Uncollected Taxes		1,900,000.00	1,900,000.00	1,900,000.00		
Total General Appropriations		$ 94,049,444.77	$ 94,465,052.03	$ 87,995,341.61	$ 979,093.32	$ 5,490,617.10
	Ref.	Below	Below	Below	A	A
Adopted Budget	A-2		$ 94,049,444.77			
Approp. by N.J.S.A. 40A:4-87	A-2		415,607.26			
			$ 94,465,052.03			
Disbursed	A-4			$ 83,778,779.18		
Reserve for Uncollected Taxes	A-2			1,900,000.00		
Deferred Charge - Special Emergency	A-26			1,469,213.60		
Reserve for State and Federal Grants Appropriated	A-29			847,348.83		
				$ 87,995,341.61		

Exhibit - B

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

TRUST FUNDS
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
DECEMBER 31, 2025 AND 2024

ASSETS	Ref.	2025	2024
Animal Control Fund:			
Cash	B-1	$ 136,095.32	$ 142,365.83
Change Fund	B-1	50.00	50.00
Total Animal Control Fund		136,145.32	142,415.83
Community Development Block Grant Fund			
Cash	B-1	1,104.25	107.08
Grant Receivable	B-5	1,082,241.26	1,147,749.27
Total Community Development Block Grant Fund		1,083,345.51	1,147,856.35
Municipal Open Space Trust Fund:			
Cash	B-1	7,034,124.16	8,162,268.84
Total Municipal Open Space Trust Fund		7,034,124.16	8,162,268.84
Payroll Agency Fund:			
Cash	B-1	296,140.73	876,147.97
Total Payroll Agency Fund		296,140.73	876,147.97
Trust-Other Fund:			
Cash	B-1	25,583,195.23	23,297,948.98
Cash with Fiscal Agents: Workers' Compensation Plan	B-1	71,175.87	127,718.59
Due from Current Fund			2,000,000.00
Due from Sewer Operating Fund	B-18	4,121.30	
Employee Contributions Receivable			64,294.92
Total Trust-Other Fund		25,658,492.40	25,489,962.49
		$ 34,208,248.12	$ 35,818,651.48

LIABILITIES, RESERVES AND FUND BALANCES	Ref.	2025	2024
Animal Control Fund:			
Due to State of New Jersey	B-2	$ 38.40	$ 108.60
Due to Current Fund	B-18	30,683.57	44,688.64
Reserve for Donations	B-3	58,627.55	45,498.60
Reserve for Animal Control Fund Expenditures	B-4	46,795.80	52,119.99
Total Animal Control Fund		136,145.32	142,415.83
Community Development Block Grant Fund			
Reserve for CDBG Program Expenditures	B-6	1,083,345.51	1,147,856.35
Total Community Development Block Grant Fund		1,083,345.51	1,147,856.35
Municipal Open Space Trust Fund:			
Reserve for Municipal Open Space Preservation Trust Fund	B-7	7,034,124.16	8,162,268.84
Total Municipal Open Space Trust Fund		7,034,124.16	8,162,268.84
Payroll Agency Fund:			
Payroll Deductions Payable	B-17	296,140.73	876,147.97
Total Payroll Agency Fund		296,140.73	876,147.97
Trust-Other Fund:			
Reserve for Premiums at Tax Sale	B-8	466,300.00	1,529,700.00
Reserve for Off-Duty Police	B-9	784,636.22	798,334.77
Reserve for Employee Health Benefit- Self Insurance Fund	B-10	5,399,517.14	6,841,899.44
Reserve for Workers' Compensation- Self Insurance Fund			127,718.59
Reserve for LOSAP Forfeiture	B-12	189,144.05	223,561.92
Reserve for State Unemployment Insurance Fund	B-13	53,666.06	395,255.47
Reserve for Storm Recovery	B-14	742,255.28	542,255.28
Reserve for Accumulated Sick and Vacation Compensation	B-15	882,622.98	568,000.00
Reserve for Special Deposits	B-16	17,140,350.67	14,463,237.02
Total Trust-Other Fund		25,658,492.40	25,489,962.49
		$ 34,208,248.12	$ 35,818,651.48

See Accompanying Notes to Financial Statements.

Exhibit - C

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
DECEMBER 31, 2025 AND 2024

ASSETS	REF.	2025	2024
Cash and Investments - Treasurer	C-2, C-3	$ 20,257,022.83	$ 19,495,257.54
Grants Receivable	C-4	263,896.35	2,176.35
Deferred Charges to Future Taxation:			
Funded	C-5	88,520,000.00	64,865,000.00
Unfunded	C-6	17,446,325.48	40,438,125.48
		$ 126,487,244.66	$ 124,800,559.37

LIABILITIES, RESERVES AND FUND BALANCE	REF.	2025	2024
General Serial Bonds	C-7	$ 88,520,000.00	$ 63,400,000.00
Refunding Bonds			1,465,000.00
Bond Anticipation Notes			25,569,000.00
Improvement Authorizations:			
Funded	C-9	22,628,606.91	4,348,971.25
Unfunded	C-9	13,476,020.54	27,310,773.93
Capital Improvement Fund	C-10	1,384,397.08	1,967,238.00
Reserve for:			
Deposit for Regional Contribution Agreement	C-11	261,420.19	261,420.19
Developer Contribution	C-11	79,652.68	79,652.68
Payment of Debt Service	C-11	3,850.20	265,206.26
Emergency Preparedness	C-11	122,442.50	122,442.50
Fund Balance	C-1	10,854.56	10,854.56
		$ 126,487,244.66	$ 124,800,559.37
Bonds And Notes Authorized but not Issued	C-12	$ 17,446,325.48	$ 14,869,125.48

See Accompanying Notes to Financial Statements

Exhibit - C-1

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
STATEMENT OF CHANGE IN FUND BALANCE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025

	REF.	
Balance - December 31, 2025 and 2024	C	$ 10,854.56

See Accompanying Notes to Financial Statements

Exhibit - D

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

WATER UTILITY FUND
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
DECEMBER 31, 2025 AND 2024

ASSETS	REF.	2025	2024
Operating Fund:			
Cash and Cash Equivalents	D-4	$ 11,337,610.76	$ 6,699,156.22
Receivables and Inventory with Full Reserves:			
Consumer Accounts Receivable	D-6	475,069.75	606,253.56
Water Utility Liens Receivable	D-6A	139,170.07	107,716.63
Inventory	D-6B	428,570.50	1,162,549.30
		1,042,810.32	1,876,519.49
Total Operating Fund		12,380,421.08	8,575,675.71
Capital Fund:			
Cash and Cash Equivalents	D-4, D-5	21,391,153.46	22,610,911.53
Fixed Capital	D-7	48,144,472.26	39,649,472.26
Fixed Capital Authorized and Uncompleted	D-8	64,205,155.70	62,693,000.00
Total Capital Fund		133,740,781.42	124,953,383.79
		$ 146,121,202.50	$ 133,529,059.50

LIABILITIES, RESERVES AND FUND BALANCE	REF.	2025	2024
Operating Fund:			
Appropriation Reserves	D-3,D-9	$ 2,384,511.67	$ 1,097,675.20
Reserve for Encumbrances	D-3,D-9	408,592.64	370,512.45
Accrued Interest Payable	D-15	373,969.93	346,387.15
Water Rent Overpayments	D-16	109,486.28	59,707.32
Prepaid Water Rents	D-17	46,921.54	
Reserve for Water Master Plan	D-19	24,250.03	24,250.03
Reserve for Litigation	D-20	2,690,543.34	
		6,038,275.43	1,898,532.15
Reserve for Receivables and Inventory	Reserve	1,042,810.32	1,876,519.49
Fund Balance	D-1	5,299,335.33	4,800,624.07
Total Operating Fund		12,380,421.08	8,575,675.71
Capital Fund:			
Bond Anticipation Notes	D-13	31,540,000.00	26,240,000.00
Serial Bonds Payable	D-14	23,235,000.00	24,765,000.00
Improvement Authorizations:			
Funded	D-10	3,453,361.14	4,281,348.61
Unfunded	D-10	30,036,804.77	25,778,434.78
Capital Improvement Fund	D-11	314,498.22	314,498.22
Reserve for:			
Payment of Debt Service	D-18	1,108,898.89	951,884.29
Amortization	D-12	43,717,411.26	42,187,411.26
Deferred Amortization	D-12A	200,000.00	200,000.00
Fund Balance	D-1A	134,807.14	234,806.63
Total Capital Fund		133,740,781.42	124,953,383.79
		$ 146,121,202.50	$ 133,529,059.50

Bonds and Notes Authorized but not Issued at December 31, 2025 and 2024, respectively (See Exhibit D-21). $ 13,657,216.70 $ 8,950,061.00

See Accompanying Notes to Financial Statements

Exhibit D-1

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

WATER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2025 AND 2024

REVENUE AND OTHER INCOME	Ref.	2025	2024
Fund Balance Utilized	D-2	$ 1,900,000.00	$ 1,600,000.00
Water Rents	D-2	12,578,496.76	12,349,571.38
Interest on Investments	D-2	994,028.91	1,288,584.46
Water Utility Capital Fund Balance	D-2	100,000.00	
Reserve for Payment of Debt Service	D-2	300,000.00	300,000.00
Non-Budget Revenues	D-2	750,268.16	218,621.37
Other Credits to Income:			
Unexpended Balance of Approp. Reserves	D-9	978,188.31	712,541.67
Total Revenues		17,600,982.14	16,469,318.88
EXPENDITURES			
Budget Expenditures:			
Operating	D-3	11,061,268.00	10,247,383.47
Capital Improvements	D-3	95,000.00	95,000.00
Debt Service	D-3	3,516,214.00	3,111,804.16
Deferred Charges and Statutory Expenditures	D-3	496,530.00	495,812.37
Refunds of Prior Year Revenues	D-4	33,258.88	
Total Expenditures		15,202,270.88	13,950,000.00
Excess in Revenues/Statutory Excess to Fund Balance		2,398,711.26	2,519,318.88
FUND BALANCE			
Balance, January 1,	D	4,800,624.07	3,881,305.19
		7,199,335.33	6,400,624.07
Decreased by:			
Utilization as Anticipated Revenue	D-2	1,900,000.00	1,600,000.00
Balance, December 31,	D	$ 5,299,335.33	$ 4,800,624.07

See Accompanying Notes to Financial Statements

Exhibit - D-1A

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

WATER UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE-REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025

	REF.	
Balance - December 31, 2024	D	$ 234,806.63
Increased by:		
Improvement Authorization Cancellations	D-10	0.51
		234,807.14
Decreased by:		
Appropriation to 2025 Budget Revenue	D-2, D-4	100,000.00
Balance - December 31, 2025	D	$ 134,807.14

See Accompanying Notes to Financial Statements

Exhibit D-2

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

WATER UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025

		2025 BUDGET	REALIZED	EXCESS
Fund Balance Utilized	D-1	$ 1,900,000.00	$ 1,900,000.00	
Water Rents	D-1,Below	12,345,000.00	12,578,496.76	$ 233,496.76
Interest on Investments	D-1,D-4	524,012.00	994,028.91	470,016.91
Water Utility Capital Fund Balance	D-1,D-1A, D-4	100,000.00	100,000.00	
Reserve for Payment of Debt Service	D-1,D-4,D-18	300,000.00	300,000.00	
		$ 15,169,012.00	$ 15,872,525.67	$ 703,513.67
	Ref.	D-3	D-1	
Analysis of Water Rents:				
Cash Received	D-4, D-6		$ 12,518,693.49	
Water Liens Collected	D-4, D-6A		95.95	
Overpayments Applied	D-16		59,707.32	
	Above		$ 12,578,496.76	
Unanticipated Revenues	D-1, D-4		$ 750,268.16	

See Accompanying Notes to Financial Statements

Exhibit D-3

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

WATER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025

	Ref.	2025 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED PAID OR CHARGED	EXPENDED ENCUMBERED	RESERVED
Operating:						
Salaries and Wages		$ 3,544,218.00	$ 3,544,218.00	$ 3,163,400.88		$ 380,817.12
Other Expenses		7,517,050.00	7,517,050.00	5,217,193.91	$ 408,592.64	1,891,263.45
Capital Improvements:						
Capital Outlay		95,000.00	95,000.00			95,000.00
Debt Service:						
Payment of Bond Principal		1,530,000.00	1,530,000.00	1,530,000.00		
Interest on Bonds		939,529.00	939,529.00	939,529.00		
Interest on Notes		1,046,685.00	1,046,685.00	1,046,685.00		
Statutory Expenditures:						
Contributions to:						
Public Employees' Retirement System		314,530.00	314,530.00	314,530.00		
Social Security System (O.A.S.I.)		182,000.00	182,000.00	164,568.90		17,431.10
		$ 15,169,012.00	$ 15,169,012.00	$ 12,375,907.69	$ 408,592.64	$ 2,384,511.67
	Ref.	D-2	D-2	Below	D	D
Disbursed	D-4			$ 10,389,693.69		
Accrued Interest on Bonds and Notes	D-15			1,986,214.00		
	Above			$ 12,375,907.69		

See Accompanying Notes to Financial Statements

Exhibit - E

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

SEWER UTILITY FUND
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
DECEMBER 31, 2025 AND 2024

ASSETS	REF.	2025	2024
Operating Fund:			
Cash and Cash Equivalents	E-4	$ 19,738,992.71	$ 14,113,468.64
Interfund Receivable			3,427.91
		19,738,992.71	14,116,896.55
Receivables and Inventory with Full Reserves:			
Consumer Accounts Receivable	E-6	754,030.98	1,230,982.78
Sewer Utility Liens Receivable	E-6A	110,306.33	109,941.48
Inventory	E-6B	98,330.60	83,034.99
		962,667.91	1,423,959.25
Total Operating Fund		20,701,660.62	15,540,855.80
Capital Fund:			
Cash and Cash Equivalents	E-4, E-5	24,757,750.94	23,876,286.57
Fixed Capital	E-7	145,932,213.33	145,932,213.33
Fixed Capital Authorized and Uncompleted	E-8	108,533,608.44	100,938,023.14
Total Capital Fund		279,223,572.71	270,746,523.04
		$ 299,925,233.33	$ 286,287,378.84

LIABILITIES, RESERVES AND FUND BALANCE	REF.	2025	2024
Operating Fund:			
Appropriation Reserves	E-3,E-9	$ 3,448,695.52	$ 2,061,128.96
Reserve for Encumbrances	E-3,E-9	286,482.45	302,167.34
Accrued Interest Payable	E-16	353,309.55	350,798.53
Accounts Payable	E-17	908.50	908.50
Sewer Rent Overpayments	E-18	139,344.33	88,230.88
Prepaid Sewer Rents	E-19	67,906.69	9,645.09
Interfund Payable	E-21	4,121.30	
		4,300,768.34	2,812,879.30
Reserve for Receivables and Inventory	Reserve	962,667.91	1,423,959.25
Fund Balance	E-1	15,438,224.37	11,304,017.25
Total Operating Fund		20,701,660.62	15,540,855.80
Capital Fund:			
Bond Anticipation Notes	E-13	16,956,000.00	13,956,000.00
Serial Bonds Payable	E-14	25,865,000.00	27,530,000.00
NJ Environmental Infrastructure Trust Loans Payable #1	E-15	38,275.11	47,571.72
NJ Environmental Infrastructure Trust Loans Payable #2	E-15A	4,086,475.68	5,167,757.53
NJ Infrastructure Bank Loan	E-15B	5,295,603.00	5,440,782.00
Improvement Authorizations:			
Funded	E-10	10,161,092.35	11,399,795.81
Unfunded	E-10	36,017,384.90	29,881,511.30
Capital Improvement Fund	E-11	466,000.00	466,000.00
Interfund Payable			3,427.91
Reserve for:			
Payment of Debt Service	E-20	1,045,226.37	461,918.93
Amortization	E-12	149,928,665.91	147,027,908.45
Deferred Amortization	E-12A	29,146,238.61	29,146,238.61
Fund Balance	E-1A	217,610.78	217,610.78
Total Capital Fund		279,223,572.71	270,746,523.04
		$ 299,925,233.33	$ 286,287,378.84

		2025	2024
Bonds and Notes Authorized but not Issued at December 31, 2025 and 2024, respectively (See Exhibit E-22).		$ 23,149,563.46	$ 18,553,978.16

See Accompanying Notes to Financial Statements

Exhibit E-1

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

SEWER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2025 AND 2024

REVENUE AND OTHER INCOME	Ref.	2025	2024
Fund Balance Utilized	E-2	$ 2,000,000.00	$ 1,970,000.00
Sewer Rents	E-2	21,788,463.30	20,849,758.80
Septage Removal	E-2	586,412.66	843,904.33
Interest on Investments	E-2	1,467,317.13	1,444,850.16
Reserve for Payment of Debt Service	E-2	260,000.00	260,000.00
Non-Budget Revenues	E-2	1,723,217.20	271,987.48
Other Credits to Income:			
Unexpended Balance of Approp. Reserves	E-9	1,733,807.83	2,114,874.57
Total Revenues		29,559,218.12	27,755,375.34
EXPENDITURES			
Budget Expenditures:			
Operating	E-3	17,886,758.00	16,780,312.68
Debt Service	E-3	4,628,304.00	4,294,954.20
Deferred Charges and Statutory Expenditures	E-3	909,949.00	913,020.62
Refunds of Prior Year Revenues			3,930.31
Total Expenditures		23,425,011.00	21,992,217.81
Excess in Revenues/Statutory Excess to Fund Balance		6,134,207.12	5,763,157.53
FUND BALANCE			
Balance, January 1,	E	11,304,017.25	7,510,859.72
		17,438,224.37	13,274,017.25
Decreased by:			
Utilization as Anticipated Revenue	E-2	2,000,000.00	1,970,000.00
Balance, December 31,	E	$ 15,438,224.37	$ 11,304,017.25

See Accompanying Notes to Financial Statements

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

SEWER UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE-REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025

	REF.	
Balance - December 31, 2025 and 2024	E	$ 217,610.78

See Accompanying Notes to Financial Statements

Exhibit E-2

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025

	Ref.	2025 BUDGET	REALIZED	EXCESS (DEFICIT)
Fund Balance Utilized	E-1	$ 2,000,000.00	$ 2,000,000.00	
Sewer Rents	E-1,Below	20,135,000.00	21,788,463.30	$ 1,653,463.30
Septage Removal	E-1,E-4	700,000.00	586,412.66	(113,587.34)
Interest on Investments	E-1,E-4	330,011.00	1,467,317.13	1,137,306.13
Reserve for Payment of Debt Service	E-1,E-4,E-20	260,000.00	260,000.00	
		$ 23,425,011.00	$ 26,102,193.09	$ 2,677,182.09
	Ref.	E-3	E-1	

Analysis of Sewer Rents:		
Cash Received	E-4	$ 21,700,790.47
Liens Received	E-6A	150.00
Prepaids Applied	E-19	9,645.09
Overpayments Applied	E-18	77,877.74
	Above	$ 21,788,463.30
Unanticipated Revenues	E-1,E-4	$ 1,723,217.20

See Accompanying Notes to Financial Statements

Exhibit E-3

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025

	Ref.	2025 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED PAID OR CHARGED	EXPENDED ENCUMBERED	RESERVED
Operating:						
Salaries and Wages		$ 4,982,808.00	$ 4,982,808.00	$ 4,277,128.07		$ 705,679.93
Other Expenses		12,903,950.00	12,903,950.00	10,019,702.23	$ 286,482.45	2,597,765.32
Debt Service:						
Payment of Bond Principal		1,665,000.00	1,665,000.00	1,665,000.00		
Interest on Bonds		1,007,511.00	1,007,511.00	1,007,511.00		
Interest on Notes		556,690.00	556,690.00	556,690.00		
Environmental Infrastructure Loan- Principal		1,235,758.00	1,235,758.00	1,235,758.00		
Environmental Infrastructure Loan- Interest		163,345.00	163,345.00	163,345.00		
Statutory Expenditures:						
Contributions to:						
Public Employees' Retirement System		531,949.00	531,949.00	531,949.00		
Social Security System (O.A.S.I.)		378,000.00	378,000.00	232,749.73		145,250.27
		$ 23,425,011.00	$ 23,425,011.00	$ 19,689,833.03	$ 286,482.45	$ 3,448,695.52
	Ref.	E-2	E-2	Below	E	E
Disbursed	E-4			$ 17,958,165.73		
Accrued Int. on Bonds and Loans	E-16			1,727,546.00		
Due to Trust-Other Fund	E-21			4,121.30		
	Above			$ 19,689,833.03		

See Accompanying Notes to Financial Statements

Exhibit - F

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

GOLF AND RECREATION UTILITY FUND
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
DECEMBER 31, 2025 AND 2024

ASSETS	REF.	2025	2024
Operating Fund:			
Cash and Cash Equivalents	F-4	$ 2,364,390.70	$ 2,073,759.77
Interfund Receivable			6,758.95
		2,364,390.70	2,080,518.72
Receivables and Inventory with Full Reserves:			
Consumer Accounts Receivable	F-6	22,252.03	22,252.03
Inventory	F-6A	280,809.28	226,723.07
		303,061.31	248,975.10
Total Operating Fund		2,667,452.01	2,329,493.82
Capital Fund:			
Cash and Cash Equivalents	F-4, F-5	571,805.64	742,311.36
Fixed Capital	F-7	34,954,043.58	34,316,824.00
Fixed Capital Authorized and Uncompleted	F-8	2,126,674.05	2,342,219.58
Total Capital Fund		37,652,523.27	37,401,354.94
		$ 40,319,975.28	$ 39,730,848.76

LIABILITIES, RESERVES AND FUND BALANCE	REF.	2025	2024
Operating Fund:			
Appropriation Reserves	F-3,F-9	$ 756,323.10	$ 684,317.55
Reserve for Encumbrances	F-3,F-9	74,865.22	94,189.09
Accrued Interest Payable	F-15	36,831.11	36,677.70
Sales Tax Payable	F-16	9,217.46	2,487.26
Due to Golf Pro	F-17	7,694.50	5,621.83
		884,931.39	823,293.43
Reserve for Receivables and Inventory	Reserve	303,061.31	248,975.10
Fund Balance	F-1	1,479,459.31	1,257,225.29
Total Operating Fund		2,667,452.01	2,329,493.82
Capital Fund:			
Bond Anticipation Notes	F-13	1,694,000.00	1,000,000.00
Serial Bonds Payable	F-14	3,765,000.00	4,505,000.00
Improvement Authorizations:			
Funded	F-10	25,325.95	25,325.95
Unfunded	F-10	663,253.50	808,872.28
Capital Improvement Fund	F-11	151,303.05	151,303.05
Interfund Payable			6,758.95
Reserve for:			
Payment of Debt Service	F-18	150,595.38	426,049.32
Amortization	F-12	31,189,043.58	29,922,384.58
Deferred Amortization	F-12A	10,290.00	536,949.00
Fund Balance	F-1A	3,711.81	18,711.81
Total Capital Fund		37,652,523.27	37,401,354.94
		$ 40,319,975.28	$ 39,730,848.76
Bonds and Notes Authorized but not Issued at December 31, 2025 and 2024, respectively (See Exhibit F-20).		$ 422,384.05	$ 694,710.00

See Accompanying Notes to Financial Statements

Exhibit F-1

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

GOLF AND RECREATION UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2025 AND 2024

REVENUE AND OTHER INCOME	Ref.	2025	2024
Fund Balance Utilized	F-2	$ 682,000.00	$ 500,000.00
Golf Fees	F-2	4,460,126.10	4,438,883.33
Concession Fees	F-2	336,337.98	386,654.68
Merchandise Sales	F-2	163,836.26	227,779.67
Interest on Investments	F-2	115,900.58	161,906.92
Golf Utility Capital Fund Balance	F-2	15,000.00	
Reserve for Payment of Debt Service	F-2	300,000.00	701,812.50
Non-Budget Revenues	F-2	104,181.82	87,582.73
Other Credits to Income:			
Unexpended Balance of Approp. Reserves	F-9	567,518.28	316,964.45
Total Revenues		6,744,901.02	6,821,584.28
EXPENDITURES			
Budget Expenditures:			
Operating	F-3	4,777,768.00	4,759,711.58
Debt Service	F-3	726,389.00	701,812.50
Deferred Charges and Statutory Expenditures	F-3	336,510.00	340,763.42
Total Expenditures		5,840,667.00	5,802,287.50
Excess in Revenues/Statutory Excess to Fund Balance		904,234.02	1,019,296.78
FUND BALANCE			
Balance, January 1,	F	1,257,225.29	737,928.51
		2,161,459.31	1,757,225.29
Decreased by:			
Utilization as Anticipated Revenue	F-2	682,000.00	500,000.00
Balance, December 31,	F	$ 1,479,459.31	$ 1,257,225.29

See Accompanying Notes to Financial Statements

Exhibit - F-1A

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

GOLF AND RECREATION UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE-REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025

	REF.		
Balance - December 31, 2024	F	$	18,711.81
Decreased by:			
Appropriation to 2025 Budget Revenue	F-2, F-4		15,000.00
Balance - December 31, 2025	F	$	3,711.81

See Accompanying Notes to Financial Statements

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

GOLF AND RECREATION UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025

	Ref.	2025 BUDGET	REALIZED	EXCESS (DEFICIT)
Fund Balance Utilized	F-1	$ 682,000.00	$ 682,000.00	
Golf Fees	F-1, F-4	4,199,272.00	4,460,126.10	$ 260,854.10
Concession Fees	F-1, F-4	300,000.00	336,337.98	36,337.98
Merchandise Sales	F-1, F-4	224,395.00	163,836.26	(60,558.74)
Interest on Investments	F-1, F-4	120,000.00	115,900.58	(4,099.42)
Reserve for Payment of Debt Service	F-1, F-4, F-18	300,000.00	300,000.00	
Golf and Recreation Capital Fund Surplus	F-1, F-4	15,000.00	15,000.00	
		$ 5,840,667.00	$ 6,073,200.92	$ 232,533.92
	Ref.	F-3	F-1	

Analysis of Golf Fees and Recreation Realized Revenues:

Golf Fees Collected	F-6	$ 4,460,126.10
	Above	$ 4,460,126.10
Unanticipated Revenues	F-1, F-4	$ 104,181.82

See Accompanying Notes to Financial Statements

Exhibit F-3

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

GOLF AND RECREATION UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025

	Ref.	2025 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED PAID OR CHARGED	EXPENDED ENCUMBERED	RESERVED
Operating:						
Salaries and Wages		$ 2,378,627.00	$ 2,378,627.00	$ 2,077,553.74		$ 301,073.26
Other Expenses		2,399,141.00	2,399,141.00	1,883,162.19	$ 74,865.22	441,113.59
Debt Service:						
Payment of Bond Principal		590,000.00	590,000.00	590,000.00		
Interest on Bonds		96,500.00	96,500.00	96,500.00		
Interest on Notes		39,889.00	39,889.00	39,889.00		
Statutory Expenditures:						
Contributions to:						
Public Employees' Retirement System		173,510.00	173,510.00	173,510.00		
Social Security System (O.A.S.I.)		163,000.00	163,000.00	148,863.75		14,136.25
		$ 5,840,667.00	$ 5,840,667.00	$ 5,009,478.68	$ 74,865.22	$ 756,323.10
	Ref.	F-2	F-2	Below	F	F
Disbursed	F-4			$ 4,873,089.68		
Accrued Interest on Bonds and Notes	F-15			136,389.00		
	Above			$ 5,009,478.68		

See Accompanying Notes to Financial Statements

Exhibit - G

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

PUBLIC ASSISTANCE FUND
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
DECEMBER 31, 2025 AND 2024

ASSETS	REF.	2025	2024
Cash and Investments - Treasurer	G-1	$ 4,885.03	$ 4,708.87
		$ 4,885.03	$ 4,708.87
LIABILITIES, RESERVES AND FUND BALANCE			
Fund Balance	G-1	$ 4,885.03	$ 4,708.87
		$ 4,885.03	$ 4,708.87

See Accompanying Notes to Financial Statements

Exhibit H

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

STATEMENT OF GOVERNMENTAL FIXED ASSETS-REGULATORY BASIS
DECEMBER 31, 2025 AND 2024

Governmental Fixed Assets	2025	2024
Land and Improvements	$ 114,261,584.00	$ 114,261,584.00
Buildings and Improvements	32,940,200.00	32,940,200.00
Machinery Equipment	46,345,726.13	42,395,524.00
Total Governmental Fixed Assets	$ 193,547,510.13	$ 189,597,308.00
Reserve		
Investments in Governmental Fixed Assets	$ 193,547,510.13	$ 189,597,308.00

See Accompanying Notes to Financial Statements

NOTES TO FINANCIAL STATEMENTS

1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Except as noted below, the financial statements of the Township of Parsippany-Troy Hills include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township of Parsippany-Troy Hills, as required by N.J.S. 40A:5-5. Accordingly, the financial statements of the Township of Parsippany-Troy Hills do not include the operations of the Municipal Library and first aid organizations.

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. As the financial reporting entity was established in accordance with New Jersey statutes, the requirements of GASB Codification Section 2100 were not followed and, accordingly, the reporting entity could be different from accounting principles generally accepted in the United States of America.

Measurement Focus, Basis of Accounting and Basis of Presentation

The accounting policies of the Township of Parsippany-Troy Hills conform to the accounting practices applicable to municipalities which have been prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Such 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 of Parsippany-Troy Hills accounts for its financial transactions through the following separate funds:

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

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

Animal Control Fund – This fund is used to account for fees collected from dog and cat licenses and expenditures which are regulated by N.J.S.A. 4:19-15.11.

1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

Water Utility Fund – This fund is used to account for the revenues and expenditures for operation of the Township's water system and the assets and liabilities related to such activities. Acquisition or improvement of capital facilities and other capital assets for the water utility is accounted for in the capital section of the fund.

Sewer Utility Fund – This fund is used to account for the revenues and expenditures for operation of the Township's sanitary sewerage system and the assets and liabilities related to such activities. Acquisition or improvement of capital facilities and other capital assets for the sewer utility is accounted for in the capital section of the fund.

Golf and Recreation Utility Fund – This fund is used to account for the revenues and expenditures for operation of the Township's golf and recreation utility and the assets and liabilities related to such activities. Acquisition or improvement of capital facilities and other capital assets for the golf and recreation utility is accounted for in the capital section of the fund.

Public Assistance Fund – This fund is used to account for receipts and disbursements of funds that provide assistance to certain residents of the municipality pursuant to Title 44 of New Jersey Statutes. The operations of the State funded General Assistance Program were transferred to the County of Morris in a prior year.

General Fixed Assets Account Group – This account group is used to account for all general fixed assets of the Township, other than those accounted for in the Water, Sewer and Golf and Recreation Utility Funds. The Township's infrastructure is not reported in the account group.

Basis of Accounting and Measurement Focus

The basis of accounting as prescribed by the Division of Local Government Services for its operating funds is generally a modified cash basis for revenue recognition and a modified accrual basis for expenditures. The operating funds utilize a "current financial resources" measurement focus. 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 most significant is the reporting of entity-wide financial statements, which are not presented in the accounting principles prescribed by the Division. The other more significant differences are as follows:

Property Tax Revenues – Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one-quarter of the total tax levied against the property for the preceding year. The installment due in the third and fourth quarters is determined by taking the current year's levy less the amount previously charged for the first and second installments, with the remainder being divided

1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 30th of each fiscal year. County taxes are paid quarterly on February 15th, May 15th, August 15th, and November 15th, to the County by the Township. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April 1st 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.

Miscellaneous Revenues – Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are subject to accrual are recorded with offsetting reserves on the balance sheet of the Township's Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become subject to accrual.

Grant and Similar Award Revenues – Federal and State grants, entitlements or shared revenues received, for purposes normally financed through the Current Fund, are recognized when anticipated in the Township's budget. US GAAP requires such revenues to be recognized as soon as all eligibility requirements imposed by the grantor or provider have been met.

Budgets and Budgetary Accounting – An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Township and approved by the Division per N.J.S.A. 40A:4 et seq.

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

Trust Funds
General Capital Fund
Water Utility Capital Fund
Sewer Utility Capital Fund
Golf and Recreation Utility Capital Fund
Public Assistance Fund

1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The governing body is required to introduce and approve the annual budget no later than the last day in February of the fiscal year. The budget is required to be adopted no later than April 20, and prior to adoption, must be certified by the Division. The Director of the Division, with the approval of the Local Finance Board, may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity, and line item (salary or other expense) and includes information on the previous year.

The legal level of control for appropriations is exercised at the individual line-item level for all operating budgets adopted. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue in the budget after its adoption and determination of the tax rate. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line-item transfers. Management has no authority to amend the budget without the approval of the governing body. Expenditures may not legally exceed budgeted appropriations at the line-item level.

Expenditures – Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations at December 31 are reported as expenditures through the establishment of appropriation reserves, unless cancelled by the governing body. US GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, as well as expenditures related to compensated absences and claims and judgments, which are recognized when due.

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

Appropriation Reserves – Appropriation reserves are recorded as liabilities and are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under US 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 is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. US GAAP requires such property to be recorded as a capital asset in the government-wide financial statements at fair value on the date of acquisition.

Interfund Receivables – Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve.

1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventories - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets. US GAAP requires inventories to be recorded as assets in proprietary-type funds.

Cash and Investments – Cash includes amounts in demand deposits, as well as short-term investments with a maturity date within three months of the date acquired by the government. Investments are reported at cost and are limited by N.J.S.A. 40A:5-l5.l et seq. US GAAP requires that all investments be reported at fair value.

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

Governmental Fixed Assets – New Jersey Administrative Code 5:30-5.6 established a mandate for fixed asset accounting by municipalities, effective December 31, 1985, which differs in certain respects from generally accepted accounting principles and requires the inclusion of a statement of Governmental Fixed Assets of the Township as part of the basic financial statements.

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

Fixed Assets purchased after December 31, 1999 are stated at cost. Donated fixed assets are recorded at estimated fair market value at the date of donation.

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

Accounting for Utility Fund "fixed capital" remains unchanged under N.J.A.C. 5:30-5.6.

Property and equipment purchased by the Water, Sewer and Golf and Recreation Utility funds are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent replacement cost or current value. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the Utility Capital Funds represents charges to operations for the costs of acquisitions of property, equipment, and improvements. The Utility Capital Funds do not record depreciation on fixed assets.

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

1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Length of Service Awards program (LOSAP) - Financial reporting standards established by the DLGS 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 members of the volunteer fire company and volunteer first aid and rescue squad, 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. See Note 16 regarding the availability of LOSAP Plan financial information.

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 3 to the financial statements.

Use of Estimates – The preparation of financial statements in accordance with accounting principles and practices prescribed by the Division requires management of the Township to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Net Pension Liability and Pension Related Deferred Outflows of Resources and Deferred Inflows of Resources and Pension Expense – The Township has included information relating to its allocated shares of the net pension liabilities of the state sponsored, cost-sharing, multiple employer defined benefit pension plans in which it participates in Note 8 and the accompanying required supplementary information. As the Township does not present entity-wide financial statements, it does not present on the face of its financial statements its proportionate share of the net pension liability of the defined benefit plans in which its employees are enrolled. GAAP requires the recognition of the net pension liability and associated deferred inflows and deferred outflows of financial resources in the entity-wide financial statements. The audited financial information related to pensions is released annually by the State's Division of Pensions and Benefits and is required to be included as note disclosures in the financial statements. Pursuant to N.J.A.C. 5:30-6.1(c)2, counties and municipalities may use the most recent available audited GASB Statement No. 68 financial information published by the New Jersey Department of the Treasury, Division of Pensions and Benefits. As of the date of audit, the 2024 Public Employees' Retirement System Report and the 2024 Police and Firemen's Retirement System Report were the most recent reports available and therefore information for that year was disclosed accordingly. Refer to Note 8 for these disclosures.

Other Post-Employment Benefits Other Than Pensions – With the implementation of GASB Statement No. 75 for disclosure purposes, the Township has included information for OPEB (Postemployment Benefits Other Than Pensions) liabilities relating to healthcare benefits provided to its retirees within the Notes to the Financial Statements and the accompanying required supplementary information, if applicable. As the Township does not present entity-wide financial statements, it does not present on the face of its financial statements its proportionate share of the OPEB liability of the defined benefit healthcare plans in which its retirees are enrolled. GAAP requires the recognition of the OPEB liability and associated deferred inflows and deferred outflows of financial resources in the entity-wide financial statements. The audited financial information related to OPEB liabilities is released annually by the State's Division of Pensions and Benefits and is required to be included as note disclosures in the financial statements. Pursuant to N.J.A.C. 5:30-6.1(c)2, counties and municipalities may use the most recent available audited GASB Statement No. 75 financial information published by the New Jersey Department of the Treasury, Division of Pensions and Benefits. As of the date of audit, the 2024 Report was the most recent report available and therefore information for that year was disclosed accordingly. Refer to Note 9 for these disclosures.

1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Basic Financial Statements

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

Recent Accounting Standards

The Township does not prepare its financial statements in accordance with accounting principles generally accepted in the United States of America. The adoption of these new standards will not adversely affect the reporting on the Township's financial condition.

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. Based upon our audit procedures no disclosures are required pursuant to GASB Statement No. 102.

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.

2. DEPOSITS AND INVESTMENTS

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

Deposits

The Township's deposits are insured through either the Federal Deposit Insurance Corporation ("FDIC") or New Jersey's Governmental Unit Deposit Protection Act ("GUDPA"). The Township is required to deposit its funds in a depository that protects such funds pursuant to GUDPA. GUDPA requires all banks doing business in the State of New Jersey to maintain additional collateral in the amount of 5.00% of average public deposits and to deposit these amounts with the Federal Reserve Bank for all deposits not covered by the FDIC.

Custodial Credit Risk – the custodial credit risk for deposits is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. Although the Township does not have a formal deposit policy for custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition.

Bank balances are insured up to $250,000.00 in the aggregate by the FDIC for each bank for periods ending December 31, 2025 and 2024. At December 31, 2025 and 2024, the book value of the Township's deposits were $154,622,742.04 and $151,262,112.77, respectively, as restated, and the bank balance was $155,050,373.34 and $155,004,561.77, respectively, as restated. $945,979.96 and $4,479,800.77 held in agency and payroll accounts for the years ended December 31, 2025 and 2024 are not covered by GUDPA. The Township's deposits, which are displayed on the various fund balance sheets are categorized as follows:

Depository Account	December 31, 2025	December 31, 2024 (Restated)
Insured - FDIC	$ 625,410.15	$ 651,133.00
Insured - GUDPA	153,478,983.23	150,749,775.97
	$ 154,104,393.38	$ 151,400,908.97

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

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.

3. MUNICIPAL DEBT

The Local Bond Law governs the issuance of bonds to finance general Township capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness. All bonds issued by the Township are general obligation bonds. The Township's full faith and credit and taxing power has been pledged to the payment of the general obligation debt principal and interest.

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

	Year 2025	Year 2024
Issued		
General:		
Bonds and Notes	$ 88,520,000.00	$ 90,434,000.00
Water Utility:		
Bonds and Notes	54,775,000.00	51,005,000.00
Sewer Utility:		
Bonds and Notes	52,241,353.79	52,142,111.25
Golf and Recreation Utility:		
Bonds and Notes	5,459,000.00	5,505,000.00
Total Issued:	200,995,353.79	199,086,111.25
Less:		
Funds Temporarily Held to Pay Bonds and Notes:		
General	344,923.07	606,279.13
Water Utility	1,108,898.89	951,884.29
Sewer Utility	1,045,226.37	461,918.93
Golf and Recreation Utility	150,595.38	426,049.32
Net Debt Issued	198,345,710.08	196,639,979.58
Authorized but Not Issued		
General:		
Bonds and Notes	17,446,325.48	14,869,125.48
Water Utility:		
Bonds and Notes	13,657,216.70	8,950,061.00
Sewer Utility:		
Bonds and Notes	23,149,563.46	18,553,978.16
Golf and Recreation Utility:		
Bonds and Notes	422,384.05	694,710.00
Total Authorized but not Issued	54,675,489.69	43,067,874.64
Net Bonds and Notes Issued and Authorized but Not Issued	$ 253,021,199.77	$ 239,707,854.22

3. MUNICIPAL DEBT (continued)

The statement of debt condition that follows is extracted from the Township's Annual Debt Statement and indicates a statutory net debt of 1.023% at December 31, 2025.

	Gross Debt	Deductions	Net Debt
General Debt	$ 105,966,325.48	$ 344,923.07	$ 105,621,402.41
Utility Debt	149,704,518.00	149,704,518.00	
Local School Purposes	11,725,000.00	11,725,000.00	
Total	$ 267,395,843.48	$ 161,774,441.07	$ 105,621,402.41

The Township's remaining borrowing power under N.J.S.A. 40A:2-6, as amended, at December 31, 2025 as follows:

3 1/2% of Equalized Valuation Basis (Municipal)	$ 361,259,004.11
Net Debt	(105,621,402.41)
Remaining Statutory Borrowing Power	$ 255,637,601.70

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

Surplus and Cash Receipts from Fees:		
Rent or Other Charges for Year		$ 16,622,793.83
Deductions:		
Operating and Maintenance Costs	$ 11,557,798.00	
Debt Service per Utility Operating Fund	3,516,214.00	
		15,074,012.00
Excess in Revenue		$ 1,548,781.83

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

3. MUNICIPAL DEBT (continued)

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

Surplus and Cash Receipts from Fees:		
Rent or Other Charges for Year		$ 27,825,410.29
Deductions:		
Operating and Maintenance Costs	$ 18,796,707.00	
Debt Service per Utility Operating Fund	4,628,304.00	
		23,425,011.00
Excess in Revenue		$ 4,400,399.29

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

Calculation of "Self-Liquidating Purposes" Golf and Recreation Utility per N.J.S.A. 40A:2-45

Surplus and Cash Receipts from Fees:		
Rent or Other Charges for Year		$ 6,177,382.74
Deductions:		
Operating and Maintenance Costs	$ 5,114,278.00	
Debt Service per Utility Operating Fund	726,389.00	
		5,840,667.00
Excess in Revenue		$ 336,715.74

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

3. MUNICIPAL DEBT (continued)

General Obligation Bonds

The Township levies ad valorem taxes to pay debt service on general obligation bonds. General obligation bonds outstanding at December 31, 2025 and 2024 are as follows:

General Obligation Bonds	2025	2024
$43,827,000.00, 2017 General Improvement Bonds; due in annual installments of $3,500,000.00 to $4,000,000.00 through 2030, interest at 2.50% to 3.00%.	$ 19,010,000.00	$ 23,010,000.00
$22,640,000.00, 2019 General Improvement/Open Space Bonds; due in annual installments of $2,005,000.00 to $2,195,000.00 through 2029, interest at 2.25% to 4.00%.	8,210,000.00	10,675,000.00
$12,450,000.00, 2020 General Improvement Bonds; due in annual installments of $1,240,000.00 through 2031, interest at 2.00% to 3.00%.	7,440,000.00	8,680,000.00
$22,288,000.00, 2023 General Improvement Bonds, due in annual installments of $2,330,000.00 to $2,500,000.00 through 2033, interest at 4.00% to 5.00%.	19,495,000.00	21,035,000.00
$34,365,000.00, 2025 General Improvement Bonds; due in annual installments of $1,875,000.00 to $3,740,000.00 through 2035, interest at 4.00%.	34,365,000.00	
	$ 88,520,000.00	$ 63,400,000.00

General Refunding Bonds	2025	2024
$15,190,000.00, 2012 General Refunding Bonds; final payment of $1,465,000.00 was made in 2025, interest at 4.00%.	$ -	$ 1,465,000.00
	$ -	$ 1,465,000.00

3. MUNICIPAL DEBT (continued)

Utility Bonds

The Township pledges revenue from operations to pay debt service on utility bonds issued. The utility bonds outstanding at December 31, 2025 and 2024 are as follows:

Water Utility Fund	2025	2024
$5,119,000.00, 2018 Water Improvements Bonds, due in annual installments of $425,000.00 to $450,000.00 through 2030, interest at 2.50% to 3.00%.	$ 2,215,000.00	$ 2,630,000.00
$7,670,000.00, 2019 Water Improvements Bonds, due in annual installments of $350,000.00 to $475,000.00 through 2039, interest at 2.25% to 4.00%.	5,825,000.00	6,175,000.00
$16,387,000.00, 2023 Water Improvements Bonds, due in annual installments of $790,000.00 to $850,000.00 through 2043, interest at 4.00% to 5.00%.	15,195,000.00	15,960,000.00
	$ 23,235,000.00	$ 24,765,000.00

Sewer Utility Fund	2025	2024
$7,197,000.00, 2017 Sewer Improvements Bonds, due in annual installments of $650,000.00 to $690,000.00 through 2030, interest at 2.50 to 3.00%.	$ 3,325,000.00	$ 3,975,000.00
$9,570,000.00, 2019 Sewer Improvements Bonds, due in annual installments of $420,000.00 to $600,000.00 through 2039, interest at 2.25% to 4.00%.	7,310,000.00	7,720,000.00
$16,286,000.00, 2023 Sewer Improvements Bonds, due in annual installments of $630,000.00 to $900,000.00 through 2043, interest at 4.00% to 5.00%.	15,230,000.00	15,835,000.00
	$ 25,865,000.00	$ 27,530,000.00

Golf and Recreation Utility Fund	2025	2024
$6,683,000.00, 2017 General Improvements Bonds, due in annual installments of $550,000.00 through 2030, interest at 2.50% to 3.00%.	$ 2,750,000.00	$ 3,350,000.00
$1,645,000.00, 2020 General Improvements Bonds, due in annual installments of $145,000.00 through 2032, interest at 2.00% to 3.00%.	1,015,000.00	1,155,000.00
	$ 3,765,000.00	$ 4,505,000.00

3. MUNICIPAL DEBT (continued)

Utility Loans

The Township pledges revenue from operations to pay debt service on utility loans issued. The utility loans outstanding at December 31, 2025 and 2024 are as follows:

Sewer Utility Loans	2025	2024
$5,963,000.00: 2010 Trust Loan - Sewer in annual installments of $388,000.00 to $433,000.00 through August 2029, interest at 3.50% to 4.00%.	$ 1,640,000.00	$ 2,009,000.00
$13,605,558.00: 2010 Fund Loan - Sewer in annual installments of $309,630.13 to $712,281.85 through August 2029, interest at 0.00%.	2,446,475.68	3,158,757.53
$45,024.00: 2010 Trust Loan - Sewer in annual installments of $2,794.82 to $3,141.97 through August 2029, interest at 3.79% to 4.15%.	11,859.43	14,552.19
$129,876.00: 2010 Fund Loan - Sewer in annual installments of $6,603.85 to $6,604.13 through August 2029, interest at 0.00%.	26,415.68	33,019.53
$2,535,591.00: 2023 Trust Loan - Sewer in annual installments of $50,000.00 to $133,403.00 through August 2053, interest at 3.03% to	2,490,591.00	2,535,591.00
$2,971,977.00: 2023 Fund Loan - Sewer in annual installments of $100,179.00 through August 2053, interest at 0.00%.	2,805,012.00	2,905,191.00
	$ 9,420,353.79	$ 10,656,111.25

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

	General - Bonds		Water Utility - Bonds	
Year	Principal	Interest	Principal	Interest
2026	$ 11,640,000.00	$ 3,231,874.17	$ 1,565,000.00	$ 888,637.50
2027	12,405,000.00	2,848,812.50	1,605,000.00	822,387.50
2028	13,160,000.00	2,387,562.50	1,640,000.00	754,437.50
2029	12,915,000.00	1,919,506.26	1,650,000.00	688,000.00
2030	10,960,000.00	1,496,050.00	1,650,000.00	624,125.00
2031-2035	27,440,000.00	2,931,400.00	6,525,000.00	2,294,593.75
2036-2040			6,050,000.00	1,126,875.00
2041-2045			2,550,000.00	204,000.00
	$ 88,520,000.00	$ 14,815,205.43	$ 23,235,000.00	$ 7,403,056.25

3. MUNICIPAL DEBT (continued)

	Sewer Utility - Bonds		Sewer Utility - NJEIT Loans		Sewer Utility - Total	
Year	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 1,700,000.00	$ 956,925.00	$ 1,259,859.52	$ 153,362.44	$ 2,959,859.52	$ 1,110,287.44
2027	1,730,000.00	888,925.00	1,271,968.24	135,233.74	3,001,968.24	1,024,158.74
2028	1,760,000.00	819,625.00	1,291,083.80	116,618.16	3,051,083.80	936,243.16
2029	1,810,000.00	752,812.50	907,555.23	97,235.30	2,717,555.23	850,047.80
2030	2,040,000.00	1,340,687.50	155,179.00	77,034.90	2,195,179.00	1,417,722.40
2031-2035	7,425,000.00	2,502,187.50	840,895.00	338,674.50	8,265,895.00	2,840,862.00
2036-2040	6,700,000.00	1,210,625.00	932,617.00	261,003.70	7,632,617.00	1,471,628.70
2041-2045	2,700,000.00	216,000.00	997,758.00	191,862.26	3,697,758.00	407,862.26
2046-2050			1,073,869.00	112,001.60	1,073,869.00	112,001.60
2051-2055			689,569.00	23,802.46	689,569.00	23,802.46
	$ 25,865,000.00	$ 8,687,787.50	$ 9,420,353.79	$ 1,506,829.06	$ 35,285,353.79	$ 10,194,616.56

	Golf and Recreation Utility - Bonds	
Year	Principal	Interest
2026	$ 695,000.00	$ 100,775.00
2027	695,000.00	79,925.00
2028	695,000.00	59,800.00
2029	695,000.00	40,400.00
2030	695,000.00	21,000.00
2031-2035	290,000.00	5,800.00
	$ 3,765,000.00	$ 307,700.00

3. MUNICIPAL DEBT (continued)

Changes in Long-Term Municipal Debt

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

	Balance December 31, 2024	Increases	Reductions	Balance December 31, 2025	Due Within One Year
General Capital Fund:					
Bonds Payable	$ 64,865,000.00	$ 34,365,000.00	$ 10,710,000.00	$ 88,520,000.00	$ 11,640,000.00
Water Utility Capital Fund:					
Bonds Payable	24,765,000.00		1,530,000.00	23,235,000.00	1,565,000.00
Sewer Utility Capital Fund:					
Bonds Payable	27,530,000.00		1,665,000.00	25,865,000.00	1,700,000.00
NJEIT Loans Payable	10,656,111.25		1,235,757.46	9,420,353.79	1,259,859.52
Golf and Recreation Utility Capital Fund:					
Bonds Payable	4,505,000.00		740,000.00	3,765,000.00	695,000.00
	$ 132,321,111.25	$ 34,365,000.00	$ 15,880,757.46	$ 150,805,353.79	$ 16,859,859.52

	Balance December 31, 2023	Increases	Reductions	Balance December 31, 2024	Due Within One Year
General Capital Fund:					
Bonds Payable	$ 75,293,000.00		$ 10,428,000.00	$ 64,865,000.00	$ 10,710,000.00
Water Utility Capital Fund:					
Bonds Payable	25,942,000.00		1,177,000.00	24,765,000.00	1,530,000.00
Sewer Utility Capital Fund:					
Bonds Payable	29,031,000.00		1,501,000.00	27,530,000.00	1,665,000.00
NJEIT Loans Payable	11,799,379.88		1,143,268.63	10,656,111.25	1,235,757.46
Golf and Recreation Utility Capital Fund:					
Bonds Payable	5,245,000.00		740,000.00	4,505,000.00	740,000.00
	$ 147,310,379.88	$ -	$ 14,989,268.63	$ 132,321,111.25	$ 15,880,757.46

3. MUNICIPAL DEBT (continued)

Short-Term Debt

The Township's short-term capital debt activity for 2025 and 2024 is as follows:

	Date of Issue	Maturity Date	Interest Rate	Balance, December 31, 2024	Additions	Reductions	Balance, December 31, 2025
Current Fund:							
Special Emergency Notes	10/28/2025	10/27/2026	3.80%	$ 2,422,000.00	$ 1,388,000.00	$ 2,422,000.00	$ 1,388,000.00
General Capital Fund:							
Bond Anticipation Notes				25,569,000.00		25,569,000.00	
Water Utility Capital Fund:							
Bond Anticipation Notes	10/28/2025	10/27/2026	4.00%	26,240,000.00	31,540,000.00	26,240,000.00	31,540,000.00
Sewer Utility Capital Fund:							
Bond Anticipation Notes	10/28/2025	10/27/2026	4.00%	13,956,000.00	16,956,000.00	13,956,000.00	16,956,000.00
Golf and Recreation Utility Capital Fund:							
Bond Anticipation Notes	10/28/2025	10/27/2026	4.00%	1,000,000.00	1,694,000.00	1,000,000.00	1,694,000.00
Total				$ 69,187,000.00	$ 51,578,000.00	$ 69,187,000.00	$ 51,578,000.00

				Balance, December 31, 2023	Additions	Reductions	Balance, December 31, 2024
Current Fund:							
Special Emergency Notes	10/30/2024	10/29/2025	4.75%	$ 2,316,000.00	$ 2,422,000.00	$ 2,316,000.00	$ 2,422,000.00
General Capital Fund:							
Bond Anticipation Notes	10/30/2024	10/29/2025	4.00%	12,769,000.00	25,569,000.00	12,769,000.00	25,569,000.00
Water Utility Fund:							
Bond Anticipation Notes	10/30/2024	10/29/2025	4.00%	19,020,000.00	26,240,000.00	19,020,000.00	26,240,000.00
Sewer Utility Fund:							
Bond Anticipation Notes	10/30/2024	10/29/2025	4.00%	7,956,000.00	13,956,000.00	7,956,000.00	13,956,000.00
Golf and Recreation Utility Capital Fund:							
Bond Anticipation Notes	10/30/2024	10/29/2025	4.00%		1,000,000.00		1,000,000.00
Total				$ 42,061,000.00	$ 69,187,000.00	$ 42,061,000.00	$ 69,187,000.00

3. MUNICIPAL DEBT (continued)

New Jersey Environmental Infrastructure Loan (NJEIT)/New Jersey Infrastructure Bank Loan (NJIB)

Loan agreements were entered into by the Township of Parsippany-Troy Hills with the New Jersey Department of Environmental Protection for the purpose of improvements to the wastewater treatment plant in 2010 at an interest rate of 3.00% to 5.00%. Loans payable at December 31, 2025 for the Sewer Utility Capital Fund were $4,124,750.79.

A loan agreement was entered into by the Township of Parsippany-Troy Hills with the New Jersey Infrastructure Bank (I-Bank) for $5,507,568.00 to complete improvements of the Sewer Utility System in 2023 at an interest rate of 3.00% to 4.00%. Loans payable at December 31, 2025 for the Sewer Utility Capital Fund were $5,295,603.00.

Leases

The Township entered into a lease agreement in 2022 for the leasing of 160 electric powered golf carts for a five-year period beginning in 2023 with a unit price per cart per season of $1,149.16. The total lease payments for 2025 were $183,865.59. The implied interest rate, based on market conditions for similar agreements, is estimated to range from 3.00% to 5.00%. The following is a summary of lease obligation principal and interest payments to maturity as of December 31, 2025:

Calendar Year	Total
2026	$ 183,865.59
2027	183,865.59
	$ 367,731.18

4. FIXED ASSETS

Governmental Fixed Assets

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

Governmental Fixed Assets

	Balance December 31, 2024	Additions	Reductions	Balance December 31, 2025
Land and Land Improvements	$ 114,261,584.00			$ 114,261,584.00
Buildings and Building Improvements	32,940,200.00			32,940,200.00
Machinery and Equipment	42,395,524.00	$ 4,286,266.13	$ 336,064.00	46,345,726.13
	$ 189,597,308.00	$ 4,286,266.13	$ 336,064.00	$ 193,547,510.13

	Balance December 31, 2023	Additions	Reductions	Balance December 31, 2024
Land and Land Improvements	$ 114,261,584.00			$ 114,261,584.00
Buildings and Building Improvements	32,940,200.00			32,940,200.00
Machinery and Equipment	46,340,551.00	$ 3,278,459.00	$ 7,223,486.00	42,395,524.00
	$ 193,542,335.00	$ 3,278,459.00	$ 7,223,486.00	$ 189,597,308.00

4. FIXED ASSETS (continued)

Utility Fund Fixed Assets

The following is a summary of changes in the Utility Fund fixed assets as of December 31, 2025 and 2024:

Utility Fund Fixed Assets

Water Utility Fund	Balance December 31, 2024	Additions	Reductions	Balance December 31, 2025
Fixed Capital:				
Treatment Facility, Water System and System Improvements	$ 35,953,563.84	$ 4,600,000.00		$ 40,553,563.84
Vehicles and Equipment	3,695,908.42	3,895,000.00		7,590,908.42
	$ 39,649,472.26	$ 8,495,000.00	$ -	$ 48,144,472.26
Fixed Capital Authorized and Uncompleted:				
Improvements to Water Utility System	$ 62,693,000.00	$ 10,007,155.70	$ 8,495,000.00	$ 64,205,155.70

Water Utility Fund	Balance December 31, 2023	Additions	Reductions	Balance December 31, 2024
Fixed Capital:				
Treatment Facility, Water System and System Improvements	$ 35,953,563.84			$ 35,953,563.84
Vehicles and Equipment	3,695,908.42			3,695,908.42
	$ 39,649,472.26	$ -	$ -	$ 39,649,472.26
Fixed Capital Authorized and Uncompleted:				
Improvements to Water Utility System	$ 57,393,000.00	$ 5,300,000.00		$ 62,693,000.00

4. FIXED ASSETS (continued)

Sewer Utility Fund	Balance December 31, 2024	Additions	Reductions	Balance December 31, 2025
Fixed Capital:				
Treatment Facility, Sewerage System and System Improvements	$ 141,089,746.31			$ 141,089,746.31
Vehicles and Equipment	4,842,467.02			4,842,467.02
	$ 145,932,213.33	$ -	$ -	$ 145,932,213.33
Fixed Capital Authorized and Uncompleted:				
Improvements to Sewer Utility System	$ 100,938,023.14	$ 7,595,585.30	$ -	$ 108,533,608.44

Sewer Utility Fund	Balance December 31, 2023	Additions	Reductions	Balance December 31, 2024
Fixed Capital:				
Treatment Facility, Sewerage System and System Improvements	$ 141,089,746.31			$ 141,089,746.31
Vehicles and Equipment	4,842,467.02			4,842,467.02
	$ 145,932,213.33	$ -	$ -	$ 145,932,213.33
Fixed Capital Authorized and Uncompleted:				
Improvements to Sewer Utility System	$ 85,112,023.14	$ 15,826,000.00	$ -	$ 100,938,023.14

4. FIXED ASSETS (continued)

Golf and Recreation Utility Fund	Balance December 31, 2024	Additions	Reductions	Balance December 31, 2025
Fixed Capital:				
Knoll Facilities and Improvements	$ 32,170,932.14	$ 215,000.00		$ 32,385,932.14
Vehicles and Equipment	2,145,891.86	422,219.58		2,568,111.44
	$ 34,316,824.00	$ 637,219.58	$ -	$ 34,954,043.58
Fixed Capital Authorized and Uncompleted:				
Knoll Facilities and Improvements	$ 637,219.58	$ 421,674.05	$ 215,000.00	$ 843,893.63
Vehicles and Equipment	1,705,000.00		422,219.58	1,282,780.42
	$ 2,342,219.58	$ 421,674.05	$ 637,219.58	$ 2,126,674.05

Golf and Recreation Utility Fund	Balance December 31, 2023	Additions	Reductions	Balance December 31, 2024
Fixed Capital:				
Knoll Facilities and Improvements	$ 32,170,932.14			$ 32,170,932.14
Vehicles and Equipment	2,145,891.86			2,145,891.86
	$ 34,316,824.00	$ -	$ -	$ 34,316,824.00
Fixed Capital Authorized and Uncompleted:				
Knoll Facilities and Improvements	$ 637,219.58			$ 637,219.58
Vehicles and Equipment	1,333,000.00	$ 372,000.00		1,705,000.00
	$ 1,970,219.58	$ 372,000.00	$ -	$ 2,342,219.58

5. DUE TO/FROM OTHER FUNDS

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

	2025	
	Due from Other Funds	Due to Other Funds
Current Fund:		
Grant Fund		$ 5.00
Animal Control Fund	$ 30,683.57	
Grant Fund:		
Current Fund	5.00	
Other Trust Fund:		
Sewer Operating Fund	4,121.30	
Animal Control Trust Fund:		
Current Fund		30,683.57
Sewer Utility Fund:		
Other Trust Fund		4,121.30
	$ 34,809.87	$ 34,809.87

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

	2024	
	Due from Other Funds	Due to Other Funds
Current Fund:		
Other Trust Fund		$ 2,000,000.00
Animal Control Fund	$ 44,688.64	
Other Trust Fund:		
Current Fund	2,000,000.00	
Animal Control Trust Fund:		
Current Fund		44,688.64
Sewer Utility Fund:		
Sewer Operating Fund	3,427.91	
Sewer Capital Fund		3,427.91
Golf and Recreation Utility Fund:		
Golf and Recreation Operating Fund	6,758.95	
Golf and Recreation Capital Fund		6,758.95
	$ 2,054,875.50	$ 2,054,875.50

All interfund balances are expected to be liquidated within one year.

6. FUND BALANCES APPROPRIATED

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

	2025		2024	
	Fund Balance December 31,	Utilized in Subsequent Year's Budget	Fund Balance December 31,	Utilized in Subsequent Year's Budget
Current Fund	$ 9,399,125.61	$ 3,800,000.00	$ 11,917,184.02	$ 6,370,000.00
Water Utility Operating Fund	$ 5,299,335.33	$ 2,853,000.00	$ 4,800,624.07	$ 1,900,000.00
Sewer Utility Operating Fund	$ 15,438,224.37	$ 2,900,000.00	$ 11,304,017.25	$ 2,000,000.00
Golf and Recreation Utility Operating Fund	$ 1,479,459.31	$ 845,000.00	$ 1,257,225.29	$ 682,000.00

The above fund balance amounts utilized represents the surplus anticipated in the 2026 and 2025 municipal budgets.

7. COMPENSATED ABSENCES

Under the existing policies and labor agreements of the Township, employees are allowed to accumulate, with certain restrictions, unused vacation benefits, sick leave and compensation time in lieu of overtime over the life of their working careers and to redeem such unused leave time in cash upon death, retirement or by extended absence immediately preceding retirement.

It is estimated that the current cost of such unpaid compensation and salary related payments would approximate $5,291,649.37 and $7,904,249.46 at December 31, 2025 and 2024, respectively. This estimate by management is unaudited.

As of December 31, 2025 and 2024, the Township has reserved $882,622.98 and $568,000.00 to fund compensated absences in accordance with N.J.S.A. 40A:4-39.

8. PENSION PLANS

Description of Plans

The State of New Jersey, Division of Pension and Benefits (the "Division") was created and exists pursuant to N.J.S.A. 52:18A to oversee and administer the pension trust and other postemployment benefit plans sponsored by the State of New Jersey (the State). According to the State of New Jersey Administrative Code, all obligations of the Systems will be assumed by the State of New Jersey should the plans terminate. Each defined benefit pension plan's designated purpose is to provide retirement, death and disability benefits to its members. The authority to amend the provision of plan rests with new legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for the Public Employees' Retirement System (PERS), once a Target Funded Ratio (TFR) is met, that will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation or final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committee will also have the authority to reactivate the cost-of-living adjustment (COLA) on pensions.

However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a 30-year projection period. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for each of the plans. This report may be accessed via the Division of Pensions and Benefits website, at www.state.nj.us/treasury/pensions, or may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

Public Employees' Retirement System

The Public Employees' Retirement System (PERS) 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	244,324
Total	438,885

Contributing Employers – 1,691

8. PENSION PLANS (continued)

Significant Legislation

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 $38,376,249.02. For the year ended December 31, 2025, total PERS covered payroll was $22,032,120.00. Due to payroll system limitations, 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 43:15A and requires contributions by active members and contributing employers. The member contribution rate was 7.50% of pensionable compensation in State fiscal year 2024 and 2023. Employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability.

The Township's contributions are due and payable on April 1st in the second fiscal period subsequent to plan year for which the contributions requirements were calculated. The Township's payments to PERS during the years ending December 31, 2025 consisted of the following:

	2025
Normal Cost	$ 644,036.00
Amortization of Accrued Liability	2,913,458.00
Total Pension	3,557,494.00
NCGI Premiums	159,260.00
Total Regular Billing	3,716,754.00
LTD Premium	-
Total PERS Payment	$ 3,716,754.00

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. 43:15. 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.

8. PENSION PLANS (continued)

The following represents the membership tiers for PERS:

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

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

Special Funding Situation – Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, are Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under the legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under the legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer.

8. PENSION PLANS (continued)

In addition, each local participating employer must recognize pension expense associated with the employers as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

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 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 $37,114,819.00 or 0.2731431678%, which was a decrease of 0.0069899888% from its proportion measured as of June 30, 2023.

Deferred Outflows of Resources and Deferred Inflows of Resources – The following presents a summary of the proportionate share of the State of New Jersey's deferred outflows of resources and deferred inflows of resources attributable to the Township for the year ended June 30, 2024:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 743,478.00	$ 98,810.00
Changes of assumptions	46,108.00	422,281.00
Net difference between projected and actual investment earnings on pension plan investments		1,720,913.00
Changes in proportion	542,398.00	1,999,843.00
Township contributions subsequent to the measurement date	3,716,754.00	
	$ 5,048,738.00	$ 4,241,847.00

$3,716,754.00 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 December 31,	Amount
2025	$ (2,011,573.00)
2026	970,752.00
2027	(1,195,923.00)
2028	(664,675.00)
2029	(8,444.00)
Total	$ (2,909,863.00)

8. PENSION PLANS (continued)

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

	June 30, 2024
Inflation rate:	
Price	2.75%
Wage	3.25%
Salary increases:	2.75 - 6.55% based on years of service
Investment rate of return	7.00%

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.

8. PENSION PLANS (continued)

Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2024 in the following table:

June 30, 2024

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

Discount Rate – The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. 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 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 projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments to determine the total pension liability.

Sensitivity of Net Pension Liability – The following presents the Township's proportionate share of the net pension liability of PERS calculated using the discount rate as disclosed below 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	$ 49,731,594.00	$ 37,114,819.00	$ 26,956,294.00

8. PENSION PLANS (continued)

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, 2024 was $29,413,070,105.00.

Additional information

Collective Local Group 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	0.2731431678%

Collective pension expense for the Local Group for the measurement period 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

Chapter 83, P.L. 2016 requires the State to make pension contributions on a quarterly basis: at least 25.00% by September 30th, at least 50.00% by December 31st, at least 75.00% by March 31s, and at least 100.00% by June 30th. As such, contributions are assumed to be made on a quarterly basis with the first contribution 15 months after the associated valuation date.

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

Receivable Contributions

The Fiduciary Net Position (FNP) includes Local employers' contributions receivable as reported in the financial statements provided by the Division of Pensions and Benefits. In determining the discount rate, the FNP at the beginning of each year does not reflect receivable contributions as those amounts are not available at the beginning of the year to pay benefits.

Special Funding Situation

The Township is responsible for the actuarially determined annual contributions to the PERS, 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 PERS. 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.

Unaudited data provided by the PERS indicates that the total Non-employer contributions made to the PERS by the State for the year ended June 30, 2024 was $61,435,556.00. The portion of that contribution allocated to the Township in 2024 was $119,658.00 or 0.2744051080%. The June 30, 2024 State special funding situation pension expense of $53,698,726.00 was actuarially determined and represents the required contribution due from the State for the year.

8. PENSION PLANS (continued)

The special funding situation net pension liability under the special funding situation was reported at $114,378,189.00 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. The Township's allocated shares of the special funding situation pension expense for the year ended June 30, 2024 and its share of the special funding situation Net Pension Liability at that date were $119,658.00 and $0.00, respectively.

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	41,451
Total	91,626

Contributing Employers – 582

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

The State Legislature adopted L. 2018, c. 55 in July 2018, which transferred management of PFRS from the New Jersey Department of Treasury, Division of Pensions and Benefits to a newly constituted twelve-member PFRS Board of Trustees. The new PFRS Board, which was established in February 2019 per the legislation, has more power and authority as compared to the former PFRS Board of Trustees. In addition to overseeing the management of PFRS, the new PFRS Board will also have the authority to direct investment decisions, to adjust current benefit levels and to change member and employer contribution rates. With regard to changes in current benefit provisions, such changes can only be made with the approval of a supermajority of eight (8) of the twelve (12) members of the new PFRS Board. Also, benefit enhancement can only be made if an independent actuary certifies that the benefit enhancements will not jeopardize the long-term viability of PFRS. Under prior law, benefit enhancements, including the reinstatement of COLA for retirees, could only be considered when the funded level of the pension fund reaches 80.00%. An actuarial certification was also required that the funded levels would remain at or above 80.00% over a 30-year period following the benefit enhancement. In accordance with L. 2018, c. 55, the new PFRS Board will also have the authority to formulate investment policies and direct the investment activities of the PFRS. The PFRS Board has proposed regulations for adoption governing the methods, practices, and procedures for investment or reinvestments of money of PFRS.

8. PENSION PLANS (continued)

For the year ended December 31, 2025, the Township's total payroll for all employees was $38,376,249.02. For the year ended December 31, 2025, total PFRS covered payroll was $12,220,998.00. Due to payroll system limitations, 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. 43:16A 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 annual 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's contributions are due and payable on April 1st in the second fiscal period subsequent to plan year for which the contributions requirements were calculated. The Township's payments to PFRS made in the year ending December 31, 2025 consisted of the following:

	2025
Normal Cost	$ 1,337,407.00
Amortization of Accrued Liability	2,921,961.00
Total Pension	4,259,368.00
NCGI Premiums	141,519.00
Total Regular Billing	4,400,887.00
LTD Premium	-
Total PFRS Payment	$ 4,400,887.00

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:

Tier	Definition
1	Members who were enrolled prior to May 22, 2010
2	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
3	Members who were eligible 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, up to 30 years, plus 1.00% for each year of service in excess of 30 years. Members may elect special retirement after achieving 25 years of creditable service, in which case benefits equal 65.00% of final compensation for Tier 1 and Tier 2 members and 60.00% for Tier 3 members, plus 1.00% for each year of creditable service over 25 years, not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits begin at age 55 and are equal to 2.00% of final compensation for each year of service.

8. PENSION PLANS (continued)

Special Funding Situation – Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation has been enacted that legally obligates the State to contribute on behalf of certain employers. The legislation that legally obligates the State includes Chapter 8, P.L. 2000; Chapter 318, P.L. 2001; Chapter 86, P.L. 2001; Chapter 511, P.L. 1991; Chapter 109, P.L. 1979; Chapter 247, P.L. 1993; and Chapter 201, P.L. 2001. The amounts contributed by the State on behalf of local participating employers under this legislation are considered to be a special funding situation as defined by GASB Statement No. 68, and the State is treated as a nonemployer contributing entity.

Since the local participating employers do not contribute under the legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employers as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

At June 30, 2024, the PFRS reported a net pension liability of $10,326,599,453.00 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 $33,004,214.00, or 0.31960390% which was a decrease of 0.0306969700% 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 PFRS were from the following sources; if GASB Statement No. 68 was recognized:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expended and actual experience	$ 2,079,240.00	$ 1,129,880.00
Changes of assumptions	52,173.00	969,279.00
Net difference between projected and actual investment earnings on pension plan investments		258,318.00
Changes in proportion	1,143,401.00	5,503,188.00
Township contributions subsequent to the measurement date	4,420,887.00	
	$ 7,695,701.00	$ 7,860,665.00

$4,420,887.00 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:

8. PENSION PLANS (continued)

Year ended December 31,	Amount
2025	$ (2,393,245.00)
2026	1,138,304.00
2027	(1,521,794.00)
2028	(1,309,047.00)
2029	(465,115.00)
Thereafter	(34,954.00)
Total	$ (4,585,851.00)

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

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

Employee mortality rates were based on the Pub-2010 Safety Employee amount-weighted mortality table (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 females, projected generationally from 2010 with Scale MP-2021 mortality projection.

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 real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2024 are summarized in the following table:

8. PENSION PLANS (continued)

June 30, 2024

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Large-Cap Equity	24.00%	6.90%
U.S. Small/Mid-Cap Equity	4.00%	7.40%
Non - U.S. Developed Large-Cap Equity	9.50%	6.70%
Non - U.S. Developed Small-Cap Equity	2.00%	7.50%
Emerging Market Large-Cap Equity	6.00%	9.60%
Emerging Market Small-Cap Equity	1.50%	9.60%
U.S Treasury Bond	7.00%	4.10%
U.S. Corporate Bond	5.00%	5.90%
U.S. 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%
	100.00%	

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 local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments after that date in determining 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	$ 56,452,320.00	$ 33,004,214.00	$ 25,402,454.00

Plan Fiduciary Net Position – The plan fiduciary net position for PFRS at June 30, 2024 was $34,856,333,876.00. The portion of the Plan Fiduciary Net Position that was allocable to the Local (Non-State) Group at June 30, 2023 was $32,847,534,867.00.

8. PENSION PLANS (continued)

Additional Information

Collective Local Group 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	12,362,466,447.00
Township's Proportion	0.3196039000%

Collective pension expense for the Local Group for the measurement period ended June 30, 2023 was $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 30th, at least 50.00% by December 31st, at least 75.00% by March 31st, and at least 100.00% by June 30th. 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.

Receivable Contributions

The Fiduciary Net Position (FNP) includes Local employers' contributions receivable as reported in the financial statements provided by the Division of Pensions and Benefits. In determining the discount rate, the FNP at the beginning of each year does not reflect receivable contributions as those amounts are not available at the beginning of the year to pay benefits.

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.

Unaudited data provided by the PFRS indicates that the total Non-employer contributions made to the PFRS by the State for the year ended June 30, 2024 was $234,210,000.00. The portion of that contribution allocated to the Township in 2024 was $748,544.00, or 0.31960377%. 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 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. The Township's allocated shares of the special funding situation pension expense for the year ended June 30, 2024 and its share of the special funding situation NPL at that date were $748,545.00 and $6,506,710.00, respectively.

8. PENSION PLANS (continued)

Defined Contribution Retirement Plan

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 Division has selected Prudential Financial to manage the DCRP on its behalf. 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 employee’s 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.

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.

9. POST-RETIREMENT HEALTH COVERAGE

Township’s OPEB Plan Description

Employees who retire from the Township may be eligible for post-employment medical, prescription drug, dental, and vision benefits based on the number of years of service completed. Police officers and their dependents are eligible for both pre-65 and post-65 subsidized retirement coverage, whereas the remaining units receive pre-65 retirement coverage only.

Retiree medical benefits provided by the Township are fully insured through Aetna Health with three plan offerings; Open Access Plus, OA Plus for Supervisors, and Traditional (Passive) PPO. For pharmacy benefits, 3 copay options are available to retirees based on unit. Two dental plans are available to retirees and is self-funded. Vision benefits are also available to retirees and is fully insured through VSP.

9. POST-RETIREMENT HEALTH COVERAGE (continued)

Base plan costs for all benefits for pre-65 and post-65 retirees are based on fully insured premium rates for the 2022 and 2023 plan years. Plan costs are based 100.00% before retiree contributions and assumed to include all administrative expenses and PPACA fees due at this time. The medical and prescription drug costs reflect a combined active and retiree population (pre-65 and post-65); therefore adjustments were necessary to convert the base plan costs into specific pre-65 and post-65 retiree costs to appropriately reflect Medicare integration and plan morbidity.

Retiree Contribution Rates

Contribution rates for future retirees will be based on the State of New Jersey's new contribution formula per implementation of Chapter 78. Contributions are calculated using a varying formula based on the retirees' base salary at retirement with a minimum contribution of 1.50% of base salary. Active employees hired prior to implementation of Chapter 78 with less than 20 years of service at implementation had their contribution phased in over a 4-year period. Employees hired on or after June 28, 2011 will have their contribution set at the highest year 4 contribution level. As the 4-year phase in period has expired, all active employees' contribution level is at the highest level.

Contributions for all current and future Police retirees are non-contributory. Non-police current retirees and future retirees with twenty (20) or more years of service at June 28, 2011 are non-contributory (i.e., the Township pays 100.00% of the benefit cost).

Employees Covered by Benefit Terms

As of April 2025, there was a total of 620 active employees and retirees, reflecting the sum of 424 active employees (381 electing coverage and 43 waiving coverage) and 196 retirees including 21 surviving spouses. For valuation purposes, it is assumed that 100.00% of individuals waiving coverage elect coverage in retirement at the coverage tier indicated in the census.

Total OPEB Liability

The Township's OPEB liability of $207,188,415.00 was measured as of December 31, 2025 and was determined by an actuarial valuation based on census information provided in April 2025.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the January 1, 2024 to December 31, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	4.38%
Salary Increases	3.00% per year

The discount rate used was 4.38% which is based on an end of year measurement date of 12/31/25 and is consistent with the prescribed discount interest rate methodology under GASB 74/75. The valuation discount rate was 4.38%.

9. POST-RETIREMENT HEALTH COVERAGE (continued)

The following assumptions are used for annual healthcare cost inflation (trend):

Health Care Trend Rates	Year	Pre 65	Post 65
Year 1 Trend	January 1, 2024	7.00%	7.00%
Ultimate Trend	2034 & Later	4.50%	4.50%
Grading per Year		0.25%	0.25%

The mortality table used for the current valuation was the Society of Actuaries Pub-2010 Public Retirement Plans Healthy Male and Female Total Dataset Headcount-Weighted Mortality tables based on Employee and Healthy Annuitant Tables for both pre and post-retirement projected with mortality improvements using the most current Society of Actuaries Mortality Improvement Scale MP-2021.

The valuation is based on the decrement tables from the New Jersey Public Employees' Retirement System (PERS) and the New Jersey Police and Firemen's Retirement System (PFRS). Decrement tables are based on the July 1, 2018 Annual Report of the Actuary for both PERS and PFRS.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at January 1, 2025	$ 208,786,086.00
Changes for Year:	
Service Cost	2,179,245.00
Interest on total OPEB Liability	8,995,917.00
Change in Assumptions	(5,973,131.00)
Benefit Payments	(6,799,702.00)
Net Changes	(1,597,671.00)
Balance at December 31, 2025	$ 207,188,415.00

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Township as well as what the Township's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.38 percent) or 1 percentage point higher (5.38 percent) than the current discount rate:

	1% Decrease (3.38%)	Discount Rate (4.38%)	1% Increase (5.38%)
Total OPEB Liability	$ 247,779,315.00	$ 207,188,415.00	$ 176,246,018.00

9. POST-RETIREMENT HEALTH COVERAGE (continued)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Township as well as what the Township's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the valuation healthcare cost trend rates:

	1% Decrease	Valuation Healthcare Trend Rates	1% Increase
Total OPEB Liability	$ 173,406,745.00	$ 207,188,415.00	$ 251,527,160.00

OPEB Expense

For the year ended December 31, 2025, the Township's OPEB expense was $4,425,864.00 as determined by the actuarial valuation.

State Health Benefit Local Government Retired Employees Plan

General Information about the OPEB Plan

Plan Description

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost sharing multiple employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*; therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the "State"), Division of Pensions and Benefits' (the Division) Annual Comprehensive Financial Report (ACFR), which can be found at https://www.state.nj.us./treasury/pensions/financial-reports.shtml.

Benefits Provided

The Plan provides medical and prescription drug coverage to retirees and their dependents of the employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees.

9. POST-RETIREMENT HEALTH COVERAGE (continued)

Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

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

Contributions

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

Plan Membership and Contributing Employers

Plan membership and contributing employers/non-employers consisted of the following at June 30, 2024:

	June 30, 2024
Inactive plan members or beneficiaries currently receiving benefits	28,899
Active plan members	60,691
Total	89,590
Contributing employers	590
Contributing nonemployers	1

Nonspecial Funding Situation - The State of New Jersey’s Total OPEB Liability for nonspecial funding situation was $13,028,800,548.00 at June 30, 2024.

Components of Net OPEB Liability - The components of the collective net OPEB liability for Local Government Retired Employees Plan, including the State of New Jersey, is as follows:

9. POST-RETIREMENT HEALTH COVERAGE (continued)

		June 30, 2024
Total OPEB Liability	$	17,748,257,548.00
Plan Fiduciary Net Position (Deficit)		(157,187,957.00)
Net OPEB Liability	$	17,905,445,505.00
Plan Fiduciary Net Position (Deficit) as a Percentage of the Total OPEB Liability		-0.89%

Actuarial Assumptions and Other Inputs – The total OPEB liability as of June 30, 2024 was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. These actuarial valuations used the following actuarial assumptions, applied to 2024 in the measurement:

Inflation	2.50%
Salary Increases*:	
Public Employees' Retirement System (PERS)	
Rate for All Future Years	2.75% to 6.55% Based on Years of Service
Police and Firemen's Retirement System (PFRS)	
Rate for all future years	3.25% to 16.25% Based on Years of Service

Mortality:

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

* Salary increases are based on years of service within the respective plan.

Preretirement and postretirement mortality rates were based on the Pub-2010 General classification headcount-weighted mortality with fully generational mortality improvement projections from the central year using the MP-2021 scale.

100.00% of active members are considered to participate in the Plan upon retirement.

Healthcare Trend Assumptions – For pre-Medicare medical benefits, the trend is initially 7.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 22.62% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For HMO, the trend is increasing to 23.58% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.75% and decreases to a 4.50% long-term trend rate after nine years. For Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate - The discount rate for June 30, 2024 was 3.93%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

9. POST-RETIREMENT HEALTH COVERAGE (continued)

Sensitivity of the Township's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rate - The following presents the Township's proportionate share of the net OPEB liability as of June 30, 2024 calculated using the discount rate as disclosed above as well as what the Township's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.93%) or 1-percentage-point higher (4.93%) than the current rate:

	At 1% Decrease (2.93%)	At Current Discount rate (3.93%)	At 1% Increase (4.93%)
Township's proportionate share of the net OPEB liability	$ 24,321,687.00	$ 20,878,916.00	$ 18,121,562.00

Sensitivity of the State's Net OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the net OPEB liability as of June 30, 2024, calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	At 1% Decrease	At Current Healthcare Trend Rate	At 1% Increase
Township's proportionate share of the net OPEB liability	$ 17,659,301.00	$ 20,878,916.00	$ 25,018,436.00

Special Funding Situation - The State of New Jersey's Total OPEB Liability for special funding situation was $4,833,833,875.00 at June 30, 2024.

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net OPEB liability that is associated with the local participating employer. The participating employer is required to record in their financial statements, as an expense and corresponding revenue, their proportionate share of the OPEB expense allocated to the State of New Jersey under the special funding situation.

The amounts of the State's Non-employer OPEB Liability that are attributable to employees and retirees of the Township was $20,878,916.00 at June 30, 2024. These allocated liabilities represent 0.428141% of the State's total Nonemployer OPEB Liability for June 30, 2024. The OPEB Expense attributed to the Township was ($2,022,814.00) at June 30, 2024.

10. RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Township of Parsippany-Troy Hills is a member of the New Jersey Intergovernmental Insurance Fund (the "Fund"). This Fund is both an insured and self-administered group of municipalities established for the purpose of providing low-cost insurance coverage for their members in order to keep local property taxes at a minimum.

The following coverages are offered by the fund to its members:

a.) Liability Other Than Motor Vehicles
b.) Property Damage Other Than Motor Vehicles
c.) Motor Vehicle
d.) Public Officials' Liability/Employment Practices Coverage
e.) Environmental Coverage

As a member of the Fund, the Township could be subject to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would become responsible for their respective shares of the Fund's liabilities.

The Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. The members may either receive payment or offset their subsequent year assessments with their respective share of the distribution.

The December 31, 2025 audit report of the Fund was not filed as of the date of this report.

Summarized selected financial information for the Fund as of December 31, 2024 is as follows:

Total Assets	$	116,696,278.00
Net Position	$	4,183,027.00
Total Revenue	$	34,134,948.00
Total Expenses	$	33,354,759.00
Change in Net Position	$	780,189.00
Members Dividends	$	-

Financial statements for the fund are available at the Office of the Executive Director:

New Jersey Intergovernmental Insurance Fund
RHM Benefits Inc.
55 Madison Avenue, Suite 400
Morristown, NJ 07960

10. RISK MANAGEMENT (continued)

The Township is self-insured to the extent of the amounts “deductible” from umbrella insurance coverage for Workers’ Compensation and Health Benefits.

Health Benefits Insurance
Coverage is provided by an excess risk insurance policy, issued by the Sun Life Insurance Company with coverages detailed as follows:

A. Specific Loss:

The Township will pay the Specific Deductible amount of $125,000.00 per policy period per covered person.

B. Aggregate Loss:

The maximum aggregate reimbursement is $1,000,000.00 per policy period.

Processing and payment of claims is administered by Meritain Health.

There is a provision included in the financial statements in the Other Trust Fund – Reserve for Employee Health Benefit Self Insurance Fund for claims incurred but not reported as of December 31, 2025 of $5,399,517.14, which exceeds the estimated amount for unpaid losses and loss adjustment expenses, provided by the Township Health Insurance Advisor.

A summary of activity in the Other Trust Fund Reserve for Employee Health Benefit Self Insurance Fund is detailed as follows:

	2025	2024
Balance, Beginning of the Year	$ 6,841,899.44	$ 4,990,521.03
Provision for Insured Events	26,816,485.64	18,181,170.35
	33,658,385.08	23,171,691.38
Claims and Claim Adjustment Expenses:		
Attributable to Insured Events	28,258,867.94	16,329,791.94
Balance, End of Year	$ 5,399,517.14	$ 6,841,899.44

Workers’ Compensation
Umbrella insurance coverage currently in force is carried for excess Workers’ Compensation claims with specified limits detailed as follows:

A. Specific Loss:
The Township can pay no more than $400,000 for each occurrence.

There has been no provision included in the financial statements for loss reserves as of December 31, 2025.

10. RISK MANAGEMENT (continued)

Claims for excess workers' compensation are funded on a cash basis through a loss fund which is administered by D and H Alternative Risk Solutions. A summary of the workers' compensation fund held by the insurance agent is detailed as follows:

	2025	2024
Balance, Beginning of the Year	$ 127,719.00	$ 120,278.00
Provision for Insured Events	1,680,657.11	1,673,071.00
	1,808,376.11	1,793,349.00
Claims and Claim Adjustment Expenses:		
Attributable to Insured Events	1,737,199.83	1,665,630.00
Balance, End of Year	$ 71,176.28	$ 127,719.00

Workers' Compensation Loss Reserves

The liability for unpaid losses and loss adjustment expenses represents an estimate of the ultimate net cost of reported losses and loss adjustment expenses as of December 31, 2025. This estimate is based on the estimated ultimate cost of settling the reported claims considering the historical experience, various other industry statistics, including the effects of inflation and other societal or economic factors. The ultimate cost may be more or less than the estimated liability. The unpaid losses are stated net of any recoveries from excess loss insurance and reinsurance coverages.

Loss reserves, at December 31, 2025 and 2024, respectively, which have been estimated by the Fund's Actuary and Servicing Agents, are as follows:

	2025	2024
Case Reserves	$ 611,678.00	$ 5,486,213.00

New Jersey Unemployment Compensation Insurance

The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Township is billed quarterly for amounts due to the State.

10. RISK MANAGEMENT (continued)

The following is a summary of Township and employee contributions, interest earned and reimbursements to the State for benefits paid and the ending balance of the Township's expendable trust fund for the current and previous two years:

Year	Township Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2025		$ 376,429.45	$ 718,018.86	$ 53,666.06
2024	$ 10,000.00	64,295.29	574,156.00	395,255.47
2023		60,475.00	133,828.00	895,116.18

11. COMMITMENTS AND CONTINGENCIES

The Township is periodically involved in various lawsuits arising in the normal course of the Township's operations including claims for property damage, personal injury and various contract disputes. The ultimate effect of such litigation cannot be ascertained at this time since they are currently in various stages of discovery. In the opinion of management, the ultimate outcome of these lawsuits will not have a material adverse effect on the Township's financial position and operations as of December 31, 2025.

Amounts received or receivable from grantors, principally the federal and state governments are subject to regulatory requirements and adjustments by the agencies. Any disallowed claims, including amounts previously recognized by the Township as revenue would constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantors cannot be determined at this time, although Township officials expect such amounts, if any, to be immaterial.

Various tax appeals on assessed valuations have been filed against the Township and are awaiting tax court decisions. The ultimate outcome and effect of such appeals have not been determined; however, the Township Tax Assessor will aggressively defend the Township's assessments. The Township has established a reserve for this contingency in the amount of $1,575,556.70, which it believes is sufficient to cover any potential loss.

The Township bills the Township of East Hanover, and three other municipalities for sewer usage. Currently, the Township is in dispute as to how much the Township of East Hanover owes Parsippany-Troy Hills. The amount recorded as receivable on the Sewer Utility Operating Fund balance sheet at December 31, 2025 is fully reserved, therefore the possible cancellation of part of the receivable will not impact operations, but would reduce the receivable and offsetting reserve.

12. 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 Township had the following deferred charges:

	Balance December 31, 2025	Required 2026 Budget Appropriation	To be Raised in Subsequent Years' Budgets
Current Fund:			
Special Emergency Appropriations (40A:4-53):			
COVID-19 - Loss of Revenues	$ 460,000.00	$ 460,000.00	
Accrued Vacation & Sick Leave Payouts- 2021	207,795.00	207,795.00	
Accrued Vacation & Sick Leave Payouts- 2022	367,139.02	183,570.00	$ 183,569.02
Accrued Vacation & Sick Leave Payouts- 2023	721,554.74	240,519.00	481,035.74
Accrued Vacation & Sick Leave Payouts- 2024	1,004,000.00	251,000.00	753,000.00
	$ 2,760,488.76	$ 1,342,884.00	$ 1,417,604.76

The appropriation in the 2026 budget is not less than that required by statute.

13. ECONOMIC DEPENDENCY

The Township receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the Township's programs and activities.

14. 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
UPS	January 1, 2017	December 31, 2046	$ 827,355.00	$ 1,197,765.77	$ 370,410.77
District 1515	December 30, 2020	December 31, 2054	306,554.17	582,240.99	275,686.82
Total			$ 1,133,909.17	$ 1,780,006.76	$ 646,097.59

15. DEFERRED COMPENSATION PLAN

The Township of Parsippany-Troy Hills offers its employees four deferred compensation plans (the "Plans") created in accordance with Section 457 of the Internal Revenue Code. The Plans, which are administered by American United Life Insurance Company, Metropolitan Life Insurance Company, Lincoln Financial, and AXA Equitable Life Insurance Company, are available to all Township employees and permit participants to defer a portion of their salary. The deferred compensation is not available to employees until termination, retirement, unforeseeable emergency, or upon death to their beneficiaries.

16. LENGTH OF SERVICE AWARD PLAN (LOSAP)

The Township has authorized a Length of Service Award Program (LOSAP) pursuant to section 457(e) of the Internal Revenue Code and P.L. 1997, C. 388 as amended by P.L. 2001, C. 272 of the Statutes of New Jersey. The Program provides for fixed annual contributions to a deferred income account for volunteer firefighters and first aid and rescue squad members who meet specified service criteria. The Township sponsors the Program, which is administered by a private contractor. As of December 31, 2025 and 2024, there was $1,163,834.18 and $1,100,223.37, respectively, held in the LOSAP.

17. LEASE REVENUE

The Township has several lease agreements for the lease of the Township's cell towers with AT&T, T-Mobile, Verizon, and Dish Wireless. The terms of each lease are for five years in length with one additional renewal term of five years, with the exception of the lease agreement with T-Mobile for the cell tower at 3339 Route 46, which has a term of five years with four additional renewal terms of five years. The three leases with AT&T commenced on October 1, 2022. The leases for T-Mobile- 3339 Route 46, T-Mobile- Lackawanna Water Tank, and T-Mobile- Pomeroy Road Water Tank commenced on November 3, 2006, February 15, 2023, and September 26, 2023, respectively. The leases for Verizon- Lackawanna Water Tank, Verizon- Pomeroy Road Water Tank, and Verizon- Vail Road commenced on December 18, 2018, April 1, 2021, and October 1, 2022, respectively. The lease for Dish Wireless- Vail Road and Dish Wireless- Pomeroy Road Water Tank commenced on August 1, 2022 and May 16, 2023, respectively. The base monthly payments range from $1,916.67 to $4,889.91, with annual increases of 2.00% per year thereafter. In addition, the Township maintains a residential lease agreement for the property located at 2387 Watnong Terrace, with monthly rental payments of $500.00. Total lease revenue recognized by the Township for the years ended 2025 and 2024 was approximately $602,651.65 and $711,191.00, respectively.

The Township entered into a lease agreement in 2012 with the Morris County Municipal Utilities Authority for the operation of a transfer station located in Parsippany-Troy Hills for a term of twenty-five years. The annual rent consists of a base amount of $202,758.23 per year, plus one percent (1.00%) of revenues generated from solid waste tonnage disposed of at the facility in excess of 294,192 tons per year. The lessee is obligated to pay monthly installments equal to one-twelfth (1/12) of the fixed annual rent. Rental amounts shall be adjusted annually based on changes in the Consumer Price Index, however, in no event shall the annual rent be less than the amount paid in the preceding year. The total lease payments for 2025 and 2024 were approximately $275,232.00 and $260,040.00, respectively.

18. SCHOOL DISTRICT TAXES

Regulations provide for the deferral of not more than 50.00% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district.

The Township of Parsippany-Troy Hills has elected not to defer school taxes.

19. OPEN SPACE TRUST FUND

The Township created an Open Space Trust Fund with a tax levy of $0.02 per $100.00 of assessed valuation in 1989. The funds collected are used to acquire and maintain open space property in the Township. The balances in the Open Space Trust Fund at December 31, 2025 and 2024 were $7,034,124.16 and $8,162,268.84, respectively.

20. PRIOR PERIOD RESTATEMENT

The Township identified an error in the previously issued 2024 financial statements related to the omission of the Payroll Agency Fund cash account and the related Payroll Deductions Payable liability. The schedule below summarizes the restatement:

Trust Funds	December 31, 2024 As Reported	Restatement Amount	December 31, 2024 As Restated
ASSETS			
Payroll Agency Fund:			
Cash	$ -	$ 876,147.97	$ 876,147.97
Total Payroll Agency Fund	$ -	$ 876,147.97	$ 876,147.97
LIABILITIES, RESERVES AND FUND BALANCES			
Payroll Agency Fund:			
Payroll Deductions Payable	$ -	$ 876,147.97	$ 876,147.97
Total Payroll Agency Fund	-	876,147.97	876,147.97

The correction had no effect on previously reported fund balance, change in fund balance or results of operations.

21. RESERVE FOR LITIGATION

During the year ended December 31, 2025, the Township established a Reserve for Litigation within the Water Utility Fund in accordance with Township Resolution R2025-166 authorizing the settlement of PFAS-related litigation involving water providers. Pursuant to the resolution, the Township received settlement proceeds totaling $2,690,543.34, which were deposited into the reserve to be utilized for costs associated with litigation, environmental remediation, water quality initiatives, and other related purposes as authorized by the Township. The reserve was established to account for the receipt and future use of these settlement funds.

22. SUBSEQUENT EVENTS

The Township has evaluated subsequent events occurring after December 31, 2025 through the date of July 14, 2026, which is the date the financial statements were available to be issued and identified no material financial transactions through the issuance of the audit.

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

PART II

SUPPLEMENTARY SCHEDULES

YEAR ENDED DECEMBER 31, 2025

CURRENT FUND

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

CURRENT FUND
SCHEDULE OF CURRENT FUND CASH AND INVESTMENTS -
COLLECTOR - TREASURER
YEAR ENDED DECEMBER 31, 2025

	REF.	CURRENT FUND		FEDERAL AND STATE GRANT FUND	
Balance - December 31, 2024	A		$ 24,544,467.20		$ 1,145,395.64
Increased by Receipts:					
Refunds of Prior Year Expenditures	A-1	$ 21,766.97			
Petty Cash Returned	A-6	250.00			
Taxes Receivable	A-7	254,690,917.16			
Tax Title Liens Receivable	A-8	79,904.12			
Revenue Accounts Receivable	A-10	21,787,943.54			
Interfund	A-12	1,668,762.47			
Refund of Current Year Expenditures	A-14	150.00			
Tax Overpayments	A-15	132,431.04			
Prepaid Taxes	A-16	3,578,793.48			
State of NJ Sr. Citizen's & Vet. Deductions	A-17	179,293.29			
State of NJ Various Fees	A-18	317,706.00			
Reserve for Sale of Municipal Assets	A-24	54,678.00			
Reserve for Watershed Moratorium	A-25	55,178.00			
Special Emergency Note	A-27	1,388,000.00			
Federal and State Grants Receivable	A-28			$ 976,892.26	
Federal and State Grants Unappropriated	A-31			15,559.20	
Due to County- PILOT Payments	A-32	58,944.99			
			284,014,719.06		992,451.46
			308,559,186.26		2,137,847.10
Decreased by Disbursements:					
Prior Years Revenue Refunds	A-1	36,547.50			
Budget Appropriations	A-3	83,778,779.18			
Petty Cash Advanced	A-6	250.00			
Interfund	A-12, A-29	3,109,068.83		1,027,738.18	
Appropriation Reserves	A-13	5,444,342.73			
Tax Overpayments	A-15	108,644.35			
State of NJ Various Fees	A-18	213,319.00			
County Taxes	A-20	24,622,850.17			
Local District School Tax	A-21	160,322,887.00			
Special District Tax	A-22	6,221,789.00			
Municipal Open Space Tax	A-22A	1,469,510.02			
Reserve for Tax Appeals	A-23	783,068.00			
Emergency Note Payable	A-27	2,422,000.00			
Due to County- PILOT Payments	A-32	58,944.99			
			288,592,000.77		1,027,738.18
Balance - December 31, 2025	A		$ 19,967,185.49		$ 1,110,108.92

Exhibit - A-5

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

CURRENT FUND
SCHEDULE OF CHANGE FUNDS
YEAR ENDED DECEMBER 31, 2025

	Ref.	
Balance - December 31, 2025 and 2024	A	$ 1,565.00

Schedule A-6

CURRENT FUND
SCHEDULE OF PETTY CASH FUNDS
YEAR ENDED DECEMBER 31, 2025

	Ref.	
Balance - December 31, 2024	A	$ -
Increased by:		
Petty Cash Advanced	A-4	250.00
Decreased by:		
Petty Cash Returned	A-4	250.00
Balance - December 31, 2025	A	$ -

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

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

YEAR	BALANCE DECEMBER 31, 2024	TAX LEVY 2025	ADDED BY COLLECTOR	COLLECTIONS BY CASH 2024	COLLECTIONS BY CASH 2025	STATE SHARE OF SR. CIT & VET. DEDUCTIONS	TRANSFER TO TAX TITLE LIENS	REMITTED OR CANCELLED	BALANCE DECEMBER 31, 2025
2023	$ 3,792.24				$ 3,792.34				
2024	1,081,473.31		$ 11,279.30		1,031,609.68			$ 33,907.36	$ 27,235.57
	1,085,265.55		11,279.30		1,035,402.02			33,907.36	27,235.57
2025		$ 260,433,943.62		$ 3,466,485.27	253,655,515.14	$ 189,613.42	$ 361,555.76	164,060.31	2,596,713.72
Total	$ 1,085,265.55	$ 260,433,943.62	$ 11,279.30	$ 3,466,485.27	$ 254,690,917.16	$ 189,613.42	$ 361,555.76	$ 197,967.67	$ 2,623,949.29
Ref.	A	Reserve	A-1, A-17	A-2, A-16	A-2, A-4	A-2, A-17	A-8	Reserve	A

Analysis of 2025 Property Tax Levy:

	Ref.		
Tax Yield:			
General Purpose		$ 259,849,227.94	
Added Taxes (54:4-63.1 et seq.)		584,715.68	
			$ 260,433,943.62
Tax Levy:			
Local District School Tax (Abstract)	A-2, A-21	$ 160,322,884.00	
Municipal Open Space	A-2, A-22A	1,469,510.02	
County Tax (Abstract)	A-2, A-20	23,921,727.92	
County Open Space Tax (Abstract)	A-2, A-20	644,386.60	
Special District Tax	A-2, A-22	6,221,789.00	
Added County Tax	A-2, A-20	56,735.65	
			$ 192,637,033.19
Local Tax for Mun. Purposes (Abstract)	A-2	$ 63,840,071.40	
Minimum Library Tax Levied		3,428,859.00	
Add: Additional Tax Levied		527,980.03	
			67,796,910.43
			$ 260,433,943.62

See Independent Auditors' Report

Exhibit - A-8

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

CURRENT FUND
SCHEDULE OF TAX TITLE LIENS RECEIVABLE
YEAR ENDED DECEMBER 31, 2025

	REF.	
Balance - December 31, 2024	A	$ 1,663,460.05
Increased by:		
Transfers from Taxes Receivable	A-7	361,555.76
		2,025,015.81
Decreased by:		
Cash Receipts	A-4	79,904.12
Balance - December 31, 2025	A	$ 1,945,111.69

Schedule A-9

CURRENT FUND
SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)
YEAR ENDED DECEMBER 31, 2025

	REF.	
Balance - December 31, 2025 and 2024	A	$ 1,428,800.00

See Independent Auditors' Report

Exhibit - A-10

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2025

	REF.	BALANCE DECEMBER 31, 2024	ACCRUED IN 2025	COLLECTED	BALANCE DECEMBER 31, 2025
Licenses:					
Alcoholic Beverages	A-2		$ 97,055.00	$ 97,055.00	
Other	A-2		284,514.00	284,514.00	
Fees and Permits	A-2		1,366,401.79	1,366,401.79	
Municipal Court - Fines and Costs	A-2	$ 88,326.39	496,113.19	542,431.32	$ 42,008.26
Interest and Costs on Taxes	A-2		355,833.55	355,833.55	
Interest on Investments and Deposits	A-2		1,673,338.91	1,673,338.91	
Garbage and Trash Removal	A-2		1,826,014.24	1,826,014.24	
Community Center Revenue - Concession Rents	A-2		303,925.00	303,925.00	
Ambulance Service Billing	A-2		1,599,045.30	1,599,045.30	
Lease of Township Assets	A-2		602,651.65	602,651.65	
Payment in Lieu of Taxes - BT Property, LLC (UPS)	A-2		827,355.00	827,355.00	
Hotel Use and Occupancy Tax	A-2		2,177,317.95	2,177,317.95	
State and Federal Grants and Aid:	A-2				
Energy Receipts Tax	A-2		4,548,623.26	4,548,623.26	
Watershed Aid	A-2		55,178.00	55,178.00	
Uniform Construction Code Fees	A-2		4,441,337.36	4,441,337.36	
Shared Services- Municipal Court	A-2		158,916.00	158,916.00	
Uniform Fire Safety Act	A-2		209,705.32	209,705.32	
Cablevision Franchise Fees	A-2		245,085.80	245,085.80	
Reserve for Debt Service	A-2		265,000.00	265,000.00	
Reserve for Police Outside Employment	A-2		250,000.00	250,000.00	
Total Anticipated Miscellaneous Revenues		88,326.39	21,783,411.32	21,829,729.45	42,008.26
Miscellaneous Revenues Not Anticipated	A-2		528,392.09	528,392.09	
		$ 88,326.39	$ 22,311,803.41	$ 22,358,121.54	$ 42,008.26
	REF.	A	Reserve	Below	A

Cash Received	A-4	$ 21,787,943.54
Reserve for Watershed Moratorium	A-25	55,178.00
Due from General Capital	A-12	265,000.00
Due from Trust Fund	A-12	250,000.00
	Above	$ 22,358,121.54

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

CURRENT FUND
SCHEDULE OF OTHER LIENS RECEIVABLE
YEAR ENDED DECEMBER 31, 2025

	REF.	
Balance - December 31, 2025 and 2024	A	$ 191,926.95

See Independent Auditors' Report

Exhibit A-12

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

CURRENT FUND
SCHEDULE OF INTERFUND RECEIVABLES/(PAYABLES)
YEAR ENDED DECEMBER 31, 2025

	BALANCE DECEMBER 31, 2024	BUDGET REVENUES	BUDGET APPROPRIATIONS	CASH RECEIPTS	CASH DISBURSEMENTS	ADJUSTMENTS	BALANCE DECEMBER 31, 2025
Current Fund:							
Interfunds:							
Grant Fund		$ 1,109,068.83	$ (1,109,068.83)	$ (1,109,073.83)	$ 1,109,068.83		$ (5.00)
General Capital Fund		265,000.00		(265,000.00)			
Trust - Other Funds	$ (2,000,000.00)	250,000.00		(250,000.00)	2,000,000.00		
Animal Control Fund	44,688.64			(44,688.64)		$ 30,683.57	30,683.57
Total	$ (1,955,311.36)	$ 1,624,068.83	$ (1,109,068.83)	$ (1,668,762.47)	$ 3,109,068.83	$ 30,683.57	$ 30,678.57
Ref.	A	A-2	A-3	A-4	A-4	Reserve	A

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

CURRENT FUND
SCHEDULE OF 2024 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2025

	BALANCE - DECEMBER 31, 2024 ENCUMBERED	BALANCE - DECEMBER 31, 2024 RESERVED	AMOUNT AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
APPROPRIATIONS WITHIN "CAPS"					
Executive:					
Salaries and Wages		$ 23,552.19	$ 23,552.19		$ 23,552.19
Other Expenses	$ 9.99	34,493.28	34,503.27	$ 10,156.42	24,346.85
Administration:					
Salaries and Wages		160,395.55	60,395.55		60,395.55
Other Expenses	821.00	42,904.66	43,725.66	1,032.03	42,693.63
Township Council					
Salaries and Wages		1,908.18	1,908.18		1,908.18
Other Expenses		2,025.00	2,025.00		2,025.00
Township Clerk:					
Salaries and Wages		1,856.58	1,856.58		1,856.58
Other Expenses	2,023.14	43,261.94	45,285.08	2,329.94	42,955.14
Grant Writer: Other Expenses					
Other Expenses		21,850.00	21,850.00	1,650.00	20,200.00
Finance Administration					
Salaries and Wages		69,879.57	19,879.57		19,879.57
Other Expenses	1,039.29		1,039.29	1,039.29	
Annual Audit					
Other Expenses		222.00	222.00		222.00
Tax Collection					
Salaries and Wages		2,207.66	2,207.66		2,207.66
Other Expenses	1,047.50	9,634.39	10,681.89	1,480.25	9,201.64
Tax Assessment Administration					
Salaries and Wages		16,662.81	16,662.81		16,662.81
Other Expenses	344.45		344.45	244.45	100.00
Legal Services and Costs					
Other Expenses	38,824.23	155,159.15	193,983.38	169,156.38	24,827.00
Engineering Services and Costs:					
Salaries and Wages		78,429.26	78,429.26		78,429.26
Other Expenses	13,106.52	13,804.45	26,910.97	10,205.18	16,705.79
LAND USE ADMINISTRATION:					
Department of Planning					
Salaries and Wages		206.48	206.48		206.48
Other Expenses	10,817.39	40,845.41	51,662.80	13,436.17	38,226.63
Board of Adjustment					
Salaries and Wages		255.01	255.01		255.01
Other Expenses	1,843.08	8,044.49	9,887.57	4,515.85	5,371.72
INSURANCES:					
Unemployment Insurance			150,000.00	150,000.00	
Liability Insurance		5,200.00	5,200.00		5,200.00
Employee Health and Group Life	2,522.20	578,385.56	1,630,907.76	1,630,907.76	
Health Benefit Waivers		60,496.94	10,496.94		10,496.94

Exhibit - A-13
Sheet #2

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

CURRENT FUND
SCHEDULE OF 2024 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2025

	BALANCE - DECEMBER 31, 2024		AMOUNT AFTER	PAID OR	BALANCE
	ENCUMBERED	RESERVED	MODIFICATION	CHARGED	LAPSED
PUBLIC SAFETY:					
Police Department					
Salaries and Wages		$ 923,388.10	$ 473,388.10	$ 452,778.66	$ 20,609.44
Other Expenses	$ 205,852.74	240,863.48	446,716.22	299,323.77	147,392.45
Office of Emergency Management					
Salaries and Wages		8,766.88	8,766.88		8,766.88
Other Expenses	23,287.77	25,539.84	48,827.61	20,557.64	28,269.97
Fire Prevention Bureau					
Salaries and Wages		43,006.86	43,006.86		43,006.86
Other Expenses	3,585.24	5,141.73	8,726.97	5,079.87	3,647.10
Municipal Prosecutor					
Salaries and Wages		40,000.00	40,000.00		40,000.00
Other Expenses	2,750.00	7,000.00	9,750.00	2,750.00	7,000.00
Municipal Court					
Salaries and Wages		63,834.29	63,834.29		63,834.29
Other Expenses	1,946.39	9,817.65	11,764.04	3,311.79	8,452.25
Public Defender					
Other Expenses		29,650.00	29,650.00	29,650.00	
Information Technology					
Other Expenses	98,697.80	57,748.24	156,446.04	86,667.31	69,778.73
PUBLIC WORKS:					
Streets and Roads Maintenance:					
Salaries and Wages		322,575.91	172,575.91	155,867.21	16,708.70
Other Expenses	166,023.12	51,174.53	217,197.65	214,100.76	3,096.89
Sanitation and Recycling					
Salaries and Wages		134,139.15	84,139.15	75,000.00	9,139.15
Other Expenses	183,330.77	414,341.95	597,672.72	555,927.57	41,745.15
Buildings and Grounds					
Salaries and Wages		22,188.60	22,188.60		22,188.60
Other Expenses	33,551.07	16,528.41	50,079.48	35,286.54	14,792.94
Vehicle Maintenance:					
Other Expenses	112,244.75	112,937.58	225,182.33	147,005.02	78,177.31
Condominium Costs		13,250.04	13,250.04	12,872.79	377.25
HEALTH AND HUMAN SERVICES:					
Public Health Services					
Salaries and Wages		79,144.37	79,144.37	75,000.00	4,144.37
Other Expenses	4,231.07	18,976.29	23,207.36	5,509.33	17,698.03
Office of Social Services					
Salaries and Wages		3,294.12	3,294.12		3,294.12
Other Expenses	1,609.38	6,897.96	8,507.34	2,282.26	6,225.08
Contribution to Day Care Center		15,400.00	15,400.00	15,000.00	400.00
Ambulance Services:					
Salaries and Wages		109,360.48	109,360.48	100,000.00	9,360.48
Other Expenses	75,357.62	22,412.91	97,770.53	93,714.63	4,055.90
PARKS AND RECREATION:					
Recreation Services:					
Salaries and Wages		196,838.89	46,838.89	2,500.00	44,338.89
Other Expenses	16,637.48	260,612.91	277,250.39	186,223.70	91,026.69
Maintenance of Parks:					
Salaries and Wages		239,281.51	139,281.51	50,000.00	89,281.51
Other Expenses	74,254.93	43,603.20	117,858.13	79,730.47	38,127.66
CODE ENFORCEMENT & ADMINISTRATION					
Housing Code Enforcement					
Salaries and Wages		51,098.70	51,098.70		51,098.70
Other Expenses	7,666.65	20,848.87	28,515.52	9,432.82	19,082.70
Zoning Code Enforcement					
Other Expenses	209.45		209.45	209.45	

Exhibit - A-13
Sheet #3

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

CURRENT FUND
SCHEDULE OF 2024 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2025

	BALANCE - DECEMBER 31, 2024 ENCUMBERED	BALANCE - DECEMBER 31, 2024 RESERVED	AMOUNT AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
UTILITIES:					
Utilities and Gasoline	$ 162,523.43	$ 325,698.63	$ 388,222.06	$ 262,090.01	$ 126,132.05
Solid Waste Disposal Costs	165,748.06	231,688.93	397,436.99	356,345.91	41,091.08
LANDFILL MAINTENANCE:					
Salaries and Wages		20,000.00	20,000.00		20,000.00
Other Expenses	2,245.00	4,862.50	7,107.50	1,995.00	5,112.50
UNIFORM CONSTRUCTION CODE:					
Construction Official					
Salaries and Wages		13,503.26	13,503.26		13,503.26
Other Expenses	18,850.36	127,563.64	146,414.00	53,688.96	92,725.04
UNCLASSIFIED					
Accumulated Absence Liabilities		14,622.98	14,622.98	14,622.98	
SFSP Fire District Adjustments		18,948.00	18,948.00	18,948.00	
Total Operation (Item 8(A)) Within "CAPS"	1,433,001.87	5,738,231.95	7,171,233.82	5,419,626.17	1,751,607.65
Contingent					
Total Operations Within "CAPS"	1,433,001.87	5,738,231.95	7,171,233.82	5,419,626.17	1,751,607.65
DEFERRED CHARGES AND STATUTORY EXPENDITURES MUNICIPAL WITHIN "CAPS"					
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I)		63,265.17	63,265.17	3,075.07	60,190.10
DCRP		5,532.45	5,532.45		5,532.45
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"		68,797.62	68,797.62	3,075.07	65,722.55
Total General Appropriations for Municipal Purposes Within "CAPS"	1,433,001.87	5,807,029.57	7,240,031.44	5,422,701.24	1,817,330.20
OPERATIONS EXCLUDED FROM "CAPS"					
Other Operations:					
Maintenance of Free Public Library (PL 1985, c82)		15,677.46	15,677.46		15,677.46
Total Other Operations Excluded from "CAPS"		15,677.46	15,677.46		15,677.46
Shared Service Agreements:					
Health Officer	22,764.85		22,764.85	22,764.85	
Total Interlocal Municipal Service Agreements	22,764.85		22,764.85	22,764.85	
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	22,764.85	15,677.46	38,442.31	22,764.85	15,677.46
Total General Appropriations	$ 1,455,766.72	$ 5,822,707.03	$ 7,278,473.75	$ 5,445,466.09	$ 1,833,007.66
REF.	A, A-19	A		Below	A-1

	REF.	
Cash Disbursed	A-4	$ 5,444,342.73
Accounts Payable	A-14	1,123.36
	Above	$ 5,445,466.09

See Independent Auditors' Report

Exhibit - A-14

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

CURRENT FUND
SCHEDULE OF ACCOUNTS PAYABLE
YEAR ENDED DECEMBER 31, 2025

	REF.		
Balance - December 31, 2024	A		$ -
Increased by:			
Other charges	A-4	$ 150.00	
Transfers from Appropriation Reserves	A-13	1,123.36	
			1,273.36
Balance - December 31, 2025	A		$ 1,273.36

Exhibit - A-15

CURRENT FUND
SCHEDULE OF TAX OVERPAYMENTS
YEAR ENDED DECEMBER 31, 2025

	REF.	
Balance - December 31, 2024	A	$ 77,471.46
Increased by:		
Tax Overpayments Collected	A-4	132,431.04
		209,902.50
Decreased by:		
Cash Disbursements	A-4	108,644.35
Balance - December 31, 2025	A	$ 101,258.15

Schedule A-16

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

CURRENT FUND
SCHEDULE OF PREPAID TAXES
YEAR ENDED DECEMBER 31, 2025

	REF.		
Balance - December 31, 2024	A	$	3,466,485.27
Increased by:			
Collections of 2026 Taxes	A-4		3,578,793.48
			7,045,278.75
Decreased by:			
Applied to 2025 Taxes Receivable	A-7		3,466,485.27
Balance - December 31, 2025	A	$	3,578,793.48

Schedule A-17

CURRENT FUND
SCHEDULE OF DUE FROM STATE OF NEW JERSEY
SENIOR CITIZENS' AND VETERANS' DEDUCTIONS
(CHAPTER 129, P.L. 1976)
YEAR ENDED DECEMBER 31, 2025

	REF.				
Balance - December 31, 2024	A			$	50,885.64
Increased by:					
Deductions per 2024 Tax Duplicate:					
Senior Citizens	A-7	$	44,750.00		
Veterans	A-7		146,000.00		
Deductions Allowed by Tax Collector:					
2024 Tax	A-1, A-7		732.88		
2025 Tax	A-7		2,250.00		
					193,732.88
					244,618.52
Decreased by:					
Collections	A-4		179,293.29		
Deductions Disallowed by Tax Collector:					
2024 Tax	A-1, A-7		12,012.18		
2025 Tax	A-7		3,386.58		
					194,692.05
Balance - December 31, 2025	A			$	49,926.47

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

CURRENT FUND
SCHEDULE OF DUE TO STATE OF NJ- VARIOUS FEES
YEAR ENDED DECEMBER 31, 2025

	BALANCE DECEMBER 31, 2024	INCREASES	DECREASES	BALANCE DECEMBER 31, 2025
Marriage License Fees	$ 1,375.00	$ 6,200.00	$ 6,025.00	$ 1,550.00
Uniform Construction Code Fees	49,825.00	311,506.00	207,294.00	154,037.00
	$ 51,200.00	$ 317,706.00	$ 213,319.00	$ 155,587.00
REF.	A	A-4	A-4	A

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

CURRENT FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES
YEAR ENDED DECEMBER 31, 2025

	REF.	CURRENT FUND
Balance - December 31, 2024	A	$ 1,455,766.72
Increased by:		
Charges to:		
2025 Budget Appropriations	A-3	979,093.32
		2,434,860.04
Decreased by:		
Transferred to Appropriation Reserves	A-13	1,455,766.72
Balance - December 31, 2025	A	$ 979,093.32

Exhibit - A-20

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2025

	REF.		
Balance - December 31, 2024	A		$ -
Increased by:			
2025 Levy:			
County Tax	A-7	$ 23,921,727.92	
County Open Space Preservation	A-7	644,386.60	
Added Taxes (R.R. 54:4-63.1 et seq.)	A-7	56,735.65	
	A-1		24,622,850.17
			24,622,850.17
Decreased by:			
Payments	A-4		24,622,850.17
Balance - December 31, 2025	A		$ -

Exhibit - A-21

CURRENT FUND
SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES
YEAR ENDED DECEMBER 31, 2025

	REF.	
Balance - December 31, 2024	A	$ 3.00
Increased by:		
2025 Levy	A-1, A-7	160,322,884.00
		160,322,887.00
Decreased by:		
Payments	A-4	160,322,887.00
Balance - December 31, 2025	A	$ -

Exhibit - A-22

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

CURRENT FUND
SCHEDULE OF SPECIAL DISTRICT TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2025

	REF.	
Balance - December 31, 2024	A	$ -
Increased by:		
2025 Levy	A-1, A-7	6,221,789.00
		6,221,789.00
Decreased by:		
Payments	A-4	6,221,789.00
Balance - December 31, 2025	A	$ -

Exhibit - A-22A

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

	REF.	
Balance - December 31, 2024	A	$ -
Increased by:		
2025 Levy	A-1, A-7	1,469,510.02
		1,469,510.02
Decreased by:		
Payments	A-4	1,469,510.02
Balance - December 31, 2025	A	$ -

Exhibit - A-23

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

CURRENT FUND
SCHEDULE OF RESERVE FOR TAX APPEALS
YEAR ENDED DECEMBER 31, 2025

	REF.		
Balance - December 31, 2024	A	$	1,558,624.70
Increased by:			
Amount to be Raised by Taxation	A-1, A-2		800,000.00
			2,358,624.70
Decreased by:			
Cash Disbursements	A-4		783,068.00
Balance - December 31, 2025	A	$	1,575,556.70

Schedule A-24

CURRENT FUND
SCHEDULE OF RESERVE FOR SALE OF MUNICIPAL ASSETS
YEAR ENDED DECEMBER 31, 2025

	REF.		
Balance - December 31, 2024	A	$	-
Increased by:			
Cash Receipts	A-4		54,678.00
Balance - December 31, 2025	A	$	54,678.00

Schedule A-25

CURRENT FUND
SCHEDULE OF RESERVE FOR WATERSHED MORATORIUM
YEAR ENDED DECEMBER 31, 2025

	REF.		
Balance - December 31, 2024	A	$	55,178.00
Increased by:			
Cash Receipts	A-4		55,178.00
			110,356.00
Decreased by:			
Applied to Current Year Revenue	A-10		55,178.00
Balance - December 31, 2025	A	$	55,178.00

See Independent Auditors' Report

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

CURRENT FUND
SCHEDULE OF DEFERRED CHARGES- SPECIAL EMERGENCY (40A:4-53)
YEAR ENDED DECEMBER 31, 2025.

DESCRIPTION	DATE	AMOUNT AUTHORIZED	NOT LESS THAN 1/5 OF AMOUNT AUTHORIZED	BALANCE DECEMBER 31, 2024	RAISED IN 2025 BUDGET	BALANCE DECEMBER 31, 2025
Special Emergency(40A:4-53):						
Accrued Vacation & Sick Leave Payouts- 2020	11/24/20	$ 631,671.00	$ 126,334.20	$ 126,329.60	$ 126,329.60	$ -
COVID-19 - Loss of Revenues	06/15/21	2,300,000.00	460,000.00	920,000.00	460,000.00	460,000.00
Accrued Vacation & Sick Leave Payouts- 2021	12/21/21	1,038,975.00	207,795.00	415,590.00	207,795.00	207,795.00
Accrued Vacation & Sick Leave Payouts- 2022	12/20/22	917,849.02	183,569.80	550,709.02	183,570.00	367,139.02
Accrued Vacation & Sick Leave Payouts- 2023	12/28/23	1,202,593.74	240,518.75	962,073.74	240,519.00	721,554.74
Accrued Vacation & Sick Leave Payouts- 2024	12/03/24	1,255,000.00	251,000.00	1,255,000.00	251,000.00	1,004,000.00
				$ 4,229,702.36	$ 1,469,213.60	$ 2,760,488.76
			Ref.	A	A-3	A

See Independent Auditors' Report

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

CURRENT FUND
SCHEDULE OF SPECIAL EMERGENCY NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2025

DESCRIPTION	AMOUNT OF ORIGINAL ISSUE	DATE OF ORIGINAL ISSUE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2024	NOTES ISSUED	DECREASED	BALANCE DECEMBER 31, 2025
Special Emergency Notes, Series 2024	$ 2,422,000.00	10/30/24	10/30/24	10/29/25	4.750%	$ 2,422,000.00		$ 2,422,000.00	
Special Emergency Notes, Series 2025	1,388,000.00	10/28/25	10/28/25	10/27/26	3.800%		$ 1,388,000.00		$ 1,388,000.00
						$ 2,422,000.00	$ 1,388,000.00	$ 2,422,000.00	$ 1,388,000.00
					Ref.	A	A-4	A-4	A

Exhibit - A-28

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

GRANT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2025

GRANT	BALANCE DECEMBER 31, 2024	2025 BUDGET REVENUE REALIZED	COLLECTED 2025	TRANSFERRED FROM STATE & FEDERAL GRANTS UNAPPROPRIATED	CANCELLED	BALANCE DECEMBER 31, 2025
Bulletproof Vest Partnership Grant	$ 11,575.10					$ 11,575.10
Municipal Alliance Grant 2022/2023	1,682.30					1,682.30
Municipal Alliance Grant 2023/2024	18,587.00					18,587.00
Municipal Alliance Grant 2024/2025	17,822.00					17,822.00
Click It or Ticket	1,080.00					1,080.00
Highlands Initial Assessment	12,057.67					12,057.67
Drive Sober or Get Pulled Over	1,595.00					1,595.00
Distracted Driving Statewide Crackdown Grant	6,160.00					6,160.00
Smith Baldwin House Archaeological Investment	16,456.00					16,456.00
NJ DEP- It Pays to Plug In- NJ Electric Vehicle Charging Grant	12,000.00					12,000.00
NJDOT- Vail Road Improvements	365,000.00					365,000.00
NJDOT- Jefferson Road Improvements	760,000.00		$ 570,000.00			190,000.00
NJDOT- North Beverwyck Road - Phase 1	87,925.00					87,925.00
NJDOT - Edwards Road Improvements - Phase II	74,930.00					74,930.00
NJDOT - Sylvan Way Bridge	775,000.00					775,000.00
Sustainable Jersey	12,000.00					12,000.00
Highlands Water Protection and Planning Council	182,532.00					182,532.00
Donation - Provident Bank - Summer Concert Series	5,000.00				$ 5,000.00	
NJDOT - North Beverwyck Rd Streetscape Phase II	316,400.00					316,400.00
Morris County Historic Preservation Trust- Smith-Baldwin House	531.00					531.00
Smith Baldwin Construction Documents	38,380.00					38,380.00
NJDOEP- Stormwater Assistance Grant	10,000.00					10,000.00
ANJEC Open Space Stewardship Grant	1,000.00					1,000.00
State Body Armor Replacement Program		$ 7,413.55		$ 7,413.55		
Bulletproof Vest Partnership Grant		5,028.03		5,028.03		
Emergency Management Performance Grant		10,000.00		10,000.00		
Highway Safety Grants		21,140.00		21,140.00		
National Opioid Grant		374,159.99		374,159.99		
Cable Television Grant		14,000.00		14,000.00		
Clean Communities Program- FY2025		143,958.37	143,958.37			
Recycling Tonnage Grant- FY2025		121,208.24	121,208.24			
Bulletproof Vest Partnership Grant		9,707.97	9,707.97			
Highway Safety Grant		8,715.00		8,715.00		
Emergency Management Performance Grant		10,000.00	10,000.00			
National Opioid Grant		102,017.68	102,017.68			
Recreation Opportunities for Individuals with Disabilities Grant		20,000.00	20,000.00			
	$ 2,727,713.07	$ 847,348.83	$ 976,892.26	$ 440,456.57	$ 5,000.00	$ 2,152,713.07
REF.	A	A-29	A-4	A-31	A-30	A

See Independent Auditors' Report

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

GRANT FUND
SCHEDULE OF INTERFUND ACCOUNTS RECEIVABLE/PAYABLE
YEAR ENDED DECEMBER 31, 2025

		BALANCE DECEMBER 31, 2024	INCREASE	DECREASE	BALANCE DECEMBER 31, 2025
Due from Current Fund		$ -	$ 1,875,087.01	$ 1,875,082.01	$ 5.00
		$ -	$ 1,875,087.01	$ 1,875,082.01	$ 5.00
	REF.	A	Below	Below	A
Cash Disbursements	A-4		$ 1,027,738.18		
Cash Receipts	A-4				
Grant Revenues	A-2, A-28			$ 847,348.83	
Transfers from Budget	A-3, A-30		847,348.83		
Grant Expenditures Paid by Current	A-30			1,027,733.18	
	Above		$ 1,875,087.01	$ 1,875,082.01	

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

GRANT FUND
SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS - APPROPRIATED
YEAR ENDED DECEMBER 31, 2025

GRANT/AID PROGRAM		BALANCE DECEMBER 31, 2024	TRANSFERRED FROM 2025 BUDGET	PAID OR CHARGED	CANCELLATIONS	BALANCE DECEMBER 31, 2025
Drunk Driving Enforcement Fund - FY 2019		$ 8,564.45		$ 4,035.00		$ 4,529.45
Clean Communities Program - FY 2024		93,521.96		85,870.52		7,651.44
Body Armor Replacement Fund		6,898.81				6,898.81
No Net Loss Grant - PF 14-07		2,501.43				2,501.43
Recycling Tonnage Grant - FY 2024		111,240.89		111,240.89		
Alcohol Education, Rehabilitation and Enforcement Fund - 2013		2,638.73				2,638.73
Alcohol Education, Rehabilitation and Enforcement Fund - 2014		413.56				413.56
Alcohol Education, Rehabilitation and Enforcement Fund - 2018		5,261.23				5,261.23
Alcohol Education, Rehabilitation and Enforcement Fund - 2019		3,214.99				3,214.99
Alcohol Education, Rehabilitation and Enforcement Fund - 2020		416.77				416.77
Highlands Initial Assessment Grant		25,258.57				25,258.57
Stream Cleaning and Desnagging		300,000.00				300,000.00
Federal Emergency Management Agency: Emergency Management Performance		28,965.00				28,965.00
Division of Highway Traffic Safety		6,190.00		6,190.00		
NJDOT - Vail Road Improvements		365,000.00				365,000.00
NJDOT - Jefferson Road Improvement		760,000.00		398,203.56		361,796.44
NJDOT - Edwards Road Improvement - Phase II		148,190.44		148,190.44		
NJDOT - Sylvan Way Bridge		775,000.00				775,000.00
Municipal Alliance		36,409.00				36,409.00
Donation - Elks Lodge Fire Trailer		2,606.00				2,606.00
Best Friends Animal Society RRSTA Grant		717.47		717.47		
Best Friends Animal Society - RRSTA Covid Relief Grant		128.01		128.01		
Donation - Spencer Savings PPE Grant		1,800.00		1,800.00		
Donation - Senior Activities FY 2013		1,000.00		1,000.00		
Donation - Volunteer Ambulance		1,500.00		1,500.00		
Donation - New Sotre Grant Community Relations		3,000.00		3,000.00		
Fire Prevention Donation		2,000.00				2,000.00
Donation - EMS COVID-19		100.00		100.00		
CARES ACT - Stimulus		21,756.97		21,756.97		
Target Youth Soccer Grant		3,000.00				3,000.00
Contribution - Waterview Assistance with Waterways Cleanup		50,000.00				50,000.00
Distracted Driving Statewide Crackdown		6,100.00		6,100.00		
Body Worn Camera Program - Police		55,773.92				55,773.92
NJDOEP Performance Partnership		1,999.15				1,999.15
Highlands Water Protection and Planning Council		196,412.50				196,412.50
Donation - American Endowment Foundation - Senior Citizens Activities		182.49		88.00		94.49
Donation - Provident Bank - Summer Concert Series		5,000.00			$ 5,000.00	
NJDOT North Beverwyck Rd Streetscape Phase II		316,400.00				316,400.00
Matching Funds for Grants		28,000.00		1,500.00		26,500.00
American Endowment Foundation - Chao Charitable Fund Grant		3,000.00				3,000.00
ANJEC Open Space Stewardship Grant		1,000.00				1,000.00
Bulletproof Vest Partnership Grant		5,294.80		3,980.88		1,313.92
Lead Grant Assistance Program		22,400.00				22,400.00
NJ DEP- It Pays to Plug In - NJ Electric Vehicle Charging Grant		12,000.00				12,000.00
Senior Citizen of the Year Award - Charitable Trust Donation		3,500.00				3,500.00
NJ DEP- Stormwater Assistance Grant		23,200.00		6,511.41		16,688.59
Bulletproof Vest Partnership Grant			$ 5,028.03			5,028.03
Bulletproof Vest Partnership Grant			9,707.97			9,707.97
Highway Safety Grants			21,140.00	13,430.00		7,710.00
National Opioid Grant			374,159.99	1,788.08		372,371.91
National Opioid Grant			102,017.68			102,017.68
Cable Television Grant			14,000.00			14,000.00
Clean Communities Program- FY2025			143,958.37	142,967.39		990.98
Recreation Opportunities for Individuals with Disabilities Grant			20,000.00	20,000.00		
State Body Armor Replacement Program			7,413.55			7,413.55
Recycling Tonnage Grant- FY2025			121,208.24	40,939.69		80,268.55
Emergency Management Performance Grant			10,000.00			10,000.00
Emergency Management Performance Grant			10,000.00	4,014.87		5,985.13
Highway Safety Grants			8,715.00	2,680.00		6,035.00
		$ 3,447,557.14	$ 847,348.83	$ 1,027,733.18	$ 5,000.00	$ 3,262,172.79
	REF.	A	Below	A-29	A-28	A
Adopted budget	A-3		$ 431,741.57			
Appropriated by NJSA 40A:4-87	A-3		415,607.26			
	Above		$ 847,348.83			

See Independent Auditors' Report

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

GRANT FUND
SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS- UNAPPROPRIATED
YEAR ENDED DECEMBER 31, 2025

GRANTS	BALANCE DECEMBER 31, 2024	COLLECTED 2025	APPROPRIATED 2025	BALANCE DECEMBER 31, 2025
Bulletproof Vest Partnership Grant	$ 5,033.03		$ 5,028.03	$ 5.00
Emergency Management Performance Grant	10,000.00		10,000.00	
Body Armor Replacement Fund	7,413.55		7,413.55	
National Opioid Grant	374,159.99		374,159.99	
LGAP Lead Initiative				
Cablevision PEG Grant	14,000.00		14,000.00	
Division of Highway Traffic Safety - Impaired Driving Countermeasure	6,755.00		6,755.00	
Division of Highway Traffic Safety - Safety Restraints Program Management	8,190.00		8,190.00	
Impaired Driving Countermeasure		$ 6,195.00	6,195.00	
Distracted Driving Statewide Crackdown Grant		3,990.00	3,990.00	
Highway Safety Grant		4,725.00	4,725.00	
National Opioid Grant		649.20		649.20
	$ 425,551.57	$ 15,559.20	$ 440,456.57	$ 654.20
Ref.	A	A-4	A-28	A

See Independent Auditors' Report

Exhibit - A-32

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

CURRENT FUND
SCHEDULE OF PILOT PAYMENTS DUE TO COUNTY
YEAR ENDED DECEMBER 31, 2025

	Ref.	
Balance, December 31, 2024	A	$ -
Increased by:		
Cash Receipts	A-4	58,944.99
		58,944.99
Decreased by:		
Cash Disbursements	A-4	58,944.99
Balance, December 31, 2025	A	$ -

TRUST FUND

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

Exhibit - B-1

TRUST FUNDS
SCHEDULE OF CASH AND RESERVE ACTIVITY
YEAR ENDED DECEMBER 31, 2025

	Ref.	BALANCE DECEMBER 31, 2024	CASH RECEIPTS	CASH DISBURSEMENTS	PAYMENT OF BOND PRINCIPAL	MUNICIPAL OPEN SPACE TAX LEVY	BUDGET APPROPRIATIONS	REALIZED AS REVENUE IN CURRENT FUND	ADJUSTMENTS	BALANCE DECEMBER 31, 2025
Animal Control:										
Change Fund	B	$ (50.00)								$ (50.00)
Due (from)/to Current Fund	B-18	44,688.64		$ (44,688.64)					$ 30,683.57	30,683.57
Due NJ - State License Fees	B-2	108.60	$ 2,388.60	(2,458.80)						38.40
Reserve for Donations	B-3	52,119.99	6,507.56							58,627.55
Reserve for Animal Control Expenditures	B-4	45,498.60	88,328.94	(256,348.17)			$ 200,000.00		(30,683.57)	46,795.80
Total		142,365.83	97,225.10	(303,495.61)			200,000.00		-	136,095.32
Community Development Block Grant Fund:										
Community Development Grant Receivable	B-5	(1,147,749.27)		65,508.01						(1,082,241.26)
Reserve for CDBG Expenditures	B-6	1,147,856.35	2,080.00	(66,590.84)						1,083,345.51
Total		107.08	2,080.00	(1,082.83)						1,104.25
Municipal Open Space Trust Fund:										
Reserve for Municipal Open Space Preservation Trust	B-7	8,162,268.84	395,193.59	(2,667,848.29)	$ (325,000.00)	$ 1,469,510.02				7,034,124.16
Total		8,162,268.84	395,193.59	(2,667,848.29)	(325,000.00)	1,469,510.02				7,034,124.16
Payroll Agency Fund:										
Payroll Deductions Payable	B-17	876,147.97	41,598,394.64	(42,178,401.88)						296,140.73
Total		876,147.97	41,598,394.64	(42,178,401.88)						296,140.73
Trust - Other Funds:										
Cash with Fiscal Agents- Workers' Compensation Plan	B	(127,718.59)	(7,375.72)	63,918.44						(71,175.87)
Due (from)/to Current Fund	B-18	(2,000,000.00)	2,000,000.00							
Due (from)/to Sewer Utility Operating Fund	B-18								(4,121.30)	(4,121.30)
Employee Contributions Receivable	B-19	(64,294.92)	64,294.92							
Reserve for Premiums at Tax Sale	B-8	1,529,700.00	332,700.00	(1,396,100.00)						466,300.00
Reserve for Off-Duty Police	B-9	798,334.77	1,092,690.53	(856,389.08)				$ (250,000.00)		784,636.22
Reserve for Employee Health Benefit- Self Insurance Fund	B-10	6,841,899.44	26,816,485.64	(28,258,867.94)						5,399,517.14
Reserve for Workers' Compensation- Self Insurance Fund	B-11	127,718.59	1,605,359.94	(1,737,199.83)					4,121.30	
Reserve for LOSAP Forfeiture	B-12	223,561.92		(34,417.87)						189,144.05
Reserve for State Unemployment Insurance Fund	B-13	395,255.47	376,429.45	(718,018.86)						53,666.06
Reserve for Storm Recovery	B-14	542,255.28	200,000.00							742,255.28
Reserve for Accumulated Sick and Vacation Compensation	B-15	568,000.00	314,622.98							882,622.98
Reserve for Special Deposits	B-16	14,463,237.02	7,085,867.65	(4,408,754.00)						17,140,350.67
Total		23,297,948.98	39,881,075.39	(37,345,829.14)				(250,000.00)	-	25,583,195.23
Total - All Funds		$ 31,602,690.73	$ 40,375,574.08	$ (40,318,255.87)	$ (325,000.00)	$ 1,469,510.02	$ 200,000.00	$ (250,000.00)	$ -	$ 32,754,518.96
Ref.		B								B

See Independent Auditors' Report

Exhibit - B-2

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

TRUST- ANIMAL CONTROL FUND
SCHEDULE OF DUE TO STATE OF NEW JERSEY
YEAR ENDED DECEMBER 31, 2025

Balance, December 31, 2024	B	$	108.60
Increased by:			
Cash Receipts	B-1		2,388.60
			2,497.20
Decreased by:			
Cash Disbursements	B-1		2,458.80
Balance, December 31, 2025	B	$	38.40

Exhibit - B-3

TRUST- ANIMAL CONTROL FUND
SCHEDULE OF RESERVE FOR DONATIONS
YEAR ENDED DECEMBER 31, 2025

Balance, December 31, 2024	B	$	52,119.99
Increased by:			
Cash Receipts	B-1		6,507.56
Balance, December 31, 2025	B	$	58,627.55

See Independent Auditors' Report

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

TRUST- ANIMAL CONTROL FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL EXPENDITURES
YEAR ENDED DECEMBER 31, 2025

Balance, December 31, 2024	B		$ 45,498.60
Increased by:			
Cash Receipts	B-1	$ 88,328.94	
Budget Appropriation	B-1	200,000.00	
			288,328.94
			333,827.54
Decreased by:			
Cash Disbursements	B-1	256,348.17	
Statutory Excess to Current Fund	B-18	30,683.57	
			287,031.74
Balance, December 31, 2025	B		$ 46,795.80

Footnote: 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 proceeding."

Year	Amount
2023	$ 23,184.00
2024	23,611.80
Maximum Allowable Reserve	$ 46,795.80

Exhibit - B-5

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

TRUST- COMMUNITY DEVELOPMENT BLOCK GRANT FUND
SCHEDULE OF CDBG GRANT RECEIVABLE
YEAR ENDED DECEMBER 31, 2025

	Ref.		
Balance, December 31, 2024	B	$	1,147,749.27
Decreased by:			
Cash Disbursements	B-1		65,508.01
Balance, December 31, 2025	B	$	1,082,241.26

Exhibit - B-6

TRUST- COMMUNITY DEVELOPMENT BLOCK GRANT FUND
SCHEDULE OF RESERVE FOR CDBG PROGRAM EXPENDITURES
YEAR ENDED DECEMBER 31, 2025

	Ref.		
Balance, December 31, 2024	B	$	1,147,856.35
Increased by:			
Cash Receipts	B-1		2,080.00
			1,149,936.35
Decreased by:			
Cash Disbursements	B-1		66,590.84
Balance, December 31, 2025	B	$	1,083,345.51

Exhibit - B-7

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

TRUST- MUNICIPAL OPEN SPACE TRUST FUND
SCHEDULE OF RESERVE FOR MUNICIPAL OPEN SPACE
PRESERVATION TRUST FUND
YEAR ENDED DECEMBER 31, 2025

	Ref.		
Balance, December 31, 2024	B		$ 8,162,268.84
Increased by:			
Municipal Open Space Tax Levy	B-1	$ 1,469,510.02	
Cash Receipts	B-1	395,193.59	
			1,864,703.61
			10,026,972.45
Decreased by:			
Cash Disbursements	B-1	2,667,848.29	
Payment of Bond Principal - General Capital Fund	B-1	175,000.00	
Payment of Bond Principal - Golf and Recreation Utility Capital Fund	B-1	150,000.00	
			2,992,848.29
Balance, December 31, 2025	B		$ 7,034,124.16

Exhibit - B-8

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

TRUST- OTHER FUND
SCHEDULE OF RESERVE FOR PREMIUMS AT TAX SALE
YEAR ENDED DECEMBER 31, 2025

	Ref.		
Balance, December 31, 2024	B		$ 1,529,700.00
Increased by:			
Cash Receipts	B-1		332,700.00
			1,862,400.00
Decreased by:			
Cash Disbursements	B-1		1,396,100.00
Balance, December 31, 2025	B		$ 466,300.00

Exhibit - B-9

TRUST- OTHER FUND
SCHEDULE OF RESERVE FOR OFF-DUTY POLICE
YEAR ENDED DECEMBER 31, 2025

	Ref.		
Balance, December 31, 2024	B		$ 798,334.77
Increased by:			
Cash Receipts	B-1		1,092,690.53
			1,891,025.30
Decreased by:			
Cash Disbursements	B-1	$ 856,389.08	
Realized as Revenue in Current Fund	B-1	250,000.00	
			1,106,389.08
Balance, December 31, 2025	B		$ 784,636.22

Exhibit - B-10

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

TRUST- OTHER FUND
SCHEDULE OF RESERVE FOR EMPLOYEE HEALTH BENEFITS- SELF INSURANCE
YEAR ENDED DECEMBER 31, 2025

	Ref.		
Balance, December 31, 2024	B		$ 6,841,899.44
Increased by:			
Cash Receipts	B-1		26,816,485.64
			33,658,385.08
Decreased by:			
Cash Disbursements	B-1		28,258,867.94
Balance, December 31, 2025	B		$ 5,399,517.14

Exhibit - B-11

TRUST- OTHER FUND
SCHEDULE OF RESERVE FOR WORKERS COMPENSATION- SELF INSURANCE
YEAR ENDED DECEMBER 31, 2025

	Ref.		
Balance, December 31, 2024	B		$ 127,718.59
Increased by:			
Cash Receipts	B-1	$ 1,605,359.94	
Due from Sewer Utility Operating Fund	B-1, B-18	4,121.30	
			1,609,481.24
			1,737,199.83
Decreased by:			
Cash Disbursements	B-1		1,737,199.83
Balance, December 31, 2025	B		$ -

Exhibit - B-12

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

TRUST- OTHER FUND
SCHEDULE OF RESERVES FOR LOSAP FORFEITURE
YEAR ENDED DECEMBER 31, 2025

	Ref.		
Balance, December 31, 2024	B	$	223,561.92
Decreased by:			
Cash Disbursements	B-1		34,417.87
Balance, December 31, 2025	B	$	189,144.05

Exhibit - B-13

TRUST- OTHER FUND
SCHEDULE OF RESERVE FOR STATE UNEMPLOYMENT INSURANCE FUND
YEAR ENDED DECEMBER 31, 2025

	Ref.		
Balance, December 31, 2024	B	$	395,255.47
Increased by:			
Cash Receipts	B-1		376,429.45
			771,684.92
Decreased by:			
Cash Disbursements	B-1		718,018.86
Balance, December 31, 2025	B	$	53,666.06

Exhibit - B-14

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

TRUST- OTHER FUND
SCHEDULE OF RESERVE FOR STORM RECOVERY
YEAR ENDED DECEMBER 31, 2025

	Ref.		
Balance, December 31, 2024	B	$	542,255.28
Increased by:			
Cash Receipts	B-1		200,000.00
Balance, December 31, 2025	B	$	742,255.28

Exhibit - B-15

TRUST- OTHER FUND
SCHEDULE OF RESERVE FOR ACCUMULATED SICK
AND VACATION COMPENSATION
YEAR ENDED DECEMBER 31, 2025

	Ref.		
Balance, December 31, 2024	B	$	568,000.00
Increased by:			
Cash Receipts	B-1		314,622.98
Balance, December 31, 2025	B	$	882,622.98

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

TRUST- OTHER FUND
SCHEDULE OF SPECIAL DEPOSITS
YEAR ENDED DECEMBER 31, 2025

	BALANCE DECEMBER 31, 2024	INCREASED	DECREASED	BALANCE DECEMBER 31, 2025
Reserve For:				
Developer Escrow	$ 3,403,186.43	$ 1,335,978.16	$ 752,078.82	$ 3,987,085.77
Dedicated Fire Penalties	41,140.39	10,750.00	22,050.00	29,840.39
Public Defender Fees	317.32	44,533.50	33,750.00	11,100.82
MAC Program Income	3,204.10			3,204.10
Redemption of Liens	41,323.93	2,642,306.54	2,642,306.54	41,323.93
Parking Adjudication (POAA)	4,151.42	880.00		5,031.42
Parsippany Food Pantry	257,416.43	34,431.00	9,899.14	281,948.29
Donations Summer Concert Series		8,000.00	8,000.00	
Res for Municipal Law Enforcement	127,037.37	5,496.10		132,533.47
Reserve for Fed Forfeiture	103,741.14	7,308.78	22,822.50	88,227.42
Reserve for Uniform Fire Penalties	7,262.52	17,250.00	7,071.36	17,441.16
Reserve for Recreational Activities	54,360.65	38,252.85	59,967.26	32,646.24
Fields & Facilities Green Acres	41,927.87	110.00	42,037.87	
Mandatory Dev. Fees--Resident	2,668,759.81	125,202.41	30.00	2,793,932.22
Mandatory Dev. Fees--Commer.	5,302,069.70	1,886,832.00	354,096.92	6,834,804.78
Affordable Housing	902,710.22	368,886.41		1,271,596.63
Green Acres	1,504,627.72	559,649.90	454,643.59	1,609,634.03
	$ 14,463,237.02	$ 7,085,867.65	$ 4,408,754.00	$ 17,140,350.67
Ref.	B	B-1	B-1	B

See Independent Auditors' Report

Exhibit - B-17

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

TRUST- PAYROLL AGENCY FUND
SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE
YEAR ENDED DECEMBER 31, 2025

	Ref.		
Balance, December 31, 2024 (As Restated)	B	$	876,147.97
Increased by:			
Cash Receipts	B-1		41,598,394.64
			42,474,542.61
Decreased by:			
Cash Disbursements	B-1		42,178,401.88
Balance, December 31, 2025	B	$	296,140.73

Exhibit - B-18

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

TRUST FUND
SCHEDULE OF INTERFUNDS (RECEIVABLE)/PAYABLE
YEAR ENDED DECEMBER 31, 2025

	Ref.	Total	Animal Control Fund	Other Trust Fund
Balance December 31, 2024	B	$(1,955,311.36)	$ 44,688.64	$ (2,000,000.00)
Increased by:				
Interfunds Advanced	B-1	2,000,000.00		2,000,000.00
Statutory Excess to Current Fund	B-1, B-4	30,683.57	30,683.57	
		75,372.21	75,372.21	-
Decreased by:				
Interfunds Returned	B-1	48,809.94	44,688.64	4,121.30
		48,809.94	44,688.64	4,121.30
Balance December 31, 2025	B	$ 26,562.27	$ 30,683.57	$ (4,121.30)

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

TRUST- OTHER FUND
SCHEDULE OF EMPLOYEE CONTRIBUTIONS RECEIVABLE
YEAR ENDED DECEMBER 31, 2025

	Ref.	
Balance, December 31, 2024	B	$ 64,294.92
Decreased by:		
Cash Receipts	B-1	64,294.92
Balance, December 31, 2025	B	$ -

GENERAL CAPITAL FUND

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF GENERAL CAPITAL CASH AND INVESTMENTS - TREASURER
YEAR ENDED DECEMBER 31, 2025

	REF.		
Balance - December 31, 2024	C		$ 19,495,257.54
Increased by Receipts:			
Serial Bonds	C-7	$ 34,365,000.00	
Capital Improvement Fund	C-10	100,000.00	
Various Reserves	C-11	2,382,643.94	
			36,847,643.94
			56,342,901.48
Decreased by Disbursements:			
Bond Anticipation Notes	C-8	25,569,000.00	
Improvement Authorizations	C-9	10,251,878.65	
Various Reserves	C-11	265,000.00	
			36,085,878.65
Balance - December 31, 2025	C		$ 20,257,022.83

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS
YEAR ENDED DECEMBER 31, 2025

		BALANCE DECEMBER 31, 2025	BALANCE DECEMBER 31, 2024
Fund Balance		$ 10,854.56	$ 10,854.56
Grants Receivable		(263,896.35)	(2,176.35)
Capital Improvement Fund		1,384,397.08	1,967,238.00
Reserve for Deposit for Regional Contribution Agreement		261,420.19	261,420.19
Reserve for Developer Contributions- Road Improvement		79,652.68	79,652.68
Reserve for Emergency Preparedness		122,442.50	122,442.50
Reserve for Payment of Debt Service		3,850.20	265,206.26
Improvement Authorizations:			
Ordinance Number	General Improvements		
06-08	Various Capital Improvements	(3,408.32)	(3,408.32)
13-14	Various Capital Improvements	169,348.51	176,970.52
14-27	Various Capital Improvements	(981,566.28)	(951,186.57)
15-22	Various Capital Improvements	(1,100,274.84)	(1,080,237.43)
16-16	Various Capital Improvements	117,262.62	270,656.82
17-04	Repair, Remediation, and Decommissioning Work at the Forge Pond Dam	549,014.45	549,014.45
17-09	Acquisition by Purchase of Properties	74,478.27	74,478.27
17-11	Various Capital Improvements	133,649.67	176,497.86
17-24	Acquisition and Installation of 700/800 MHz Emergency Services Digital Radio	467,535.16	728,356.40
18-05	Various Road and Sidewalk Improvements	(600,943.63)	(600,943.63)
18-17	Various Capital Improvements	(1,283,811.87)	(1,278,556.37)
19-09	Various Capital Improvements	(300.00)	(300.00)
19-11	Various Capital Improvements	610,736.19	688,859.23
20-24	Various Capital Improvements	860,844.23	1,110,024.57
21-21	Various Capital Improvements	839,677.26	960,915.35
22-13	Various Capital Improvements	77,450.64	520,973.04
22-30	Various Capital Improvements	997,842.82	4,685,119.88
23-05	Various Capital Improvements	346,410.42	600,591.35
23-16	Various Capital Improvements	4,666,024.67	6,050,950.19
24-04	Various Capital Improvements	2,447,553.72	3,791,011.31
24-13	Various Capital Improvements	5,939,368.28	320,832.78
25-09	Various Capital Improvements	3,561,390.00	
25-19	Various Capital Improvements	770,020.00	
		$ 20,257,022.83	$ 19,495,257.54
	Ref.	C	C

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2025

	REF.	
Balance - December 31, 2024	C	$ 2,176.35
Increased by:		
Grants Awarded:		
NJDOT - Various Capital Acquisitions and Improvements	C-9	261,720.00
Balance - December 31, 2025	C	$ 263,896.35
Analysis of Balance:		
New Jersey Department of Transportation		$ 2,176.35
NJDOT - Various Capital Acquisitions and Improvements		261,720.00
		$ 263,896.35

See Accompanying Notes to Financial Statements

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
YEAR ENDED DECEMBER 31, 2025

	Ref.		
Balance - December 31, 2024	C		$ 64,865,000.00
Increased by:			
Serial Bonds Issued	C-7		34,365,000.00
			99,230,000.00
Decreased by:			
Budget Appropriations to Pay Bonds:			
Current Fund Budget Appropriations:			
General Serial Bonds	C-7	$ 9,070,000.00	
Refunding Bonds	C-7A	1,465,000.00	
Open Space Trust Fund			
General Serial Bonds	C-7	175,000.00	
			10,710,000.00
Balance - December 31, 2025	C		$88,520,000.00

See Independent Auditors' Report

Exhibit - C-6

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
YEAR ENDED DECEMBER 31, 2025

							ANALYSIS OF BALANCE	
ORD. NO.	IMPROVEMENT DESCRIPTION	DATE OF ORDINANCE	BALANCE DECEMBER 31, 2024	2025 AUTHORIZATIONS	FUNDING	BALANCE DECEMBER 31, 2025	EXPENDITURES	UNEXPENDED BALANCE OF IMPROVEMENT AUTHORIZATIONS
	General Improvements:							
06-08	Various Capital Improvements	05/23/06	$ 3,408.32			$ 3,408.32	$ 3,408.32	
14-27	Various Capital Improvements	08/21/14	999,891.06			999,891.06	981,566.28	$ 18,324.78
15-22	Various Capital Improvements	09/15/15	2,102,498.97			2,102,498.97	1,100,274.84	1,002,224.13
16-16	Various Capital Improvements	07/19/16	129,928.24			129,928.24		129,928.24
18-05	Various Road and Sidewalk Improvements	04/17/18	600,943.63			600,943.63	600,943.63	
18-17	Various Capital Improvements	09/11/18	1,299,441.26			1,299,441.26	1,283,811.87	15,629.39
19-09	Various Capital Improvements	04/19/19	36,800.00		$ 36,500.00	300.00	300.00	
20-24	Various Capital Improvements	07/21/20	708,008.00		707,635.00	373.00		373.00
21-21	Various Capital Improvements	09/07/21	1,880,000.00			1,880,000.00		1,880,000.00
22-13	Various Capital Improvements	05/17/22	1,906,665.00		1,906,665.00			
22-30	Various Capital Improvements	10/18/22	7,718,200.00		7,718,200.00			
23-05	Various Capital Improvements	04/18/23	2,400,000.00		2,400,000.00			
23-16	Various Capital Improvements	09/19/23	8,868,271.00		8,800,000.00	68,271.00		68,271.00
24-04	Various Capital Improvements	03/19/24	4,000,000.00		4,000,000.00			
24-13	Various Capital Improvements	08/20/24	7,784,070.00		7,784,000.00	70.00		70.00
25-09	Various Capital Improvements	06/03/25		$ 3,391,500.00	3,391,000.00	500.00		500.00
25-19	Various Capital Improvements	10/21/25		10,360,700.00		10,360,700.00		10,360,700.00
			$ 40,438,125.48	$ 13,752,200.00	$ 36,744,000.00	$ 17,446,325.48	$ 3,970,304.94	$ 13,476,020.54
		Ref.	C	C-9, C-12	Below	C	C-3	C-9

Pay Down of Bond Anticipation Notes	C-7, C-8	$ 25,569,000.00
Premium Received Used Towards Payment of Debt	C-11	2,379,000.00
Funded by Bond Issuance	C-7	8,796,000.00
		$ 36,744,000.00
		Above

See Independent Auditors' Report

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS
YEAR ENDED DECEMBER 31. 2025

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2025 DATE	AMOUNT	INTEREST RATE	BALANCE DECEMBER 31, 2024	INCREASED	DECREASED	BALANCE DECEMBER 31, 2025
General Improvement Bonds, Series 2017	09/07/17	$ 43,827,000.00	09/15/26	$ 4,000,000.00	3.000%				
			09/15/27	4,000,000.00	3.000%				
			09/15/28	4,000,000.00	3.000%				
			09/15/29	3,500,000.00	3.000%				
			09/15/30	3,510,000.00	2.500%	$ 23,010,000.00		$ 4,000,000.00	$ 19,010,000.00
General Improvement Bonds, Series 2019	11/14/19	22,640,000.00	05/01/26	2,195,000.00	4.000%				
Open Space Bonds, Series 2019			05/01/27	2,005,000.00	4.000%				
			05/01/28	2,005,000.00	4.000%				
			05/01/29	2,005,000.00	2.250%	10,675,000.00		2,465,000.00	8,210,000.00
General Improvement Bonds, Series 2020	11/12/20	12,450,000.00	06/01/26	1,240,000.00	3.000%				
			06/01/27	1,240,000.00	3.000%				
			06/01/28	1,240,000.00	2.000%				
			06/01/29	1,240,000.00	2.000%				
			06/01/30	1,240,000.00	2.000%				
			06/01/31	1,240,000.00	2.000%	8,680,000.00		1,240,000.00	7,440,000.00
General Improvement Bonds, Series 2023	10/18/23	22,288,000.00	11/01/26	2,330,000.00	5.000%				
			11/01/27	2,365,000.00	5.000%				
			11/01/28	2,400,000.00	5.000%				
			11/01/29	2,430,000.00	5.000%				
			11/01/30	2,470,000.00	5.000%				
			11/01/31	2,500,000.00	5.000%				
			11/01/32	2,500,000.00	5.000%				
			11/01/33	2,500,000.00	4.000%	21,035,000.00		1,540,000.00	19,495,000.00
General Improvement Bonds, Series 2025	10/16/25	34,365,000.00	10/15/26	1,875,000.00	4.000%				
			10/15/27	2,795,000.00	4.000%				
			10/15/28	3,515,000.00	4.000%				
			10/15/29	3,740,000.00	4.000%				
			10/15/30	3,740,000.00	4.000%				
			10/15/31	3,740,000.00	4.000%				
			10/15/32	3,740,000.00	4.000%				
			10/15/33	3,740,000.00	4.000%				
			10/15/34	3,740,000.00	4.000%				
			10/15/35	3,740,000.00	4.000%		$ 34,365,000.00		$ 34,365,000.00
						$ 63,400,000.00	$ 34,365,000.00	$ 9,245,000.00	$ 88,520,000.00
					Ref.	C	Below	Below	C

	Ref.		
Proceeds from Bond Issuance	C-5, Above	$ 34,365,000.00	
Paydown of Bond Anticipation Notes	C-6, C-8	(25,569,000.00)	
Permanent Funding of Previously Unfunded Ordinances	C-6, C-12	$ 8,796,000.00	
Paid by Operating Budget	C-5		$ 9,070,000.00
Paid by Open Space Trust Fund	C-5		175,000.00
	Above		$ 9,245,000.00

See Independent Auditors' Report

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF REFUNDING BONDS
YEAR ENDED DECEMBER 31, 2025

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	BALANCE DECEMBER 31, 2024	DECREASED	BALANCE DECEMBER 31, 2025
Refunding Bonds, Series 2012	05/15/12	$ 15,190,000.00	$ 1,465,000.00	$ 1,465,000.00	$ -
			$ 1,465,000.00	$ 1,465,000.00	$ -
		Ref.	C	C-5	C

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
YEAR ENDED DECEMBER 31, 2025

ORD. NO.	IMPROVEMENT DESCRIPTION	AMOUNT OF ORIGINAL ISSUE	DATE OF ORIGINAL ISSUE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2024	DECREASED	BALANCE DECEMBER 31, 2025
19-09	Various Capital Improvements	$ 36,500.00	11/01/23	10/30/24	10/29/25	4.000%	$ 36,500.00	$ 36,500.00	$ -
20-24	Various Road and Sidewalk Improvements	707,635.00	11/01/23	10/30/24	10/29/25	4.000%	707,635.00	707,635.00	
22-13	Various Road and Sidewalk Improvements	1,906,665.00	11/01/23	10/30/24	10/29/25	4.000%	1,906,665.00	1,906,665.00	
22-30	Various Capital Improvements	7,718,200.00	11/01/23	10/30/24	10/29/25	4.000%	7,718,200.00	7,718,200.00	
23-05	Various Capital Improvements	2,400,000.00	11/01/23	10/30/24	10/29/25	4.000%	2,400,000.00	2,400,000.00	
23-16	Various Capital Improvements	8,800,000.00	10/30/24	10/30/24	10/29/25	4.000%	8,800,000.00	8,800,000.00	
24-04	Various Capital Improvements	4,000,000.00	10/30/24	10/30/24	10/29/25	4.000%	4,000,000.00	4,000,000.00	
							$ 25,569,000.00	$ 25,569,000.00	$ -
						Ref.	C	C-2, C-6, C-7	C

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2025

ORD.		ORDINANCE		BALANCE - DECEMBER 31, 2024		2025	REAPPROPRIATION OF EXCESS	PAID OR	BALANCE - DECEMBER 31, 2025	
NO.	IMPROVEMENT DESCRIPTION	DATE	AMOUNT	FUNDED	UNFUNDED	AUTHORIZED	PROCEEDS	CHARGED	FUNDED	UNFUNDED
	General Improvements:									
13-14	Various Capital Improvements	06/19/13	$ 11,733,700.00	$ 176,970.52				$ 7,622.01	$ 169,348.51	
14-27	Various Capital Improvements	08/21/14	7,840,000.00		$ 48,704.49			30,379.71		$ 18,324.78
15-22	Various Capital Improvements	09/15/15	9,863,381.00		1,022,261.54			20,037.41		1,002,224.13
16-16	Various Capital Improvements	07/19/16	9,828,592.00	270,656.82	129,928.24			153,394.20	117,262.62	129,928.24
17-04	Repair, Remediation, and Decommissioning Work at the Forge Pond Dam	03/21/17	600,000.00	549,014.45					549,014.45	
17-09	Acquisition by Purchase of Properties	05/22/17	3,600,000.00	74,478.27					74,478.27	
17-11	Various Capital Improvements	07/11/17	10,162,703.00	176,497.86			$ (2,227.86)	40,620.33	133,649.67	
17-24	Acquisition and Installation of 700/800MHz Emergency Services Digital Radio	11/09/17	10,400,000.00	728,356.40				260,821.24	467,535.16	
18-17	Various Capital Improvements	09/11/18	13,360,067.00		20,884.89			5,255.50		15,629.39
19-11	Various Capital Improvements	05/14/19	10,642,122.00	688,859.23			(1,731.22)	76,391.82	610,736.19	
20-24	Various Capital Improvements	07/21/20	7,878,009.00	402,389.57	708,008.00			249,180.34	860,844.23	373.00
21-21	Various Capital Improvements	09/07/21	6,180,000.00	960,915.35	1,880,000.00			121,238.09	839,677.26	1,880,000.00
22-13	Various Capital Improvements	05/17/22	3,052,000.00		520,973.04			443,522.40	77,450.64	
22-30	Various Capital Improvements	10/18/22	8,105,000.00		4,685,119.88			3,687,277.06	997,842.82	
23-05	Various Capital Improvements	04/18/23	2,520,000.00		600,591.35			254,180.93	346,410.42	
23-16	Various Capital Improvements	09/19/23	9,311,700.00		6,119,221.19			1,384,925.52	4,666,024.67	68,271.00
24-04	Various Capital Improvements	03/19/24	4,200,000.00		3,791,011.31			1,343,457.59	2,447,553.72	
24-13	Various Capital Improvements	08/20/24	8,173,621.00	320,832.78	7,784,070.00			2,165,464.50	5,939,368.28	70.00
25-09	Various Capital Improvements	06/03/25	3,570,000.00			$ 3,570,000.00		8,110.00	3,561,390.00	500.00
25-19	Various Capital Acquisitions and Improvements	10/21/25	11,126,760.92			11,126,760.92	3,959.08		770,020.00	10,360,700.00
				$ 4,348,971.25	$ 27,310,773.93	$ 14,696,760.92	$ -	$ 10,251,878.65	$ 22,628,606.91	$ 13,476,020.54
			Ref.	C	C	Below		C-2	C	C

	Ref.	
Deferred Charges to Future Taxation - Unfunded	C-6	$ 13,752,200.00
Capital Improvement Fund	C-10	682,840.92
NJDOT - Various Capital Acquisitions and Improvements	C-4	261,720.00
		$ 14,696,760.92
		Above

Exhibit - C-10

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2025

	REF.	
Balance - December 31, 2024	C	$ 1,967,238.00
Increased by:		
Budget Appropriation	C-2	100,000.00
		2,067,238.00
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-9	682,840.92
Balance - December 31, 2025	C	$ 1,384,397.08

See Independent Auditors' Report

Exhibit - C-11

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF VARIOUS RESERVES
YEAR ENDED DECEMBER 31, 2025

	Ref.	BALANCE DECEMBER 31, 2024	INCREASES	DECREASES	BALANCE DECEMBER 31, 2025
Reserve for:					
Deposit for Regional Contribution Agreement		$ 261,420.19			$ 261,420.19
Developer Contribution		79,652.68			79,652.68
Payment of Debt Service		265,206.26	$ 2,382,643.94	$ 2,644,000.00	3,850.20
Emergency Preparedness		122,442.50			122,442.50
		$ 728,721.63	$ 2,382,643.94	$ 2,644,000.00	$ 467,365.57
	Ref.	C	Below	Below	C
Premium Received from Bond Issuance	C-2		$ 2,382,643.94		
Premium Received Used Towards Payment of Debt	C-6, C-12			$ 2,379,000.00	
Budgeted Revenue Realized in Current Fund	C-2			265,000.00	
	Above		$ 2,382,643.94	$ 2,644,000.00	

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES
AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2025

ORD. NO.	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2024	2025 AUTHORIZED	DECREASED	BALANCE DECEMBER 31, 2025
	General Improvements:						
06-08	Various Capital Improvements	05/23/06	$ 5,018,652.00	$ 3,408.32			$ 3,408.32
14-27	Various Capital Improvements	08/21/14	7,273,000.00	999,891.06			999,891.06
15-22	Various Capital Improvements	09/15/15	9,294,211.00	2,102,498.97			2,102,498.97
16-16	Various Capital Improvements	07/19/16	9,104,413.00	129,928.24			129,928.24
18-05	Various Road and Sidewalk Improvements	04/17/18	2,869,000.00	600,943.63			600,943.63
18-17	Various Capital Improvements	09/11/18	12,692,064.00	1,299,441.26			1,299,441.26
19-09	Various Capital Improvements	04/19/19	2,536,500.00	300.00			300.00
20-24	Various Capital Improvements	07/21/20	7,479,108.00	373.00			373.00
21-21	Various Capital Improvements	09/07/21	5,880,000.00	1,880,000.00			1,880,000.00
22-13	Various Capital Improvements	05/17/22	2,906,665.00				
22-30	Various Capital Improvements	10/18/22	7,718,200.00				
23-05	Various Capital Improvements	04/18/23	2,400,000.00				
23-16	Various Capital Improvements	09/19/23	8,868,271.00	68,271.00			68,271.00
24-04	Various Capital Improvements	03/19/24	4,000,000.00				
24-13	Various Capital Improvements	08/20/24	7,784,070.00	7,784,070.00		$ 7,784,000.00	70.00
25-09	Various Capital Improvements	06/03/25	3,391,500.00		$ 3,391,500.00	3,391,000.00	500.00
25-19	Various Capital Improvements	10/21/25	10,360,700.00		10,360,700.00		10,360,700.00
				$ 14,869,125.48	$ 13,752,200.00	$ 11,175,000.00	$ 17,446,325.48
		Ref.		C	C-6	Below	C

	Ref.	
Funded by Bond Premium	C-11	$ 2,379,000.00
Funded by Bond Issuance	C-7	8,796,000.00
		$ 11,175,000.00
		Above

See Independent Auditors' Report

WATER UTILITY FUND

Exhibit D-4

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

WATER UTILITY FUND
SCHEDULE OF CASH
YEAR ENDED DECEMBER 31, 2025

	Ref.	OPERATING FUND		CAPITAL FUND	
Balance, December 31, 2024	D		$ 6,699,156.22		$ 22,610,911.53
Increased by Receipts:					
Collections - Water Rents	D-2	$ 12,518,693.49			
Interest on Investments	D-2	994,028.91			
Water Utility Capital Fund Balance	D-2	100,000.00			
Reserve for Payment of Debt Service	D-2	300,000.00			
Miscellaneous Revenue Not Anticipated	D-2	750,268.16			
Water Lien Collections	D-6A	95.95			
Bond Anticipation Notes Issued	D-13			$ 31,540,000.00	
Water Rent Overpayments Collected	D-16	109,486.28			
Prepaid Water Rent Collected	D-17	46,921.54			
Premium Received- Reserve for Payment of Debt Service	D-18			457,014.60	
Reserve for Litigation	D-20	2,690,543.34			
			17,510,037.67		31,997,014.60
			24,209,193.89		54,607,926.13
Decreased by Disbursements:					
Capital Fund Balance Appropriated to Budget Revenue	D-1A			100,000.00	
Budget Expenditures	D-3	10,389,693.69			
Appropriation Reserves	D-9	489,999.34			
Accrued Interest Payable	D-15	1,958,631.22			
Bond Anticipation Notes Redeemed	D-13			26,240,000.00	
Improvement Authorizations	D-10			6,576,772.67	
Reserve for Payment of Debt Service	D-18			300,000.00	
Refunds of Prior Year Revenue	D-1	33,258.88			
			12,871,583.13		33,216,772.67
Balance, December 31, 2025	D		$ 11,337,610.76		$ 21,391,153.46

See Independent Auditors' Report

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF ANALYSIS OF CASH
YEAR ENDED DECEMBER 31, 2025

	BALANCE DECEMBER 31, 2025	BALANCE DECEMBER 31, 2024
Improvement Authorizations Funded	$ 3,453,361.14	$ 4,281,348.61
Improvement Authorizations Unfunded	30,036,804.77	25,778,434.78
Bonds and Notes Authorized But Not Issued	(13,657,216.70)	(8,950,061.00)
Capital Improvement Fund	314,498.22	314,498.22
Reserve for Payment of Debt Service	1,108,898.89	951,884.29
Fund Balance	134,807.14	234,806.63
	$ 21,391,153.46	$ 22,610,911.53
Ref.	D	D

See Independent Auditors' Report

Exhibit - D-6

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

WATER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2025

	Ref.			
Balance, December 31, 2024	D			$ 606,253.56
Increased by:				
Water Rents Levied	Reserve			12,478,766.39
				13,085,019.95
Decreased by:				
Collections:				
Water Rent Collections	D-2	$	12,518,693.49	
Overpayments Applied	D-16		59,707.32	
Transferred to Liens	D-6A		31,549.39	
				12,609,950.20
Balance, December 31, 2025	D			$ 475,069.75

Exhibit - D-6A

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

WATER UTILITY OPERATING FUND
SCHEDULE OF WATER UTILITY LIENS RECEIVABLE
YEAR ENDED DECEMBER 31, 2025

	Ref.		
Balance, December 31, 2024	D	$	107,716.63
Increased by:			
Transfer from Consumer Accounts Receivable	D-6		31,549.39
			139,266.02
Decreased by:			
Cash Receipts	D-2, D-4		95.95
Balance, December 31, 2025	D	$	139,170.07

Exhibit - D-6B

WATER UTILITY OPERATING FUND
SCHEDULE OF INVENTORY
YEAR ENDED DECEMBER 31, 2025

	Ref.		
Balance, December 31, 2024	D	$	1,162,549.30
Decreased by:			
Net Inventory Decrease	Reserve		733,978.80
Balance, December 31, 2025	D	$	428,570.50

Exhibit - D-7

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
YEAR ENDED DECEMBER 31, 2025

IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2024	TRANSFERRED FROM FIXED CAPITAL AUTHORIZED AND UNCOMPLETED	BALANCE DECEMBER 31, 2025
Organization	$ 1,769.20		$ 1,769.20
Reservation Land	2,653.66		2,653.66
Other Sources- Supply Land	109.76		109.76
Pumping System Land	54,322.42		54,322.42
Storage Reservoir Land	717.00		717.00
Other Distribution System Land	1,720.00		1,720.00
Miscellaneous Land	1,590.00		1,590.00
Wells	908,299.00		908,299.00
Pumping Station Structures	343,457.98		343,457.98
Electric Pumping Equipment	47,817.03		47,817.03
Diesel Power Pumping Equipment	13,263.45		13,263.45
Transmission Mains	75,935.26		75,935.26
Storage Reservoirs	557,680.19		557,680.19
Distribution Mains	737,619.75		737,619.75
Service Pipes	21,814.48		21,814.48
Meters	567,817.53		567,817.53
Fire Hydrants	116,661.59		116,661.59
General Equipment	1,673,133.18		1,673,133.18
Engineering and Superintendence	47,248.53		47,248.53
Legal Expenditures During Construction	8,054.14		8,054.14
Damage During Construction	15,000.00		15,000.00
Interest During Construction	13,971.95		13,971.95
Ditching and Grading Machines	47,482.90		47,482.90
Burroughs Bookkeeping Machine	3,735.67		3,735.67
Grawdall Shovel	30,795.00		30,795.00
Backhoe and Shovel	39,863.00		39,863.00
Office Equipment	16,358.00		16,358.00
Miscellaneous Equipment	466,632.09		466,632.09
Trucks and Automobiles	418,570.65		418,570.65
Vehicles and Equipment	758,511.00		758,511.00
Main Extensions	958,249.07		958,249.07
Communication Equipment	52,089.00		52,089.00
Compressors	5,400.00		5,400.00
Tractor Mower	1,759.00		1,759.00
Phillips Bookkeeping Machine and Related Costs	60,498.45		60,498.45
Improvements of Water Supply and Distribution System	26,319,568.41		26,319,568.41
Meter Reader System	2,606,000.00		2,606,000.00
Issuance Costs- Various	572,645.00		572,645.00
Main Replacements	170,000.00		170,000.00
Various Major Information Technology and Telecommunications Equipment	60,000.00		60,000.00
Supervisory Control and Data Acquisition Communication Systems Upgrade	350,000.00		350,000.00
Water Tank on Knoll Road	1,480,658.92		1,480,658.92
Replacement of Parking Lot and Water Department Lights	20,000.00		20,000.00
Various Equipment Acquisitions and Improvements		$ 725,000.00	725,000.00
Water Tank Upgrades and Well #14 Redevelopment		1,600,000.00	1,600,000.00
Well Rehabilitation, Replacement, and Drilling		3,000,000.00	3,000,000.00
Various Equipment Acquisitions and Improvements		3,170,000.00	3,170,000.00
	$ 39,649,472.26	$ 8,495,000.00	$ 48,144,472.26
	D	D-8	D

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
YEAR ENDED DECEMBER 31, 2025

ORD NO.	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2024	AUTHORIZATIONS	TRANSFERRED TO FIXED CAPITAL	BALANCE DECEMBER 31, 2025
12-25	Improvements to Water Utility System	06/20/12	$ 725,000.00	$ 725,000.00		$ 725,000.00	
13-11	Improvements to Water Utility System	06/18/13	1,600,000.00	1,600,000.00		1,600,000.00	
17-13	Improvements to Water Utility System	07/11/17	1,075,000.00	1,075,000.00			$ 1,075,000.00
18-18	Improvements to Water Utility System	09/11/18	2,925,000.00	2,925,000.00			2,925,000.00
19-13	Improvements to Water Utility System	06/25/19	4,598,000.00	4,598,000.00			4,598,000.00
19-70	Improvements to Water Utility System	12/17/19	3,000,000.00	3,000,000.00		3,000,000.00	
20-16	Improvements to Water Utility System	05/05/20	3,170,000.00	3,170,000.00		3,170,000.00	
20-22	Improvements to Water Utility System	07/21/20	6,410,000.00	6,410,000.00			6,410,000.00
21-20	Improvements to Water Utility System	09/07/21	12,700,000.00	12,700,000.00			12,700,000.00
22-14	Improvements to Water Utility System	05/17/22	5,150,000.00	5,150,000.00			5,150,000.00
22-31	Improvements to Water Utility System	10/18/22	5,170,000.00	5,170,000.00			5,170,000.00
23-04	Improvements to Water Utility System	04/18/23	7,220,000.00	7,220,000.00			7,220,000.00
23-18	Improvements to Water Utility System	09/19/23	3,650,000.00	3,650,000.00			3,650,000.00
24-08	Improvements to Water Utility System	05/21/24	5,300,000.00	5,300,000.00			5,300,000.00
25-05	Improvements to Water Utility System	05/20/25	5,200,000.00		$ 5,200,000.00		5,200,000.00
25-20	Improvements to Water Utility System	10/21/25	7,575,000.00		4,807,155.70		4,807,155.70
				$ 62,693,000.00	$ 10,007,155.70	$ 8,495,000.00	$ 64,205,155.70
			Ref.	D	D-10	D-7	D

See Independent Auditors' Report

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

WATER UTILITY OPERATING FUND
SCHEDULE OF 2024 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2025

	BALANCE DECEMBER 31, 2024	RESERVE FOR ENCUMBRANCES DECEMBER 31, 2024	AMOUNT AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
Operating:					
Salaries and Wages	$ 341,284.16		$ 341,284.16		$ 341,284.16
Other Expenses	747,264.64	$ 278,906.25	1,026,170.89	$ 398,393.14	627,777.75
Capital Improvements:					
Capital Outlay	3,393.80	91,606.20	95,000.00	91,606.20	3,393.80
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)	5,732.60		5,732.60		5,732.60
	$ 1,097,675.20	$ 370,512.45	$ 1,468,187.65	$ 489,999.34	$ 978,188.31
Ref.	D	D		D-4	D-1

See Independent Auditors' Report

Exhibit - D-10

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2025

ORD. NO.	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2024 FUNDED	BALANCE DECEMBER 31, 2024 UNFUNDED	AUTHORIZATIONS	REAPPROPRIATION OF BOND & NOTE PROCEEDS	CANCELLATIONS	PAID OR CHARGED	BALANCE DECEMBER 31, 2025 FUNDED	BALANCE DECEMBER 31, 2025 UNFUNDED
17-13	Improvements to Water Utility System	07/11/17	1,075,000.00	$ 5,218.41						$ 5,218.41	
18-18	Improvements to Water Utility System	09/11/18	2,925,000.00	11,874.08			$ (10,486.08)			1,388.00	
19-13	Improvements to Water Utility System	06/25/19	4,598,000.00	435,359.88			(43,796.00)		$ 48,587.95	342,975.93	
19-70	Improvements to Water Utility System	12/17/19	3,000,000.00	2,040.39			(2,040.39)				
20-16	Improvements to Water Utility System	05/05/20	3,170,000.00	2,154,983.00			(1,995,933.83)	$ 0.51	159,048.66		
20-22	Improvements to Water Utility System	07/21/20	6,410,000.00	1,671,872.85					620,350.35	1,051,522.50	
21-20	Improvements to Water Utility System	09/07/21	12,700,000.00		$ 4,667,276.88		(586,000.00)		2,283,929.91		$ 1,797,346.97
22-14	Improvements to Water Utility System	05/17/22	5,150,000.00		3,051,062.73				1,692,148.80		1,358,913.93
22-31	Improvements to Water Utility System	10/18/22	5,170,000.00		3,860,684.00		(129,588.00)		529,188.39		3,201,907.61
23-04	Improvements to Water Utility System	04/18/23	7,220,000.00		5,280,072.13				675,332.82		4,604,739.31
23-18	Improvements to Water Utility System	09/19/23	3,650,000.00		3,619,339.04				83,594.86		3,535,744.18
24-08	Improvements to Water Utility System	05/21/24	5,300,000.00		5,300,000.00				484,590.93		4,815,409.07
25-05	Improvements to Water Utility System	05/20/25	5,200,000.00			$ 5,200,000.00					5,200,000.00
25-20	Improvements to Water Utility System	10/21/25	7,575,000.00			4,807,155.70	2,767,844.30			2,052,256.30	5,522,743.70
				$ 4,281,348.61	$ 25,778,434.78	$ 10,007,155.70	$ -	$ 0.51	$ 6,576,772.67	$ 3,453,361.14	$ 30,036,804.77
			Ref.	D	D	D-21		D-1A	D-4	D	D

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2025

	REF.	
Balance - December 31, 2025 and 2024	D	$ 314,498.22

See Independent Auditors' Report

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2025

	Ref.		
Balance - December 31, 2024	D	$	42,187,411.26
Increased by:			
Serial Bonds Principal Paid	D-14		1,530,000.00
Balance - December 31, 2025	D	$	43,717,411.26

See Independent Auditors' Report

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2025

Ord. No.	Improvement Description	Date of Ordinance	BALANCE DECEMBER 31, 2024	BALANCE DECEMBER 31, 2025
18-18	Improvements to Water Utility System	09/11/18	$ 200,000.00	$ 200,000.00
			$ 200,000.00	$ 200,000.00
		Ref.	D	D

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2025

ORD. NUMBER	PURPOSE	ORIGINAL ISSUE DATE	ORIGINAL ISSUE AMOUNT	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2024	INCREASED	DECREASED	BALANCE DECEMBER 31, 2025
21-20	Improvements to Water Utility System	11/01/23	$ 9,700,000.00	10/30/24	10/29/25	4.000%	$ 9,700,000.00		$ 9,700,000.00	
21-20	Improvements to Water Utility System	11/01/23	9,700,000.00	10/28/25	10/27/26	4.000%		$ 9,700,000.00		$ 9,700,000.00
22-14	Improvements to Water Utility System	11/01/23	4,150,000.00	10/30/24	10/29/25	4.000%	4,150,000.00		4,150,000.00	
22-14	Improvements to Water Utility System	11/01/23	4,150,000.00	10/28/25	10/27/26	4.000%		4,150,000.00		4,150,000.00
22-31	Improvements to Water Utility System	11/01/23	5,170,000.00	10/30/24	10/29/25	4.000%	5,170,000.00		5,170,000.00	
22-31	Improvements to Water Utility System	11/01/23	5,170,000.00	10/28/25	10/27/26	4.000%		5,170,000.00		5,170,000.00
23-04	Improvements to Water Utility System	10/30/24	7,220,000.00	10/30/24	10/29/25	4.000%	7,220,000.00		7,220,000.00	
23-04	Improvements to Water Utility System	10/30/24	7,220,000.00	10/28/25	10/27/26	4.000%		7,220,000.00		7,220,000.00
24-08	Improvements to Water Utility System	10/28/25	5,300,000.00	10/28/25	10/27/26	4.000%		5,300,000.00		5,300,000.00
	Total Bond Anticipation Notes						$ 26,240,000.00	$ 31,540,000.00	$ 26,240,000.00	$ 31,540,000.00
						Ref.	D	Below	Below	D

	Ref.	INCREASED	DECREASED
Renewals	D-4	$ 26,240,000.00	$ 26,240,000.00
Notes Issued for Cash	D-4, D-21	5,300,000.00	
	Above	$ 31,540,000.00	$ 26,240,000.00

Exhibit D-14

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS
YEAR ENDED DECEMBER 31, 2025

DESCRIPTION	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2025 DATE	AMOUNT	INTEREST RATE	BALANCE DECEMBER 31, 2024	DECREASED	BALANCE DECEMBER 31, 2025
Water Improvements	9/7/2017	$ 5,119,000.00	9/15/2026	$ 425,000.00	3.000%			
			9/15/2027	440,000.00	3.000%			
			9/15/2028	450,000.00	3.000%			
			9/15/2029	450,000.00	3.000%			
			9/15/2030	450,000.00	2.500%	$ 2,630,000.00	$ 415,000.00	$ 2,215,000.00
Water Improvements	11/14/2019	7,670,000.00	5/1/2026	350,000.00	4.000%			
			5/1/2027	350,000.00	4.000%			
			5/1/2028	350,000.00	4.000%			
			5/1/2029	350,000.00	2.250%			
			5/1/2030	350,000.00	2.250%			
			5/1/2031	475,000.00	2.250%			
			5/1/2032	450,000.00	2.250%			
			5/1/2033	450,000.00	2.250%			
			5/1/2034	450,000.00	2.250%			
			5/1/2035	450,000.00	2.250%			
			5/1/2036	450,000.00	2.250%			
			5/1/2037	450,000.00	3.000%			
			5/1/2038	450,000.00	3.000%			
			5/1/2039	450,000.00	3.000%	6,175,000.00	350,000.00	5,825,000.00
Water Improvements	11/1/2023	16,387,000.00	11/1/2026	790,000.00	5.000%			
			11/1/2027	815,000.00	5.000%			
			11/1/2028	840,000.00	5.000%			
			11/1/2029	850,000.00	5.000%			
			11/1/2030	850,000.00	5.000%			
			11/1/2031	850,000.00	5.000%			
			11/1/2032	850,000.00	5.000%			
			11/1/2033	850,000.00	4.000%			
			11/1/2034	850,000.00	4.000%			
			11/1/2035	850,000.00	4.000%			
			11/1/2036	850,000.00	4.000%			
			11/1/2037	850,000.00	4.000%			
			11/1/2038	850,000.00	4.000%			
			11/1/2039	850,000.00	4.000%			
			11/1/2040	850,000.00	4.000%			
			11/1/2041	850,000.00	4.000%			
			11/1/2042	850,000.00	4.000%			
			11/1/2043	850,000.00	4.000%	15,960,000.00	765,000.00	15,195,000.00
						$ 24,765,000.00	$ 1,530,000.00	$ 23,235,000.00
					Ref.	D	D-12	D

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

WATER UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES
YEAR ENDED DECEMBER 31, 2025

	Ref.		
Balance - December 31, 2024	D	$	346,387.15
Increased by:			
Budget Appropriation	D-3		1,986,214.00
			2,332,601.15
Decreased by:			
Paid	D-4		1,958,631.22
Balance - December 31, 2025	D	$	373,969.93

Analysis of Balance:

Year		Principal Outstanding December 31, 2025	Interest Rate	Period		Amount
Serial Bonds:						
2017	$	2,215,000.00	2.50-3.00%	3.5 months	$	18,725.00
2019		5,825,000.00	2.25-4.00%	2 months		27,531.25
2023		15,195,000.00	4.00-5.00%	2 months		111,041.67
Bond Anticipation Notes:						
2025	$	31,540,000.00	4.00%	62 days		216,672.01
					$	373,969.93

See Independent Auditors' Report

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

WATER UTILITY OPERATING FUND
SCHEDULE OF WATER RENT OVERPAYMENTS
YEAR ENDED DECEMBER 31, 2025

	REF.	
Balance - December 31, 2024	D	$ 59,707.32
Increased by:		
Cash Receipts	D-4	109,486.28
		169,193.60
Decreased by:		
Overpayments Applied	D-2, D-6	59,707.32
Balance - December 31, 2025	D	$ 109,486.28

Exhibit - D-17

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

WATER UTILITY OPERATING FUND
SCHEDULE OF PREPAID WATER RENTS
YEAR ENDED DECEMBER 31, 2025

	REF.	
Balance - December 31, 2024	D	$ -
Increased by:		
Cash Receipts	D-4	46,921.54
Balance - December 31, 2025	D	$ 46,921.54

Exhibit - D-18

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR PAYMENT OF DEBT SERVICE
YEAR ENDED DECEMBER 31, 2025

	Ref.	
Balance - December 31, 2024	D	$ 951,884.29
Increased by:		
Premium on Sale of Bond Anticipation Notes	D-4	457,014.60
		1,408,898.89
Decreased by:		
Water Operating Fund Budget Revenue	D-2, D-4	300,000.00
Balance - December 31, 2025	D	$ 1,108,898.89

Exhibit - D-19

WATER UTILITY OPERATING FUND
SCHEDULE OF RESERVE FOR WATER MASTER PLAN
YEAR ENDED DECEMBER 31, 2025

	Ref.	
Balance - December 31, 2025 and 2024	D	$ 24,250.03

Exhibit - D-20

WATER UTILITY OPERATING FUND
SCHEDULE OF RESERVE FOR LITIGATION
YEAR ENDED DECEMBER 31, 2025

	Ref.	
Balance - December 31, 2024	D	$ -
Increased by:		
Cash Receipts	D-4	2,690,543.34
Balance - December 31, 2025	D	$ 2,690,543.34

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2025

ORD. NO.	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2024	AUTHORIZATIONS	ISSUED	BALANCE DECEMBER 31, 2025
12-25	Improvements to Water Utility System	06/20/12	$ 725,000.00	$ 61.00			$ 61.00
23-18	Improvements to Water Utility System	09/19/23	3,650,000.00	3,650,000.00			3,650,000.00
24-08	Improvements to Water Utility System	05/21/24	5,300,000.00	5,300,000.00		$ 5,300,000.00	-
25-05	Improvements to Water Utility System	05/20/25	5,200,000.00		$ 5,200,000.00		5,200,000.00
25-20	Improvements to Water Utility System	10/21/25	7,575,000.00		4,807,155.70		4,807,155.70
				$ 8,950,061.00	$ 10,007,155.70	$ 5,300,000.00	$ 13,657,216.70
			Ref.	D	D-10	D-13	D

See Independent Auditors' Report

SEWER UTILITY FUND

Exhibit E-4

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

SEWER UTILITY FUND
SCHEDULE OF CASH
YEAR ENDED DECEMBER 31, 2025

	Ref.	OPERATING FUND		CAPITAL FUND	
Balance, December 31, 2024	E		$ 14,113,468.64		$ 23,876,286.57
Increased by Receipts:					
Collections - Sewer Rents	E-2	$ 21,700,790.47			
Collections - Septage Removal	E-2	586,412.66			
Interest on Investments	E-2	1,467,317.13			
Reserve for Payment of Debt Service	E-2	260,000.00			
Miscellaneous Revenue Not Anticipated	E-2	1,723,217.20			
Sewer Lien Collections	E-6A	150.00			
Bond Anticipation Notes Issued	E-13			$ 16,956,000.00	
Sewer Rent Overpayments Collected	E-18	128,991.19			
Prepaid Sewer Rent Collected	E-19	67,906.69			
Premium Received- Reserve for Payment of Debt Service	E-20			245,692.44	
EPA Grant Payment Request- Reserve for Payment of Debt Service	E-20			597,615.00	
Interfund Receivable/Payable	E-21	3,427.91			
			25,938,213.25		17,799,307.44
			40,051,681.89		41,675,594.01
Decreased by Disbursements:					
Budget Expenditures	E-3	17,958,165.73			
Appropriation Reserves	E-9	629,488.47			
Accrued Interest on Bonds, Notes and Loans	E-16	1,725,034.98			
Bond Anticipation Notes Redeemed	E-13			13,956,000.00	
Improvement Authorizations	E-10			2,698,415.16	
Reserve for Payment of Debt Service	E-20			260,000.00	
Interfund Receivable/Payable	E-21			3,427.91	
			20,312,689.18		16,917,843.07
Balance, December 31, 2025	E		$ 19,738,992.71		$ 24,757,750.94

See Independent Auditors' Report

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF ANALYSIS OF CASH
YEAR ENDED DECEMBER 31, 2025

	BALANCE DECEMBER 31, 2025	BALANCE DECEMBER 31, 2024
Improvement Authorizations Funded	$ 10,161,092.35	$ 11,399,795.81
Improvement Authorizations Unfunded	36,017,384.90	29,881,511.30
Bonds and Notes Authorized But Not Issued	(23,149,563.46)	(18,553,978.16)
Capital Improvement Fund	466,000.00	466,000.00
Reserve for Payment of Debt Service	1,045,226.37	461,918.93
Interfund Payable		3,427.91
Fund Balance	217,610.78	217,610.78
	$ 24,757,750.94	$ 23,876,286.57
Ref.	E	E

See Independent Auditors' Report

Exhibit - E-6

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2025

	Ref.		
Balance, December 31, 2024	E		$ 1,230,982.78
Increased by:			
Sewer Rents Levied	Reserve		21,311,876.35
			22,542,859.13
Decreased by:			
Collections:			
Sewer Collections	E-2,E-4	$ 21,700,790.47	
Overpayments Applied	E-18	77,877.74	
Prepaids Applied	E-19	9,645.09	
Transferred to Liens	E-6A	514.85	
			21,788,828.15
Balance, December 31, 2025	E		$ 754,030.98

Exhibit - E-6A

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

SEWER UTILITY OPERATING FUND
SCHEDULE OF SEWER UTILITY LIENS RECEIVABLE
YEAR ENDED DECEMBER 31, 2025

	Ref.		
Balance, December 31, 2024	E	$	109,941.48
Increased by:			
Transfer from Consumer Accounts Receivable	E-6		514.85
			110,456.33
Decreased by:			
Sewer Lien Collections	E-2,E-4		150.00
Balance, December 31, 2025	E	$	110,306.33

Exhibit - E-6B

SEWER UTILITY OPERATING FUND
SCHEDULE OF INVENTORY
YEAR ENDED DECEMBER 31, 2025

Balance, December 31, 2024	E	$	83,034.99
Increased by:			
Net Inventory Increase	Reserve		15,295.61
Balance, December 31, 2025	E	$	98,330.60

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
YEAR ENDED DECEMBER 31, 2025

IMPROVEMENT DESCRIPTION		BALANCE DECEMBER 31, 2024		BALANCE DECEMBER 31, 2025
Sanitary Sewer Repairs	$	138,877,819.01	$	138,877,819.01
Equipment		4,219,074.80		4,219,074.80
Moving Equipment		208,719.84		208,719.84
Office Equipment		2,784.12		2,784.12
Maintenance Equipment		28,361.31		28,361.31
Communication Equipment		192,987.51		192,987.51
Automotive Equipment		50,539.44		50,539.44
Vehicles		140,000.00		140,000.00
Outflow Line		19,462.30		19,462.30
Issuance Costs- Various		1,892,465.00		1,892,465.00
Primary Scum Pump Rehabilitation		300,000.00		300,000.00
	$	145,932,213.33	$	145,932,213.33
		E		E

Exhibit - E-8

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
YEAR ENDED DECEMBER 31, 2025

ORD NO.	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2024	AUTHORIZATIONS	REAPPROPRIATIONS	BALANCE DECEMBER 31, 2025
09-28	Improvements and Upgrades to the Township's Waste Water Treatment Plant	06/16/09	$ 33,200,000.00	$ 27,188,210.00			$ 27,188,210.00
12-26	Various Sewer Utility Improvements	06/19/12	6,635,000.00	4,636,547.50			4,636,547.50
13-24	Various Sewer Utility Improvements	09/18/13	4,400,000.00	2,401,589.50			2,401,589.50
14-24	Various Sewer Utility Improvements	08/21/14	3,152,653.00	1,884,676.14		$ (5,669.13)	1,879,007.01
15-23	Various Sewer Utility Improvements	09/15/15	580,000.00	580,000.00		(4,228.24)	575,771.76
16-17	Various Sewer Utility Improvements	07/19/16	1,087,000.00	1,087,000.00			1,087,000.00
16-27	Troy Meadows Interceptor Repairs	11/22/16	1,500,000.00	1,500,000.00			1,500,000.00
18-04	Upgrade and Replacement of Generators	04/17/18	4,000,000.00	4,000,000.00			4,000,000.00
18-20	Acquisition of a Sewer Jet Vacuum Truck	09/11/18	500,000.00	500,000.00			500,000.00
18-21	Acquisition of Vehicles and Replacement Water Meters	09/11/18	515,000.00	515,000.00			515,000.00
19-14	Various Sewer Utility Improvements	05/14/19	5,250,000.00	5,250,000.00			5,250,000.00
20-20	Various Sewer Utility Improvements	07/21/20	6,415,000.00	6,415,000.00		(9,517.33)	6,405,482.67
20-21	Pump Station 4 Redirection Tunnel Program	07/21/20	8,000,000.00	8,000,000.00			8,000,000.00
21-22	Various Sewer Utility Improvements	09/21/21	5,734,000.00	5,734,000.00			5,734,000.00
22-12	Various Sewer Utility Improvements	05/17/22	1,980,000.00	1,980,000.00			1,980,000.00
22-29	Various Sewer Utility Improvements	10/18/22	5,940,000.00	5,940,000.00			5,940,000.00
23-17	Various Sewer Utility Improvements	09/19/23	6,400,000.00	6,400,000.00			6,400,000.00
23-19/24-17	Lake Hiawatha Pump Station	09/24/24	1,700,000.00	1,700,000.00	$ 800,000.00		2,500,000.00
24-15	Various Sewer Utility Improvements	09/24/24	5,726,000.00	5,726,000.00			5,726,000.00
24-16	Wastewater Treatment Plant	09/24/24	9,500,000.00	9,500,000.00			9,500,000.00
25-21	Various Sewer Acquisitions and Improvements	10/21/25	6,815,000.00		6,795,585.30	19,414.70	6,815,000.00
				$ 100,938,023.14	$ 7,595,585.30	$ -	$ 108,533,608.44
			Ref.	D	E-10	E-10	D

See Independent Auditors' Report

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

SEWER UTILITY OPERATING FUND
SCHEDULE OF 2024 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2025

	BALANCE DECEMBER 31, 2024	RESERVE FOR ENCUMBRANCES DECEMBER 31, 2024	AMOUNT AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
Operating:					
Salaries and Wages	$ 697,121.40		$ 697,121.40		$ 697,121.40
Other Expenses	1,223,863.77	$ 302,167.34	1,526,031.11	$ 629,488.47	896,542.64
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)	140,143.79		140,143.79		140,143.79
	$ 2,061,128.96	$ 302,167.34	$ 2,363,296.30	$ 629,488.47	$ 1,733,807.83
Ref.	E	E		E-4	E-1

See Independent Auditors' Report

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2025

ORD. NO.	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2024 FUNDED	BALANCE DECEMBER 31, 2024 UNFUNDED	AUTHORIZATIONS	REAPPROPRIATION OF BOND & NOTE PROCEEDS	PAID OR CHARGED	BALANCE DECEMBER 31, 2025 FUNDED	BALANCE DECEMBER 31, 2025 UNFUNDED
09-28	Improvements and Upgrades to the Township's Waste Water Treatment Plant	06/16/09	$ 33,200,000.00	$ 108,001.41	$ 699.00			$ 74,518.06	$ 33,483.35	$ 699.00
12-26	Various Sewer Utility Improvements	06/19/12	6,635,000.00	825,440.39				37,140.43	788,299.96	
13-24	Various Sewer Utility Improvements	09/18/13	4,400,000.00	72,426.67				15,084.88	57,341.79	
14-24	Various Sewer Utility Improvements	08/21/14	3,152,653.00	22,045.50			$ (5,669.13)	7,692.75	8,683.62	
15-23	Various Sewer Utility Improvements	09/15/15	580,000.00	32,043.26			(4,228.24)		27,815.02	
16-17	Various Sewer Utility Improvements	07/19/16	1,087,000.00	51,220.45				45,404.84	5,815.61	
16-27	Troy Meadows Interceptor Repairs	11/22/16	1,500,000.00	1,059,569.85					1,059,569.85	
18-04	Upgrade and Replacement of Generators	04/17/18	4,000,000.00	744,019.45				16,509.82	727,509.63	
18-20	Acquisition of a Sewer Jet Vacuum Truck	09/11/18	500,000.00	19,245.72				16,900.00	2,345.72	
18-21	Acquisition of Vehicles and Replacement Water Meters	09/11/18	515,000.00	149.52				149.00	0.52	
19-14	Various Sewer Utility Improvements	05/14/19	5,250,000.00	3,012,123.28				185,475.20	2,826,648.08	
20-20	Various Sewer Utility Improvements	07/21/20	6,415,000.00	2,360,423.14			(9,517.33)	754,752.44	1,596,153.37	
20-21	Pump Station 4 Redirection Tunnel Programs	07/21/20	8,000,000.00		6,104.42					6,104.42
21-22	Various Sewer Utility Improvements	09/21/21	5,734,000.00	3,093,087.17	734,000.00			83,212.93	3,009,874.24	734,000.00
22-12	Various Sewer Utility Improvements	05/17/22	1,980,000.00		1,417,843.25			110,794.19		1,307,049.06
22-29	Various Sewer Utility Improvements	10/18/22	5,940,000.00		4,442,739.25			305,800.50		4,136,938.75
23-17	Various Sewer Utility Improvements	09/19/23	6,400,000.00		6,396,572.09			840,479.96		5,556,092.13
23-19/24-17	Lake Hiawatha Pump Station	09/24/24	1,700,000.00		1,700,000.00	$ 800,000.00		100.00		2,499,900.00
24-15	Various Sewer Utility Improvements	09/24/24	5,726,000.00		5,683,553.29			202,537.05		5,481,016.24
24-16	Wastewater Treatment Plant	09/24/24	9,500,000.00		9,500,000.00					9,500,000.00
25-21	Various Sewer Acquisitions and Improvements	10/21/25	6,815,000.00			6,795,585.30	19,414.70	1,863.11	17,551.59	6,795,585.30
				$ 11,399,795.81	$ 29,881,511.30	$ 7,595,585.30	$ -	$ 2,698,415.16	$ 10,161,092.35	$ 36,017,384.90
			Ref.	E	E	E-8, E-22		E-4	E	E

See Independent Auditors' Report

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2025

	REF.	
Balance - December 31, 2025 and 2024	E	$ 466,000.00

See Independent Auditors' Report

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2025

	Ref.		
Balance - December 31, 2024	E		$ 147,027,908.45
Increased by:			
Serial Bonds Principal Paid	E-14	$ 1,665,000.00	
NJ Environmental Infrastructure Trust Loan #1	E-15	9,296.61	
NJ Environmental Infrastructure Trust Loan #2	E-15A	1,081,281.85	
NJ Infrastructure Bank Loan	E-15B	145,179.00	
			2,900,757.46
Balance - December 31, 2025	E		$ 149,928,665.91

See Independent Auditors' Report

Exhibit - E-12A

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

SEWER UTILITY OPERATING FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2025

ORD. NO.	IMPROVEMENT DESCRIPTION	DATE OF ORDINANCE	BALANCE DECEMBER 31, 2024	BALANCE DECEMBER 31, 2025
09-28	Improvements and Upgrades to the Township's Waste Water Treatment Plant	06/16/09	$ 19,550,753.47	$ 19,550,753.47
12-26	Various Sewer Utility Improvements	06/19/12	840,785.50	840,785.50
13-24	Various Sewer Utility Improvements	09/18/13	1,121,237.50	1,121,237.50
14-24	Various Sewer Utility Improvements	08/21/14	1,884,676.14	1,884,676.14
15-23	Various Sewer Utility Improvements	09/15/15	580,000.00	580,000.00
16-17	Various Sewer Utility Improvements	07/19/16	1,087,000.00	1,087,000.00
16-27	Troy Meadows Interceptor Repairs	11/22/16	1,500,000.00	1,500,000.00
18-21	Acquisition of Vehicles and Replacement Water Meters	09/11/18	515,000.00	515,000.00
20-21	Pump Station 4 Redirection Tunnel Programs	07/21/20	2,066,786.00	2,066,786.00
			$ 29,146,238.61	$ 29,146,238.61
		Ref.	E	E

See Independent Auditors' Report

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2025

ORD. NUMBER	Description	ORIGINAL ISSUE DATE	ORIGINAL ISSUE AMOUNT	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2024	INCREASED	DECREASED	BALANCE DECEMBER 31, 2025
17-12	Various Sewer Improvements	11/01/23	$ 36,000.00	10/30/24	10/29/25	4.000%	$ 36,000.00		$ 36,000.00	
17-12	Various Sewer Improvements	11/01/23	36,000.00	10/28/25	10/27/26	4.000%		$ 36,000.00		$ 36,000.00
22-12	Various Sewer Improvements	11/01/23	1,980,000.00	10/30/24	10/29/25	4.000%	1,980,000.00		1,980,000.00	
22-12	Various Sewer Improvements	11/01/23	1,980,000.00	10/28/25	10/27/26	4.000%		1,980,000.00		1,980,000.00
22-29	Various Sewer Improvements	11/01/23	5,940,000.00	10/30/24	10/29/25	4.000%	5,940,000.00		5,940,000.00	
22-29	Various Sewer Improvements	11/01/23	5,940,000.00	10/28/25	10/27/26	4.000%		5,940,000.00		5,940,000.00
23-17	Various Sewer Improvements	10/30/24	6,000,000.00	10/30/24	10/29/25	4.000%	6,000,000.00		6,000,000.00	
23-17	Various Sewer Improvements	10/30/24	6,000,000.00	10/28/25	10/27/26	4.000%		6,000,000.00		6,000,000.00
24-15	Various Sewer Improvements	10/28/25	3,000,000.00	10/28/25	10/27/26	4.000%		3,000,000.00		3,000,000.00
	Total Bond Anticipation Notes						$ 13,956,000.00	$ 16,956,000.00	$ 13,956,000.00	$ 16,956,000.00
						Ref.	E	E-4	E-4	E
					Renewals	E-4		$ 13,956,000.00	$ 13,956,000.00	
					Notes Issued for Cash	E-4, E-22		3,000,000.00		
						Above		$ 16,956,000.00	$ 13,956,000.00	

See Independent Auditors' Report

Exhibit E-14

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS
YEAR ENDED DECEMBER 31, 2025

DESCRIPTION	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2025 DATE	AMOUNT	INTEREST RATE	BALANCE DECEMBER 31, 2024	DECREASED	BALANCE DECEMBER 31, 2025
Sewer Improvements	9/7/2017	$ 7,197,000.00	9/15/2026	$ 650,000.00	3.000%			
			9/15/2027	650,000.00	3.000%			
			9/15/2028	660,000.00	3.000%			
			9/15/2029	675,000.00	3.000%			
			9/15/2030	690,000.00	2.500%	$ 3,975,000.00	$ 650,000.00	$ 3,325,000.00
Sewer Improvements	11/14/2019	9,570,000.00	5/1/2026	420,000.00	4.000%			
			5/1/2027	430,000.00	4.000%			
			5/1/2028	435,000.00	4.000%			
			5/1/2029	450,000.00	2.250%			
			5/1/2030	450,000.00	2.250%			
			5/1/2031	600,000.00	2.250%			
			5/1/2032	600,000.00	2.250%			
			5/1/2033	600,000.00	2.250%			
			5/1/2034	575,000.00	2.250%			
			5/1/2035	550,000.00	2.250%			
			5/1/2036	550,000.00	2.250%			
			5/1/2037	550,000.00	3.000%			
			5/1/2038	550,000.00	3.000%			
			5/1/2039	550,000.00	3.000%	7,720,000.00	410,000.00	7,310,000.00
Sewer Improvements	11/1/2023	16,286,000.00	11/1/2026	630,000.00	5.000%			
			11/1/2027	650,000.00	5.000%			
			11/1/2028	665,000.00	5.000%			
			11/1/2029	685,000.00	5.000%			
			11/1/2030	900,000.00	5.000%			
			11/1/2031	900,000.00	5.000%			
			11/1/2032	900,000.00	5.000%			
			11/1/2033	900,000.00	4.000%			
			11/1/2034	900,000.00	4.000%			
			11/1/2035	900,000.00	4.000%			
			11/1/2036	900,000.00	4.000%			
			11/1/2037	900,000.00	4.000%			
			11/1/2038	900,000.00	4.000%			
			11/1/2039	900,000.00	4.000%			
			11/1/2040	900,000.00	4.000%			
			11/1/2041	900,000.00	4.000%			
			11/1/2042	900,000.00	4.000%			
			11/1/2043	900,000.00	4.000%	15,835,000.00	605,000.00	15,230,000.00
						$ 27,530,000.00	$ 1,665,000.00	$ 25,865,000.00
					Ref.	E	E-12	E

See Independent Auditors' Report

Exhibit - E-15

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS PAYABLE #1
YEAR ENDED DECEMBER 31, 2025

	REF.	
Balance - December 31, 2024	E	$ 47,571.72
Decreased by:		
Payment of Principal	E-12	9,296.61
Balance - December 31, 2025	E	$ 38,275.11

Schedule of Principal and Interest Payments Outstanding December 31, 2025
February 2010 Issue

Due Date	Trust Loan Interest	Trust Loan Principal	Fund Loan Principal	Balance of Loans
				$ 38,275.11
2/1/2026	$ 238.77		$ 2,201.28	36,073.83
8/1/2026	238.77	$ 2,794.82	4,402.57	28,876.44
2/1/2027	184.42		2,201.28	26,675.16
8/1/2027	184.42	2,903.54	4,402.57	19,369.05
2/1/2028	126.63		2,201.28	17,167.77
8/1/2028	126.63	3,019.10	4,402.57	9,746.10
2/1/2029	65.20		2,201.28	7,544.82
8/1/2029	65.20	3,141.97	4,402.85	
	$ 1,230.04	$ 11,859.43	$ 26,415.68	

Exhibit - E-15A

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS PAYABLE #2
YEAR ENDED DECEMBER 31, 2025

	REF.	
Balance - December 31, 2024	E	$ 5,167,757.53
Decreased by:		
Payment of Principal	E-12	1,081,281.85
Balance - December 31, 2025	E	$ 4,086,475.68

Schedule of Principal and Interest Payments Outstanding December 31, 2025
March 2010 Issue

	Trust Loan		Fund Loan	Balance of
Due Date	Interest	Principal	Principal	Loans
				$ 4,086,475.68
2/1/2026	$ 32,800.00		$ 237,427.28	3,849,048.40
8/1/2026	32,800.00	$ 388,000.00	474,854.57	2,986,193.83
2/1/2027	25,040.00		237,427.28	2,748,766.55
8/1/2027	25,040.00	400,000.00	474,854.57	1,873,911.98
2/1/2028	17,040.00		237,427.28	1,636,484.70
8/1/2028	17,040.00	419,000.00	474,854.57	742,630.13
2/1/2029	8,660.00		237,427.28	505,202.85
8/1/2029	8,660.00	433,000.00	72,202.85	
	$ 167,080.00	$ 1,640,000.00	$ 2,446,475.68	

Exhibit - E-15B

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF NJ INFRASTRUCTURE BANK LOAN PAYABLE
YEAR ENDED DECEMBER 31, 2025

	REF.		
Balance - December 31, 2024	E	$	5,440,782.00
Decreased by:			
Payment of Principal	E-12		145,179.00
Balance - December 31, 2025	E	$	5,295,603.00

Schedule of Principal and Interest Payments Outstanding December 31, 2025
December 2023 Issue

Due Date	I-Bank Loan Interest	I-Bank Loan Principal	Fund Loan Principal	Balance of Loans
				$ 5,295,603.00
2/1/2026	$ 43,642.45		$ 33,393.00	5,262,210.00
8/1/2026	43,642.45	$ 50,000.00	66,786.00	5,145,424.00
2/1/2027	42,392.45		33,393.00	5,112,031.00
8/1/2027	42,392.45	50,000.00	66,786.00	4,995,245.00
2/1/2028	41,142.45		33,393.00	4,961,852.00
8/1/2028	41,142.45	50,000.00	66,786.00	4,845,066.00
2/1/2029	39,892.45		33,393.00	4,811,673.00
8/1/2029	39,892.45	55,000.00	66,786.00	4,689,887.00
2/1/2030	38,517.45		33,393.00	4,656,494.00
8/1/2030	38,517.45	55,000.00	66,786.00	4,534,708.00
2/1/2031	37,142.45		33,393.00	4,501,315.00
8/1/2031	37,142.45	65,000.00	66,786.00	4,369,529.00
2/1/2032	35,517.45		33,393.00	4,336,136.00
8/1/2032	35,517.45	65,000.00	66,786.00	4,204,350.00
2/1/2033	33,892.45		33,393.00	4,170,957.00
8/1/2033	33,892.45	65,000.00	66,786.00	4,039,171.00
2/1/2034	32,267.45		33,393.00	4,005,778.00
8/1/2034	32,267.45	70,000.00	66,786.00	3,868,992.00
2/1/2035	30,517.45		33,393.00	3,835,599.00
8/1/2035	30,517.45	75,000.00	66,786.00	3,693,813.00
2/1/2036	28,642.45		33,393.00	3,660,420.00
8/1/2036	28,642.45	82,410.00	66,786.00	3,511,224.00
2/1/2037	27,393.94		33,393.00	3,477,831.00
8/1/2037	27,393.94	82,407.00	66,786.00	3,328,638.00
2/1/2038	26,145.48		33,393.00	3,295,245.00
8/1/2038	26,145.48	87,404.00	66,786.00	3,141,055.00
2/1/2039	24,821.31		33,393.00	3,107,662.00
8/1/2039	24,821.31	87,303.00	66,786.00	2,953,573.00
2/1/2040	23,498.67		33,393.00	2,920,180.00
8/1/2040	23,498.67	92,198.00	66,786.00	2,761,196.00
2/1/2041	22,101.87		33,393.00	2,727,803.00
8/1/2041	22,101.87	91,991.00	66,786.00	2,569,026.00
2/1/2042	20,708.20		33,393.00	2,535,633.00
8/1/2042	20,708.20	96,779.00	66,786.00	2,372,068.00
2/1/2043	19,242.00		33,393.00	2,338,675.00
8/1/2043	19,242.00	101,461.00	66,786.00	2,170,428.00
2/1/2044	17,704.87		33,393.00	2,137,035.00
8/1/2044	17,704.87	101,035.00	66,786.00	1,969,214.00
2/1/2045	16,174.19		33,393.00	1,935,821.00
8/1/2045	16,174.19	105,597.00	66,786.00	1,763,438.00
2/1/2046	14,574.39		33,393.00	1,730,045.00
8/1/2046	14,574.39	110,046.00	66,786.00	1,553,213.00
2/1/2047	12,907.19		33,393.00	1,519,820.00
8/1/2047	12,907.19	109,381.00	66,786.00	1,343,653.00
2/1/2048	11,250.07		33,393.00	1,310,260.00
8/1/2048	11,250.07	113,695.00	66,786.00	1,129,779.00
2/1/2049	9,527.59		33,393.00	1,096,386.00
8/1/2049	9,527.59	117,890.00	66,786.00	911,710.00
2/1/2050	7,741.56		33,393.00	878,317.00
8/1/2050	7,741.56	121,962.00	66,786.00	689,569.00
2/1/2051	5,893.83		33,393.00	656,176.00
8/1/2051	5,893.83	125,907.00	66,786.00	463,483.00
2/1/2052	3,986.34		33,393.00	430,090.00
8/1/2052	3,986.34	129,722.00	66,786.00	233,582.00
2/1/2053	2,021.06		33,393.00	200,189.00
8/1/2053	2,021.06	133,403.00	66,786.00	
	$ 1,338,519.02	$ 2,490,591.00	$ 2,805,012.00	

Exhibit - E-16

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

SEWER UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES
YEAR ENDED DECEMBER 31, 2025

	Ref.	
Balance - December 31, 2024	E	$ 350,798.53
Increased by:		
Budget Appropriation	E-3	1,727,546.00
		2,078,344.53
Decreased by:		
Paid	E-4	1,725,034.98
Balance - December 31, 2025	E	$ 353,309.55

Analysis of Balance:

Year	Principal Outstanding December 31, 2024	Interest Rate	Period	Amount
Serial Bonds:				
2017	$ 3,325,000.00	2.50-3.00%	3.5 months	$ 28,087.50
2019	7,310,000.00	2.25-4.00%	2 months	34,420.83
2023	15,230,000.00	4.00-5.00%	2 months	110,416.67
New Jersey Environmental Infrastructure Trust Loans:				
2010	$ 38,275.11	3.89-4.15%	5 months	198.98
2010	4,086,475.68	3.50-4.00%	5 months	27,333.33
2023	5,295,603.00	3.03-5.00%	5 months	36,368.71
Bond Anticipation Notes:				
2025	$ 16,956,000.00	4.00%	62 days	116,483.53
				$ 353,309.55

See Independent Auditors' Report

Exhibit - E-17

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

SEWER UTILITY OPERATING FUND
SCHEDULE OF ACCOUNTS PAYABLE
YEAR ENDED DECEMBER 31, 2025

	REF.	
Balance - December 31, 2025 and 2024	E	$ 908.50

Exhibit - E-18

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

SEWER UTILITY OPERATING FUND
SCHEDULE OF SEWER RENT OVERPAYMENTS
YEAR ENDED DECEMBER 31, 2025

	REF.		
Balance - December 31, 2024	E	$	88,230.88
Increased by:			
Cash Receipts	E-4		128,991.19
			217,222.07
Decreased by:			
Overpayments Applied	E-2,E-6		77,877.74
Balance - December 31, 2025	E	$	139,344.33

Exhibit - E-19

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

SEWER UTILITY OPERATING FUND
SCHEDULE OF PREPAID SEWER RENTS
YEAR ENDED DECEMBER 31, 2025

	REF.	
Balance - December 31, 2024	E	$ 9,645.09
Increased by:		
Cash Receipts	E-4	67,906.69
		77,551.78
Decreased by:		
Prepaids Applied	E-2,E-6	9,645.09
Balance - December 31, 2025	E	$ 67,906.69

Exhibit - E-20

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR PAYMENT OF DEBT SERVICE
YEAR ENDED DECEMBER 31, 2025

	Ref.		
Balance - December 31, 2024	E		$ 461,918.93
Increased by:			
Premium on Sale of Bond Anticipation Notes	E-4	$ 245,692.44	
EPA Grant Payment Request	E-4	597,615.00	
			843,307.44
Decreased by:			
Water Operating Fund Budget Revenue	E-2,E-4		260,000.00
Balance - December 31, 2025	E		$ 1,045,226.37

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

SEWER UTILITY FUND
SCHEDULE OF INTERFUNDS
YEAR ENDED DECEMBER 31, 2025

Operating Fund:	Ref.		Total		Sewer Capital Fund		Self Insurance Trust Fund
Balance - December 31, 2024	E	$	3,427.91	$	3,427.91	$	
Decreased by:							
Cash Receipts	E-4		3,427.91		3,427.91		
Self-Insurance Expenses	E-3		4,121.30				4,121.30
Balance - December 31, 2025 (Due From)	E	$	4,121.30	$	-	$	4,121.30

Capital Fund:	Ref.		Total		Sewer Operating Fund
Balance - December 31, 2024	E	$	(3,427.91)	$	(3,427.91)
Increased by:					
Cash Disbursements	E-4		3,427.91		3,427.91
Balance - December 31, 2025 (Due To)	E	$	-	$	-

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2025

ORD. NO.	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2024	AUTHORIZATIONS	ISSUED	BALANCE DECEMBER 31, 2025
09-28	Improvements and Upgrades to the Township's Waste Water Treatment Plant	06/16/09	$ 33,200,000.00	$ 699.00			$ 699.00
10-15	Various Sewer Utility Improvements	07/20/10	1,828,750.00	548.81			548.81
17-12	Various Sewer Utility Improvements	03/07/17	2,475,000.00	298.35			298.35
20-21	Pump Station 4 Redirection Tunnel Programs	07/21/20	8,000,000.00	492,432.00			492,432.00
21-22	Various Sewer Utility Improvements	09/21/21	5,734,000.00	734,000.00			734,000.00
23-17	Various Sewer Utility Improvements	09/19/23	6,400,000.00	400,000.00			400,000.00
23-19/24-17	Lake Hiawatha Pump Station	09/24/24	1,700,000.00	1,700,000.00	$ 800,000.00		2,500,000.00
24-15	Various Sewer Utility Improvements	09/24/24	5,726,000.00	5,726,000.00		$ 3,000,000.00	2,726,000.00
24-16	Wastewater Treatment Plant	09/24/24	9,500,000.00	9,500,000.00			9,500,000.00
25-21	Various Sewer Acquisitions and Improvements	10/21/25	6,795,585.30		6,795,585.30		6,795,585.30
				$ 18,553,978.16	$ 7,595,585.30	$ 3,000,000.00	$ 23,149,563.46
			Ref.	E	E-10	E-13	E

See Independent Auditors' Report

GOLF AND RECREATION UTILITY FUND

Exhibit F-4

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

GOLF AND RECREATION UTILITY FUND
SCHEDULE OF CASH
YEAR ENDED DECEMBER 31, 2025

	Ref.	OPERATING FUND		CAPITAL FUND	
Balance, December 31, 2024	F		$ 2,073,759.77		$ 742,311.36
Increased by Receipts:					
Collections - Golf Fees	F-2	$ 4,460,126.10			
Collections - Concession Fees	F-2	336,337.98			
Collections - Merchandise Sales	F-2	163,836.26			
Interest on Investments	F-2	115,900.58			
Golf and Recreation Utility Capital Fund Balance	F-2	15,000.00			
Reserve for Payment of Debt Service	F-2	300,000.00			
Miscellaneous Revenue Not Anticipated	F-2	104,181.82			
Bond Anticipation Notes Issued	F-13			1,694,000.00	
Sales Tax Collected	F-16	55,263.99			
Golf Pro Fees Collected	F-17	28,487.50			
Premium Received- Reserve for Payment of Debt Service	F-18			24,546.06	
Interfunds Receivable/Payable	F-19	6,758.95			
			5,585,893.18		1,718,546.06
			7,659,652.95		2,460,857.42
Decreased by Disbursements:					
2025 Budget Appropriations	F-3	4,873,089.68			
2024 Appropriation Reserves	F-9	210,988.36			
Accrued Interest Payable	F-15	136,235.59			
Bond Anticipation Notes Redeemed	F-13			1,000,000.00	
Improvement Authorizations	F-10			567,292.83	
Sales Tax Disbursed	F-16	48,533.79			
Golf Pro Fees Disbursed	F-17	26,414.83			
Reserve for Payment of Debt Service	F-18			300,000.00	
Capital Fund Balance Appropriated to Budget Revenue	F-1A			15,000.00	
Interfunds Returned	F-19			6,758.95	
			5,295,262.25		1,889,051.78
Balance, December 31, 2025	F		$ 2,364,390.70		$ 571,805.64

See Independent Auditors' Report

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

GOLF AND RECREATION UTILITY CAPITAL FUND
SCHEDULE OF ANALYSIS OF CASH
YEAR ENDED DECEMBER 31, 2025

	BALANCE DECEMBER 31, 2025	BALANCE DECEMBER 31, 2024
Improvement Authorizations Funded	$ 25,325.95	$ 25,325.95
Improvement Authorizations Unfunded	663,253.50	808,872.28
Bonds and Notes Authorized But Not Issued	(422,384.05)	(694,710.00)
Capital Improvement Fund	151,303.05	151,303.05
Reserve for Payment of Debt Service	150,595.38	426,049.32
Due to Golf and Recreation Operating		6,758.95
Fund Balance	3,711.81	18,711.81
	$ 571,805.64	$ 742,311.36
Ref.	F	F

See Independent Auditors' Report

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

GOLF AND RECREATION UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2025

	Ref.		
Balance, December 31, 2024	F	$	22,252.03
Increased by:			
Membership and Other Fees and Rentals	Reserve		4,460,126.10
			4,482,378.13
Decreased by:			
Collections:			
Golf and Recreation Collections	F-2		4,460,126.10
Balance, December 31, 2025	F	$	22,252.03

Exhibit F-6A

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

GOLF AND RECREATION UTILITY OPERATING FUND
SCHEDULE OF INVENTORY
YEAR ENDED DECEMBER 31, 2025

Balance, December 31, 2024	F	$	226,723.07
Increased by:			
Net Inventory Increase	Reserve		54,086.21
Balance, December 31, 2025	F	$	280,809.28

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

GOLF AND RECREATION UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
YEAR ENDED DECEMBER 31, 2025

IMPROVEMENT DESCRIPTION		BALANCE DECEMBER 31, 2024	TRANSFERRED FROM FIXED CAPITAL AUTHORIZED AND UNCOMPLETED	BALANCE DECEMBER 31, 2025
Building Renovations		$ 687,336.18		$ 687,336.18
Improvement of the Property of the Parsippany-Troy Hills Golf and Recreation Utility		1,512,536.41		1,512,536.41
Improvement of the Knoll Country Club		2,154,800.00		2,154,800.00
Various Capital Improvements		4,230,022.59		4,230,022.59
Reconstruction of the Knoll Country Club West		2,713,148.50		2,713,148.50
Construction of the West Tee House		210,000.00		210,000.00
Acquisition of Furniture and Equipment		152,638.16		152,638.16
Acquisition of Vehicles		95,450.00		95,450.00
Acquisition of Equipment		1,241,867.00		1,241,867.00
Acquisition of Various Vehicles and Equipment		655,936.70		655,936.70
Supplemental Appropriation for the Construction of the Tee House		26,500.00		26,500.00
Acquisition of Property Known as Knoll Country Club		5,000,000.00		5,000,000.00
Reconstruction of the West Course Main Building		7,150,000.00		7,150,000.00
Installation of Sewer Lines to all Knoll Buildings		401,000.00		401,000.00
Golf Course and Recreation Facility Improvements		7,899,136.96		7,899,136.96
Issuance Cost		186,451.50		186,451.50
Acquisition of Vehicles and Equipment			$ 116,519.58	116,519.58
Golf Course and Recreation Utility Improvements			520,700.00	520,700.00
		$ 34,316,824.00	$ 637,219.58	$ 34,954,043.58
	Ref.	F	F-8	F

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

GOLF AND RECREATION UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
YEAR ENDED DECEMBER 31, 2025

ORD NO.	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2024	AUTHORIZATIONS	TRANSFERRED TO FIXED CAPITAL	BALANCE DECEMBER 31, 2025
16-19	Golf Course and Recreation Utility Improvements	07/19/16	$ 119,177.00	$ 116,519.58		$ 116,519.58	
21-19	Golf Course and Recreation Utility Improvements	09/07/21	520,700.00	520,700.00		520,700.00	
22-28	Various Improvements and Equipment	10/18/22	1,117,000.00	1,117,000.00			$ 1,117,000.00
23-15	Various Equipment Purchases	09/19/23	216,000.00	216,000.00			216,000.00
24-12	Various Improvements and Equipment	08/20/24	372,000.00	372,000.00			372,000.00
25-22	Various Acquisitions and Improvements	10/21/25	447,000.00		$ 421,674.05		421,674.05
				$ 2,342,219.58	$ 421,674.05	$ 637,219.58	$ 2,126,674.05
			Ref.	F	F-10	F-7	F

See Independent Auditors' Report

Exhibit F-9

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

GOLF AND RECREATION UTILITY OPERATING FUND
SCHEDULE OF 2024 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2025

	BALANCE DECEMBER 31, 2024	RESERVE FOR ENCUMBRANCES DECEMBER 31, 2024	AMOUNT AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
Operating:					
Salaries and Wages	$ 375,616.64	$ 94,189.09	$ 469,805.73		$ 469,805.73
Other Expenses	292,733.73		292,733.73	$ 210,687.02	82,046.71
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)	15,967.18		15,967.18	301.34	15,665.84
	$ 684,317.55	$ 94,189.09	$ 778,506.64	$ 210,988.36	$ 567,518.28
Ref.	F	F		F-4	F-1

See Independent Auditors' Report

Exhibit - F-10

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

GOLF AND RECREATION UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2025

ORD. NO.	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2024 FUNDED	BALANCE DECEMBER 31, 2024 UNFUNDED	AUTHORIZATIONS	REAPPROPRIATIONS	PAID OR CHARGED	BALANCE DECEMBER 31, 2025 FUNDED	BALANCE DECEMBER 31, 2025 UNFUNDED
16-19	Golf Course and Recreation Utility Improvements	07/19/16	$ 119,177.00	$ 12,000.00			$ (12,000.00)			
21-19	Golf Course and Recreation Utility Improvements	09/07/21	520,700.00	13,325.95			(13,325.95)			
22-28	Various Improvements and Equipment	10/18/22	1,117,000.00		$ 448,202.01			$ 399,101.60		$ 49,100.41
23-15	Various Equipment Purchases	09/19/23	216,000.00		42,632.52			10,264.25		32,368.27
24-12	Various Improvements and Equipment	08/20/24	372,000.00		318,037.75			157,926.98		160,110.77
25-22	Various Acquisitions and Improvements	10/21/25	447,000.00			$ 421,674.05	25,325.95		$ 25,325.95	421,674.05
				$ 25,325.95	$ 808,872.28	$ 421,674.05	$ -	$ 567,292.83	$ 25,325.95	$ 663,253.50
			Ref.	F	F	F-8, F-20		F-4	F	F

See Independent Auditors' Report

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

GOLF AND RECREATION UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2025

	REF.	
Balance - December 31, 2025 and 2024	F	$ 151,303.05

See Independent Auditors' Report

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

GOLF AND RECREATION UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2025

	Ref.		
Balance - December 31, 2024	F		$ 29,922,384.58
Increased by:			
Transfer from Deferred Reserve for Amortization	F-12A	$ 526,659.00	
Golf and Recreation Operating Budget:			
Serial Bonds	F-14	590,000.00	
Open Space Trust Budget:			
Serial Bonds	F-14	150,000.00	
			1,266,659.00
Balance - December 31, 2025	F		$ 31,189,043.58

See Independent Auditors' Report

Exhibit - F-12A

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

GOLF AND RECREATION UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2025

Ord. No.	Improvement Description	Date of Ordinance	BALANCE DECEMBER 31, 2024	TRANSFERS TO RESERVE FOR AMORTIZATION	BALANCE DECEMBER 31, 2025
16-19	Golf Course and Recreation Utility Improvements	07/19/16	$ 5,959.00	$ 5,959.00	
21-19	Golf Course and Recreation Utility Improvements	09/07/21	520,700.00	520,700.00	
23-15	Various Equipment Purchases	09/19/23	10,290.00		$ 10,290.00
			$ 536,949.00	$ 526,659.00	$ 10,290.00
		Ref.	F	F-12	F

See Independent Auditors' Report

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

GOLF AND RECREATION UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2025

ORD. NUMBER	PURPOSE	ORIGINAL ISSUE DATE	ORIGINAL ISSUE AMOUNT	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2024	INCREASED	DECREASED	BALANCE DECEMBER 31, 2025
22-28	Various Improvements and Equipment	10/30/24	$ 1,117,000.00	10/30/24	10/29/25	4.000%	$ 1,000,000.00		$ 1,000,000.00	
22-28	Various Improvements and Equipment	10/28/25	1,117,000.00	10/28/25	10/27/26	4.000%		$ 1,117,000.00		$ 1,117,000.00
23-15	Various Improvements and Equipment	10/28/25	205,000.00	10/28/25	10/27/26	4.000%		205,000.00		205,000.00
24-12	Various Improvements and Equipment	10/28/25	372,000.00	10/28/25	10/27/26	4.000%		372,000.00		372,000.00
	Total Bond Anticipation Notes						$ 1,000,000.00	$ 1,694,000.00	$ 1,000,000.00	$ 1,694,000.00
						Ref.	F	Below	Below	F
					Renewals	F-4		$ 1,000,000.00	$ 1,000,000.00	
					Notes Issued for Cash	F-4, F-20		694,000.00		
						Above		$ 1,694,000.00	$ 1,000,000.00	

Exhibit F-14

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

GOLF AND RECREATION UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS
YEAR ENDED DECEMBER 31, 2025

DESCRIPTION	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2025 DATE	AMOUNT	INTEREST RATE	BALANCE DECEMBER 31, 2024	DECREASED	BALANCE DECEMBER 31, 2025
General Improvements	9/7/2017	$ 6,683,000.00	9/15/2026	$ 550,000.00	3.000%			
			9/15/2027	550,000.00	3.000%			
			9/15/2028	550,000.00	3.000%			
			9/15/2029	550,000.00	3.000%			
			9/15/2030	550,000.00	2.500%	$ 3,350,000.00	$ 600,000.00	$ 2,750,000.00
General Improvements	11/12/2020	1,645,000.00	6/1/2026	145,000.00	3.000%			
			6/1/2027	145,000.00	3.000%			
			6/1/2028	145,000.00	2.000%			
			6/1/2029	145,000.00	2.000%			
			6/1/2030	145,000.00	2.000%			
			6/1/2031	145,000.00	2.000%			
			6/1/2032	145,000.00	2.000%	1,155,000.00	140,000.00	1,015,000.00
						$ 4,505,000.00	$ 740,000.00	$ 3,765,000.00
					Ref.	F	Below	F
				Paid by Operating Budget	F-12		$ 590,000.00	
				Paid by Open Space Trust Fund	F-12		150,000.00	
					Above		$ 740,000.00	

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

GOLF AND RECREATION UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES
YEAR ENDED DECEMBER 31, 2025

	Ref.		
Balance - December 31, 2024	F	$	36,677.70
Increased by:			
Budget Appropriation	F-3		136,389.00
			173,066.70
Decreased by:			
Paid	F-4		136,235.59
Balance - December 31, 2025	F	$	36,831.11

Analysis of Balance:

Year		Principal Outstanding December 31, 2025	Interest Rate	Period		Amount
Serial Bonds:						
2017	$	2,750,000.00	2.50-3.00%	3.5 months	$	23,260.42
2020		1,015,000.00	2.00-3.00%	1 month		1,933.33
Bond Anticipation Notes:						
2025	$	1,694,000.00	4.00%	62 days		11,637.36
					$	36,831.11

See Independent Auditors' Report

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

GOLF AND RECREATION OPERATING FUND
SCHEDULE OF SALES TAX PAYABLE
YEAR ENDED DECEMBER 31, 2025

	REF.		
Balance - December 31, 2024	F	$	2,487.26
Increased by:			
Cash Receipts	F-4		55,263.99
			57,751.25
Decreased by:			
Cash Disbursements	F-4		48,533.79
Balance - December 31, 2025	F	$	9,217.46

Exhibit - F-17

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

GOLF AND RECREATION UTILITY OPERATING FUND
SCHEDULE OF DUE TO GOLF PRO
YEAR ENDED DECEMBER 31, 2025

	REF.		
Balance - December 31, 2024	F	$	5,621.83
Increased by:			
Cash Receipts	F-4		28,487.50
			34,109.33
Decreased by:			
Cash Disbursements	F-4		26,414.83
Balance - December 31, 2025	F	$	7,694.50

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

GOLF AND RECREATION UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR PAYMENT OF DEBT SERVICE
YEAR ENDED DECEMBER 31, 2025

	Ref.	
Balance - December 31, 2024	F	$ 426,049.32
Increased by:		
Premium on Sale of Bond Anticipation Notes	F-4	24,546.06
		450,595.38
Decreased by:		
Golf and Recreation Operating Fund Budget Revenue	F-2, F-4	300,000.00
Balance - December 31, 2025	F	$ 150,595.38

Exhibit - F-19

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

GOLF AND RECREATION UTILITY FUND
SCHEDULE OF INTERFUNDS
YEAR ENDED DECEMBER 31, 2025

Operating Fund:	Ref.		Total		Golf and Recreation Capital Fund
Balance - December 31, 2024	F	$	6,758.95	$	6,758.95
Decreased by:					
Cash Receipts	F-4		6,758.95		6,758.95
Balance - December 31, 2025	F	$	-	$	-

Capital Fund:			Total		Golf and Recreation Operating Fund
Balance - December 31, 2024	F	$	(6,758.95)	$	(6,758.95)
Increased by:					
Cash Disbursements	F-4		6,758.95		6,758.95
Balance - December 31, 2025	F	$	-	$	-

Exhibit - F-20

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

GOLF AND RECREATION UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2025

ORD. NO.	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2024	AUTHORIZATIONS	ISSUED	BALANCE DECEMBER 31, 2025
22-28	Various Improvements and Equipment	10/18/22	$ 1,117,000.00	$ 117,000.00		$ 117,000.00	
23-15	Various Equipment Purchases	09/19/23	205,710.00	205,710.00		205,000.00	$ 710.00
24-12	Various Improvements and Equipment	08/20/24	372,000.00	372,000.00		372,000.00	
25-22	Various Acquisitions and Improvements	10/21/25	421,674.05		$ 421,674.05		421,674.05
				$ 694,710.00	$ 421,674.05	$ 694,000.00	$ 422,384.05
			Ref.	F	F-10	F-13	F

See Independent Auditors' Report

PUBLIC ASSISTANCE FUND

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

PUBLIC ASSISTANCE FUND
SCHEDULE OF CASH- TREASURER
YEAR ENDED DECEMBER 31, 2025

	REF.	
Balance - December 31, 2024	G	$ 4,708.87
Increased by:		
Interest on Investments	Reserve	176.16
Balance - December 31, 2025	G	$ 4,885.03

See Accompanying Notes to Financial Statements

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

PART III

SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2025

TOWNSHIP OF PARSIPPANY-TROY HILLS
COUNTY OF MORRIS, NEW JERSEY

COMBINED BALANCE SHEET
AS OF DECEMBER 31, 2025

	CURRENT FUND	TRUST FUND	GENERAL CAPITAL FUND	WATER UTILITY FUND	SEWER UTILITY FUND	GOLF AND RECREATION UTILITY FUND	PUBLIC ASSISTANCE FUND	GOVERNMENTAL FIXED ASSETS	MEMORANDUM ONLY TOTALS DECEMBER 31, 2025	DECEMBER 31, 2024
ASSETS										
Cash and Investments	$ 21,078,859.41	$ 33,121,885.56	$ 20,257,022.83	$ 32,728,764.22	$ 44,496,743.65	$ 2,936,196.34	$ 4,885.03		$ 154,624,357.04	$ 147,913,895.63
Accounts Receivable										
State and Federal Grants Receivable	2,152,713.07	1,082,241.26	263,896.35						3,498,850.68	3,877,638.69
Due from State of New Jersey	49,926.47								49,926.47	50,885.64
Taxes, Assessments, Liens & Utility Charges	4,760,987.93			614,239.82	864,337.31	22,252.03			6,261,817.09	5,017,799.03
Interfund Loans	30,688.57	4,121.30							34,809.87	2,054,875.50
Other Accounts Receivable	42,008.26								42,008.26	152,621.31
Property Acquired For Taxes at Assessed Valuation	1,428,800.00								1,428,800.00	1,428,800.00
Inventory				428,570.50	98,330.60	280,809.28			807,710.38	1,472,307.36
Fixed Assets - Governmental								$ 193,547,510.13	193,547,510.13	189,597,308.00
Fixed Capital - Utility				48,144,472.26	145,932,213.33	34,954,043.58			229,030,729.17	219,898,509.59
Fixed Capital - Authorized and Uncompleted - Utility				64,205,155.70	108,533,608.44	2,126,674.05			174,865,438.19	165,973,242.72
Deferred Charges to Revenue of Succeeding Year- Special Emergency	2,760,488.76								2,760,488.76	4,229,702.36
Deferred Charges to Future Taxation: General Capital Fund/Open Space Fund			105,966,325.48						105,966,325.48	105,303,125.48
Total Assets	**$ 32,304,472.47**	**$ 34,208,248.12**	**$ 126,487,244.66**	**$ 146,121,202.50**	**$ 299,925,233.33**	**$ 40,319,975.28**	**$ 4,885.03**	**$ 193,547,510.13**	**$ 872,918,771.52**	**$ 846,970,711.31**
LIABILITIES, RESERVES AND FUND BALANCE										
Bonds and Notes Payable	$ 1,388,000.00		$ 88,520,000.00	$ 54,775,000.00	$ 42,821,000.00	$ 5,459,000.00			$ 192,963,000.00	$ 190,852,000.00
Leases and Loans Payable					9,420,353.79				9,420,353.79	10,656,111.25
Prepaid Taxes, Assessments, Utility Charges and Licenses	3,578,793.48			46,921.54	67,906.69				3,693,621.71	3,476,130.36
Tax, Assessment, Lien, License and Utility Charge Overpayments	101,258.15			109,486.28	139,344.33				350,088.76	225,409.66
Appropriation Reserves	5,490,617.10			2,384,511.67	3,448,695.52	756,323.10			12,080,147.39	9,665,828.74
Reserves for Encumbrances/ Accounts Payable	980,366.68			408,592.64	287,390.95	74,865.22			1,751,215.49	2,223,544.10
Local School Taxes Payable										3.00
Other Liabilities	155,587.00	38.40		373,969.93	353,309.55	53,743.07			936,647.95	793,281.07
Amounts Pledged to Specific Purposes	4,948,239.69	17,037,175.48	1,851,762.65	4,138,190.48	1,511,226.37	301,898.43			29,788,493.10	32,294,100.97
Interfund Loans	5.00	30,683.57			4,121.30				34,809.87	2,054,875.50
Special Deposits		17,140,350.67							17,140,350.67	14,463,237.02
Improvement Authorizations			36,104,627.45	33,490,165.91	46,178,477.25	688,579.45			116,461,850.06	103,835,033.91
Investments in Governmental Fixed Assets								$ 193,547,510.13	193,547,510.13	189,597,308.00
Reserve for Amortization of Costs of Fixed Capital Acquired or Authorized				43,917,411.26	179,074,904.52	31,199,333.58			254,191,649.36	249,020,891.90
Reserve for Certain Assets Acquired or Receivables & Inventories	6,262,479.76			1,042,810.32	962,667.91	303,061.31			8,571,019.30	8,051,921.42
Fund Balance	9,399,125.61		10,854.56	5,434,142.47	15,655,835.15	1,483,171.12	$ 4,885.03		31,988,013.94	29,761,034.41
Total Liabilities, Reserves and Fund Balance	**$ 32,304,472.47**	**$ 34,208,248.12**	**$ 126,487,244.66**	**$ 146,121,202.50**	**$ 299,925,233.33**	**$ 40,319,975.28**	**$ 4,885.03**	**$ 193,547,510.13**	**$ 872,918,771.52**	**$ 846,970,711.31**

TOWNSHIP OF PARSIPPANY-TROY HILLS
COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - CURRENT FUND

REVENUE AND OTHER INCOME REALIZED	YEAR 2025 AMOUNT	YEAR 2025 %	YEAR 2024 AMOUNT	YEAR 2024 %
Fund Balance Utilized	$ 6,370,000.00	2.20	$ 5,400,000.00	1.90
Miscellaneous - From Other than Local Property Tax Levies	25,104,933.64	8.66	25,518,927.03	8.96
Collection of Delinquent Taxes and Tax Title Liens	1,115,306.14	0.38	1,377,408.18	0.48
Collections of Current Tax Levy	257,311,613.83	88.76	252,475,310.40	88.66
Total Income	$ 289,901,853.61	100.00	$ 284,771,645.61	100.00
EXPENDITURES				
Budget Expenditures				
Municipal Purposes	$ 92,565,052.03	32.35	$ 90,560,752.25	32.46
County Taxes	24,622,850.17	8.61	23,853,564.35	8.55
Local School Taxes	160,322,884.00	56.05	156,341,086.00	56.04
Special District Taxes	6,221,789.00	2.18	5,648,627.00	2.02
Municipal Open Space Taxes	1,469,510.02	0.51	1,470,842.46	0.53
Other Expenditures	847,826.80	0.30	1,128,935.64	0.40
Total Expenditures	286,049,912.02	100.00	279,003,807.70	100.00
Excess in Revenue	3,851,941.59		5,767,837.91	
Adjustments to Income Before Fund Balance: Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Year Special Emergency Authorization (40A:4-53)			1,255,000.00	
Statutory Excess to Fund Balance	3,851,941.59		7,022,837.91	
Fund Balance, January 1	11,917,184.02		10,294,346.11	
	15,769,125.61		17,317,184.02	
Decreased by: Utilization as Anticipated Revenue	6,370,000.00		5,400,000.00	
Fund Balance, December 31	**$ 9,399,125.61**		**$ 11,917,184.02**	

TOWNSHIP OF PARSIPPANY-TROY HILLS
STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - WATER UTILITY FUND

REVENUE AND OTHER INCOME REALIZED	YEAR 2025 AMOUNT	YEAR 2025 %	YEAR 2024 AMOUNT	YEAR 2024 %
Fund Balance Utilized	$ 1,900,000.00	10.80	$ 1,600,000.00	9.72
Water Rents	12,578,496.76	71.46	12,349,571.38	74.99
Miscellaneous - From Other than Fees	3,122,485.38	17.74	2,519,747.50	15.29
Total Income	$ 17,600,982.14	100.00	$ 16,469,318.88	100.00
EXPENDITURES				
Budget Expenditures				
Operating	$ 11,061,268.00	72.76	$ 10,247,383.47	73.46
Debt Service	3,516,214.00	23.13	3,111,804.16	22.31
Deferred Charges & Statutory Expend.	496,530.00	3.27	495,812.37	3.55
Capital Improvements	95,000.00	0.62	95,000.00	0.68
Other Charges	33,258.88	0.22		
Total Expenditures	15,202,270.88	100.00	13,950,000.00	100.00
Statutory Excess in Revenue to Fund Balance	2,398,711.26		2,519,318.88	
Fund Balance, January 1	4,800,624.07		3,881,305.19	
	7,199,335.33		6,400,624.07	
Decreased by:				
Utilization as Anticipated Revenue	1,900,000.00		1,600,000.00	
Fund Balance, December 31	**$ 5,299,335.33**		**$ 4,800,624.07**	

TOWNSHIP OF PARSIPPANY-TROY HILLS
COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - SEWER UTILITY FUND

REVENUE AND OTHER INCOME REALIZED	YEAR 2025 AMOUNT	YEAR 2025 %	YEAR 2024 AMOUNT	YEAR 2024 %
Fund Balance Utilized	$ 2,000,000.00	6.77	$ 1,970,000.00	7.10
Sewer Rents	21,788,463.30	73.71	20,849,758.80	75.12
Miscellaneous - From Other than Fees	5,770,754.82	19.52	4,935,616.54	17.78
Total Income	$ 29,559,218.12	100.00	$ 27,755,375.34	100.00
EXPENDITURES				
Budget Expenditures				
Operating	$ 17,886,758.00	76.36	$ 16,780,312.68	76.30
Debt Service	4,628,304.00	19.76	4,294,954.20	19.53
Deferred Charges & Statutory Expend.	909,949.00	3.88	913,020.62	4.15
Refund of Prior Year Revenues			3,930.31	0.02
Total Expenditures	23,425,011.00	100.00	21,992,217.81	100.00
Statutory Excess in Revenue to Fund Balance	6,134,207.12		5,763,157.53	
Fund Balance, January 1	11,304,017.25		7,510,859.72	
	17,438,224.37		13,274,017.25	
Decreased by:				
Utilization as Anticipated Revenue	2,000,000.00		1,970,000.00	
Fund Balance, December 31	**$ 15,438,224.37**		**$ 11,304,017.25**	

TOWNSHIP OF PARSIPPANY-TROY HILLS
COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - GOLF AND RECREATION UTILITY FUND

REVENUE AND OTHER INCOME REALIZED	YEAR 2025 AMOUNT	YEAR 2025 %	YEAR 2024 AMOUNT	YEAR 2024 %
Fund Balance Utilized	$ 682,000.00	10.11	$ 500,000.00	7.33
Golf Fees	4,460,126.10	66.13	4,438,883.33	65.07
Miscellaneous - From Other than Fees	1,602,774.92	23.76	1,882,700.95	27.60
Total Income	$ 6,744,901.02	100.00	$ 6,821,584.28	100.00
EXPENDITURES				
Budget Expenditures				
Operating	$ 4,777,768.00	81.80	$ 4,759,711.58	82.03
Debt Service	726,389.00	12.44	701,812.50	12.10
Deferred Charges & Statutory Expend.	336,510.00	5.76	340,763.42	5.87
Total Expenditures	5,840,667.00	100.00	5,802,287.50	100.00
Statutory Excess in Revenue to Fund Balance	904,234.02		1,019,296.78	
Fund Balance, January 1	1,257,225.29		737,928.51	
	2,161,459.31		1,757,225.29	
Decreased by:				
Utilization as Anticipated Revenue	682,000.00		500,000.00	
Fund Balance, December 31	**$ 1,479,459.31**		**$ 1,257,225.29**	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	2025	2024	2023
Tax Rate:	$3.452	$3.375	$3.312
Apportionment of Tax Rate:			
Municipal (Inc. Library and Open Space Taxes)	$0.936	$0.913	$0.890
County (Inc. Open Space Taxes)	$0.334	$0.326	$0.334
Local School	$2.182	$2.136	$2.088
Assessed Valuation (Net Valuation Taxable - Morris County Abstract of Ratables):			
2025	$ 7,347,550,100.00		
2024		$ 7,320,045,550.00	
2023			$ 7,308,004,700.00

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

Year	Tax Levy	Cash Collections	Percentage of Collection
2025	$ 260,433,943.62	$ 257,312,750.41	98.80%
2024	253,890,890.00	252,475,310.00	99.44%
2023	248,011,634.00	246,316,305.00	99.32%

DELINQUENT TAXES AND TAX TITLE LIENS

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

Dec. 31 Year	Amount of Tax Title Liens	Amount of Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
2025	$ 1,945,111.69	$ 2,623,949.39	$ 4,569,061.08	1.75%
2024	1,663,460.05	1,085,265.55	2,748,725.60	1.08%
2023	1,491,377.29	1,370,894.25	2,862,271.54	1.15%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties, was as follows:

Calendar Year	Amount
2025	$ 1,428,800.00
2024	1,428,800.00
2023	1,428,800.00

COMPARATIVE SCHEDULE OF FUND BALANCES

	Calendar Year	Balance	Utilized in Budget of Succeeding Year
Current Fund	2025	$ 9,399,125.61	$ 3,800,000.00
	2024	11,917,184.02	6,370,000.00
	2023	10,294,346.11	5,400,000.00
Water Utility Operating Fund	2025	5,299,335.33	2,853,000.00
	2024	4,800,624.07	1,900,000.00
	2023	3,881,305.19	1,600,000.00
Sewer Utility Operating Fund	2025	15,438,224.37	2,900,000.00
	2024	11,304,017.25	2,000,000.00
	2023	7,510,859.72	1,970,000.00
Golf and Recreation Utility Operating Fund	2025	1,479,459.31	845,000.00
	2024	1,257,225.29	682,000.00
	2023	737,928.51	500,000.00

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2025:

NAME	TITLE	AMOUNT OF BOND
James R. Barberio	Mayor	
Paul Carifi, Jr.	Council President	
Frank Neglia	Council Vice President	
Judith Hernandez	Councilperson	
Matthew McGrath	Councilperson	
Justin Musella	Councilperson	
James Cryan	Business Administrator	(A)
Khaled Madin	Clerk	(A)
Angelica Sabatini	Chief Financial Officer	(A)
Terence M. Whalen	Tax Collector	(A)
Daniel Casses	Tax Assessor	(A)
Suzanne Taylor	Director of Purchasing	(A)
Justin Lizza	Engineer	
Michael B. Lavery	Attorney	
Anthony J. Frese	Municipal Court Judge	(A)
Gerald P. Scala	Municipal Court Judge	(A)
Alvaro Leal	Municipal Court Administrator	(A)

(A) - Covered under a $1,000,000.00 Public Employee Dishonesty Bond with the New Jersey Intergovernmental Insurance Fund

All bonds were examined and were properly executed.

TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY

PART IV

GENERAL COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2025

TOWNSHIP OF PARSIPPANY – TROY HILLS
COUNTY OF MORRIS, NEW JERSEY
YEAR ENDED DECEMBER 31, 2025

GENERAL COMMENTS

An audit of the financial accounts and transactions for the Township of Parsippany – Troy Hills, County of Morris, New Jersey, for the calendar year ended December 31, 2025, has been completed. The results of the audit are herewith set forth:

Scope of Audit

The audit covered the financial transactions of the Tax Collector and Treasurer, the activities of the Mayor and Township Council and the records of various outside departments.

Cash and investment balances were reconciled with independent certifications obtained directly from the depositories.

Revenues and receipts were established and verified as to source and amount insofar as the records permitted on a test basis.

Our audit was made in accordance with auditing standards generally accepted in the United States and in compliance with the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (“Division”). Therefore, our audit included the procedures noted above as well as tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

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 therefor, 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 Township Council has the responsibility of determining whether the expenditures in any category will exceed the threshold set for the fiscal year and, where question arises as to whether any contract or agreement might result in violation of the statute, the opinion of the Township Attorney should be sought before a commitment is made.

The bidding threshold for the period under audit was $44,000.00 for the portion of the year prior to July 1, 2025, and $53,000.00 for the portion of the year subsequent to July 1, 2025, in accordance with the provisions of N.J.S.A. 40A:11-3c, based on the appointment of a qualified purchasing agent.

Notwithstanding N.J.S.A. 40A:11-3a, P.L. 2005, Chapter 51 and N.J.S.A. 19:44A-20.5, known as the Pay to Play Law", provides that a municipality is prohibited from executing any contract in excess of $17,500.00, on or after January 1, 2006 to a business entity that made certain reportable contributions to any municipal committee or a political party if a member of that party is in office as a member of the governing body of the municipality when the contract is awarded unless proposals or qualifications are solicited through a fair and open process.

The minutes indicate that bids were requested by public advertising for all required purchases. The minutes also indicate that resolutions were adopted and advertised, authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5.

Inasmuch as the system of records did not provide for an accumulation of payments for categories of materials and supplies or related work or labor, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

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, 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 (1977) promulgated by the New Jersey Division of Local Government Services in the Department of Community Affairs.

Pension Eligibility

The State of New Jersey enacted legislation under Ch. 92 P.L. 2007 and codified under N.J.S.A. 43:15A-7.2 and 43:15c-2b(4). The law establishes that individuals performing professional services 1) under a contract awarded pursuant to N.J.S.A 40A:11.5 and 1 or 2 under an independent contract as determined in accordance with rules and policy of the IRS are eligible for membership in the State's Pension System - PERS. There were no "grandfathering" provisions under N.J.S.A. 43:15A-7.2. The municipalities were required to remove them from the pension rolls.

Collection of Interest on Delinquent Taxes and Assessments

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 authorizing interest to be charged on delinquent taxes:

> "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 Parsippany-Troy Hills 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 and water utility bills, when they become delinquent, shall be at the rate of eight percent (8%) per annum on the first $1,500.00 of the delinquency, and eighteen percent (18%) per annum in excess of $1,500.00 and an additional penalty of six percent (6%) 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 resolution.

Delinquent Taxes and Tax Title Liens

The last tax sale was held on June 12, 2025. The following comparison is made of the number of tax title liens receivable on December 31, of the last three years:

Year	Tax Title Liens
2025	25
2024	27
2023	29

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

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.

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 some exceptions as noted below. 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 could 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. Claims were examined on a test basis for the year under audit and the following opportunity for improvement was noted.

In accordance with N.J.A.C. 5:30-5.3, a certification of availability of funds must be made prior to any commitment of rendered services or purchased goods.

Corrective Action Plan

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.

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.

Surety Bonds

The Township should continue to ensure that surety bond requirements are maintained appropriately. Please refer to the Municipal Court Report where we have made comment and recommendation for them to do the same.

Municipal Court

The financial records maintained by the Municipal Court during the period under review were found to be in good condition. The examination of the general account indicated that deposits were properly recorded and spread by receipt category, and cash was reconciled monthly.

Allocation of Employee Benefit Costs

During our review of the methodology utilized to allocate employee benefit and related insurance costs among the various operating funds, it was noted that certain allocation percentages appear to be based on historical assumptions and do not consistently correspond to the relative distribution of salary and wage appropriations, employee counts, or actual benefit participation among the respective funds.

In addition, the Township's calculation of the annual health benefit cost per employee by coverage category (e.g., single, parent/child, husband/wife, family, etc.) should be periodically reviewed to ensure that the amounts utilized in the allocation process reasonably approximate the Township's all-inclusive cost of providing health benefits, including premiums and other related benefit costs.

Periodic evaluation of both the allocation methodology and the underlying health benefit cost calculations is important to help ensure that employee benefit costs are allocated in a manner that is reasonable and reflective of current operations, staffing levels, benefit participation, and actual costs incurred.

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.

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.

FIXED ASSETS *

2025-001 – SIGNIFICANT DEFICIENCY

Criteria:

Governmental entities should maintain complete and accurate fixed asset records that support the balances reported in the financial statements. Such records should include detailed subsidiary listings, procedures for identifying and tracking capital assets, and periodic physical inventories that are reconciled to accounting records to ensure the existence, completeness, and accuracy of reported capital assets.

Condition:

The Township does not maintain a complete, detailed, and accurate fixed asset listing that can be reconciled to the balances reported in the Governmental Fixed Assets Account. In addition, fixed assets are not consistently tagged or otherwise systematically identifiable, and the Township does not perform periodic physical inventories of its capital assets. As a result, the Township is unable to adequately support the existence, completeness, and valuation of fixed assets reported in the financial statements.

Cause:

The Township has not established and maintained a comprehensive fixed asset management system that includes detailed subsidiary records, asset identification procedures, and recurring physical inventory processes necessary to account for and monitor capital assets.

Effect:

The lack of a comprehensive subsidiary ledger and recurring inventory procedures limits the Township's ability to verify asset additions, disposals, and accumulated balances and increases the risk that assets may be lost, disposed of, impaired, or inaccurately reported without timely detection or proper recording in the accounting records. Due to the lack of sufficient supporting records and internal controls over fixed assets, alternative audit procedures were required to substantiate the reported balances.

Recommendation:

It is recommended that the Township implement a comprehensive fixed asset management system, including the development and maintenance of a complete and reconciled fixed asset listing. In addition, all fixed assets should be properly tagged or otherwise systematically identified, and periodic physical inventories should be conducted and reconciled to accounting records. Consideration should also be given to engaging a qualified third-party consultant to assist with establishing an initial inventory and implementing appropriate fixed asset control procedures.

Management's Response:

Township management acknowledges the finding and recognizes the need to strengthen controls over fixed asset recordkeeping and accountability. Management intends to evaluate available options for developing a comprehensive fixed asset inventory, improving asset identification procedures, and establishing periodic inventory and reconciliation processes. The Township will also consider utilizing external resources, as necessary, to assist in the development and implementation of an enhanced fixed asset management system. Corrective actions will be implemented as resources permit.

GOLF AND RECREATION UTILITY

2025-002

Finding:

The Golf and Recreation Utility did not maintain a detailed and accurate inventory of assets, including merchandise and equipment. In addition, periodic physical inventory counts were not documented during the audit period. This condition increases the risk of loss, theft, or misappropriation of assets without timely detection and may result in inaccurate financial reporting and asset valuation.

Recommendation:

It is recommended that the Golf and Recreation Utility implement formal inventory control procedures, including conducting and documenting periodic physical inventory counts, reconciling physical counts to inventory records, and assigning responsibility for inventory oversight to appropriate personnel to ensure accountability and accurate financial reporting.

PERSONNEL FILES

2025-003

Finding:

The Township did not maintain all required personnel documentation, including health benefit enrollment forms, Forms W-4, and Forms I-9, for all employees. The absence of these records indicates inadequate controls over the maintenance of personnel files. This condition may result in noncompliance with federal and state regulations, payroll and tax reporting inaccuracies.

Recommendation:

It is recommended that the Township establish and enforce procedures to ensure all required personnel documentation, including health benefit enrollment forms, Forms W-4, and Forms I-9, are properly completed, retained, and maintained for all employees. In addition, periodic reviews of personnel files should be performed to ensure completeness and compliance with applicable laws and regulations.

PROCUREMENT

2025-004

Finding:

The Township authorized and processed confirming orders during the audit period, whereby goods and services were ordered and received prior to the issuance of properly approved purchase orders. This practice circumvents established purchasing procedures and internal controls. As a result, expenditures may not be properly authorized in advance, increasing the risk of overspending, noncompliance with the Local Public Contracts Law, and inadequate oversight of municipal disbursements.

Recommendation:

It is recommended that the Township discontinue the use of confirming orders and ensure that all purchases are supported by properly approved purchase orders issued prior to the procurement of goods and services. Township personnel should be reminded of established purchasing policies and procedures, and compliance should be monitored to ensure adherence to statutory requirements and strengthen internal controls.

IMPROVEMENT AUTHORIZATIONS

2025-005

Finding:

During our review of the General Capital Fund, we noted several improvement authorizations that remained unfunded more than five years after the date of adoption. Pursuant to the Local Bond Law (N.J.S.A. 40A:2-1 et seq.), capital improvements should be financed through authorized funding sources or otherwise reviewed and resolved in a timely manner. The continued existence of aged, unfunded improvement authorizations indicates that certain capital projects have not been financed, completed, or formally closed out.

The following ordinances remained unfunded and reflected deficit cash balances as of December 31, 2025:

1. Ordinance #06-08 – ($3,408.32)
2. Ordinance #14-27 – ($981,566.28)
3. Ordinance #15-22 – ($1,100,274.84)
4. Ordinance #18-05 – ($600,943.63)
5. Ordinance #18-17 – ($1,283,811.87)
6. Ordinance #19-09 – ($300.00)

The continued existence of these aged, unfunded authorizations and related deficit balances may result in the overstatement of authorized but unissued debt, reduce the reliability of capital records, and impair management's ability to accurately monitor project status and capital financing requirements.

Recommendation:

It is recommended that the Township review all improvement authorizations that remain unfunded more than five years after adoption and determine whether the related projects should be financed, completed, or formally canceled, as appropriate. In addition, procedures should be implemented to periodically review outstanding improvement authorizations and authorized but unissued debt balances to ensure capital projects are funded in a timely manner and that capital records accurately reflect current project activity.

PAYROLL AGENCY FUND

2025-006

Finding:

During the audit, it was noted that cash and payroll deductions payable were each understated by $876,147.97 in the prior year financial statements due to the omission of certain payroll-related cash and liability balances from the Payroll Agency Fund. As a result, both assets and liabilities were understated in the prior year financial statements and a restatement of beginning balances was required.

The omitted balances were identified by management during the current year audit and were subsequently recorded in the financial statements. The omission resulted in the incomplete presentation of Payroll Agency Fund assets and liabilities in the prior year financial statements.

Accurate reporting of all cash accounts and related liabilities is necessary to ensure that the financial statements fairly present the Municipality's financial position and provide management, governing officials, regulatory agencies, and other users with complete and accurate financial information.

Recommendation:

It is recommended that all Payroll Agency Fund cash accounts and related liabilities be reconciled and reviewed as part of the year-end financial reporting process to ensure that all significant balances are properly reflected in the financial statements prior to issuance.

Status of Prior Years' Audit Findings/Recommendations

A review was performed on the prior year's recommendations, and corrective action was taken on all items except those denoted with an asterisk above.

* * * * * *

Acknowledgment

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

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

PKF O'Connor Davies, LLP

Certified Public Accountants

Anthony Branco

Anthony Branco, CPA
Registered Municipal Accountant
RMA Number 595