

*TOWNSHIP OF  
PARSIPPANY-TROY HILLS*

*COUNTY OF MORRIS*

*REPORT OF AUDIT*

*2021*

*NISIVOCIA LLP  
CERTIFIED PUBLIC ACCOUNTANTS*

TOWNSHIP OF PARSIPPANY-TROY HILLS

COUNTY OF MORRIS

REPORT OF AUDIT

2021

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TOWNSHIP OF PARSIPPANY-TROY HILLS

PART I

FINANCIAL STATEMENTS AND

SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2021

## 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 Financial Statements**

#### ***Opinions***

We have audited the financial statements – *regulatory basis* - of the various funds and account group of the Township of Parsippany-Troy Hills, in the County of Morris (the "Township") as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, as listed in the table of contents.

#### ***Unmodified Opinions on Regulatory Basis of Accounting***

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of each fund and account group of the Township as of December 31, 2021 and 2020, and the results of operations and changes in fund balance, where applicable, of such funds and account group, thereof for the years then ended in accordance with the accounting practices prescribed or permitted, as described in Note 1, by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division").

#### ***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 accompanying financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund and account group of the Township as of December 31, 2021 and 2020, or the changes in financial position or where applicable, cash flows thereof for the years then ended.

#### ***Basis for Opinions***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS), audit 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 are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Township, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

The Honorable Mayor and Members  
of the Township Council  
Township of Parsippany- Troy Hills  
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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 prescribed or permitted by the Division, which is a basis of accounting other than accounting principles generally accepted in the United State of America, to meet the requirements of the Division's regulatory basis of accounting and the budget laws of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey. 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.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

The Honorable Mayor and Members  
of the Township Council  
Township of Parsippany-Troy Hills  
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### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements of the various funds and account group that collectively comprise the Township's financial statements. The supplementary data schedules listed in the table of contents and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are 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 various fund and account group financial statements. The information has been subjected to the auditing procedures applied in the audit of the various fund and account group financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the various fund and account group financial statements or to the various fund and account group 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 data schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the various fund and account group 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 August 8, 2022 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.

Mount Arlington, New Jersey  
August 8, 2022

*Nisivoccia LLP*  
NISIVOCCIA LLP

*Valerie A. Dolan*

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Valerie A. Dolan  
Certified Public Accountant  
Registered Municipal Accountant No. 548

TOWNSHIP OF PARSIPPANY-TROY HILLS  
COUNTY OF MORRIS  
2021  
CURRENT FUND

TOWNSHIP OF PARSIPPANY-TROY HILLS  
CURRENT FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31,	
		2021	2020
<u>ASSETS</u>			
Regular Fund:			
Cash and Cash Equivalents		\$ 29,390,037.71	\$ 19,526,085.55
Investments		6,684,840.79	6,681,790.10
	A-4	<u>36,074,878.50</u>	<u>26,207,875.65</u>
Change Funds		1,565.00	1,315.00
Due from State of N.J. for Veterans' and Senior Citizens' Deductions		52,845.25	58,228.27
		<u>36,129,288.75</u>	<u>26,267,418.92</u>
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-7	939,220.41	1,162,640.14
Tax Title Liens Receivable	A-8	1,013,261.39	832,100.68
Property Acquired for Taxes at Assessed Valuation		1,428,800.00	1,428,800.00
Revenue Accounts Receivable	A-9	10,290.46	9,768.91
Other Liens Receivable	A-10	191,926.95	191,926.95
Due from:			
Other Trust Funds	B	1,918,267.15	
Water Utility Operating Fund	D		208,401.93
Sewer Utility Capital Fund	E		22,440.53
Golf and Recreation Utility Operating Fund	F	2,541,330.39	2,901,287.68
Golf and Recreation Utility Capital Fund	F	343,940.52	
Payroll		168,378.32	168,378.32
Total Receivables and Other Assets With Full Reserves		<u>8,555,415.59</u>	<u>6,925,745.14</u>
Deferred Charges:			
Special Emergency Authorization		4,490,111.60	1,718,066.60
Operating Deficit	A-1	23,835.55	1,577,900.64
Overexpenditure of Appropriations		223,111.35	44,728.78
Overexpenditure of Appropriation Reserve		67,497.20	67,497.20
Expenditure without Appropriation - Federal and State Grant Fund		39,800.00	39,800.00
Total Deferred Charges		<u>4,844,355.70</u>	<u>3,447,993.22</u>
Total Regular Fund		<u>49,529,060.04</u>	<u>36,641,157.28</u>
Federal and State Grant Fund:			
Due from Current Fund	A	1,756,806.48	1,796,650.97
Federal and State Grants Receivable	A-14	1,220,990.32	242,995.30
Total Federal and State Grant Fund		<u>2,977,796.80</u>	<u>2,039,646.27</u>
<u>TOTAL ASSETS</u>		<u>\$ 52,506,856.84</u>	<u>\$ 38,680,803.55</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS  
CURRENT FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
(Continued)

	Ref.	December 31	
		2021	2020
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Regular Fund:			
Appropriation Reserves:			
Encumbered	A-3;A-11	\$ 544,216.61	\$ 1,151,106.89
Unencumbered	A-3;A-11	4,041,154.01	4,702,218.70
		<u>4,585,370.62</u>	<u>5,853,325.59</u>
Accounts Payable - Vendors		100,946.37	
Special Emergency Notes Payable	A-13	3,370,136.00	977,987.00
Prepaid Taxes		1,814,437.60	2,397,179.64
Tax Overpayments		386,623.21	179,885.96
Due to State of New Jersey:			
Construction Code Fees		23,890.00	102,117.00
Marriage License Fees		975.00	1,050.00
Burial Fees			45.00
Due to:			
Federal and State Grant Fund	A	1,756,806.48	1,796,650.97
Animal Control Fund	B	12,049.06	11,570.88
Other Trust Funds	B		1,365,757.09
General Capital Fund	C	6,841,800.32	7,129,032.38
Water Utility Operating Fund	D	101,991.04	
Water Utility Capital Fund	D	10,164,889.09	5,780,254.45
Sewer Utility Operating Fund	E	2,589,087.91	944,119.79
Sewer Utility Capital Fund	E	7,391,493.28	
Golf and Recreation Utility Capital Fund	F		454,997.92
Reserve for:			
Tax Appeals		772,807.77	1,661,097.77
Accumulated Revenue Unappropriated - Watershed Moratorium		55,178.00	55,178.00
		<u>39,968,481.75</u>	<u>28,710,249.44</u>
Reserve for Receivables and Other Assets	A	8,555,415.59	6,925,745.14
Fund Balance	A-1	1,005,162.70	1,005,162.70
		<u>49,529,060.04</u>	<u>36,641,157.28</u>
Federal and State Grant Fund:			
Due to Other Trust Fund	B	697.80	697.80
Due to Open Space Trust Fund	B	5,299.93	5,299.93
Unappropriated Reserves	A-15	33,419.86	21,680.20
Appropriated Reserves	A-16	2,938,379.21	2,011,968.34
		<u>2,977,796.80</u>	<u>2,039,646.27</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 52,506,856.84</u>	<u>\$ 38,680,803.55</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

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

	Ref.	Year Ended December 31,	
		2021	2020
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized			\$ 3,990,000.00
Miscellaneous Revenue Anticipated		\$ 20,556,833.95	17,420,015.56
Receipts from:			
Delinquent Taxes		1,188,050.35	1,100,012.31
Current Taxes		229,807,791.46	223,825,220.50
Nonbudget Revenue		483,302.02	1,843,661.25
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		3,754,892.70	1,112,171.61
Accounts Payable Canceled			17,098.94
Federal and State Grants Appropriated Reserves Canceled			79,192.72
Due to State of New Jersey Burial Fees Canceled		45.00	
Interfunds and Other Receivables Returned		359,957.29	257,890.00
		<u>256,150,872.77</u>	<u>249,645,262.89</u>
<u>Expenditures</u>			
Budget and Emergency Appropriations:			
Municipal Purposes		79,581,385.02	75,816,720.32
County Taxes		23,092,703.67	22,845,283.50
Local School District Taxes		146,841,284.00	144,015,021.00
Open Space Taxes		1,460,892.15	1,457,314.43
Special District Taxes		4,859,975.00	4,383,440.00
Federal and State Grants Receivable Canceled			59,915.12
Prior Year Senior Citizens Deductions Disallowed		15,717.74	20,519.86
Overexpenditure of Appropriation Reserve			67,497.20
Expenditure without Appropriation - Federal and State Grant Fund			39,800.00
Refund of Prior Year Revenue			840.62
Interfunds and Other Receivables Advanced		2,262,207.67	3,300,508.46
		<u>258,114,165.25</u>	<u>252,006,860.51</u>
Deficit in Revenue		(1,963,292.48)	(2,361,597.62)
Adjustments to Excess Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year:			
Special Emergency - COVID Loss of Revenue		2,300,000.00	
Prior Year Operating Deficit		(1,577,900.64)	
Special Emergency Authorization (40A:4-53)		1,038,975.00	631,671.00
Overexpenditure of Appropriations		178,382.57	44,728.78
Overexpenditure of Appropriation Reserve			67,497.20
Expenditure without Appropriation - Federal and State Grant Fund			39,800.00
		<u>\$ (23,835.55)</u>	<u>\$ (1,577,900.64)</u>
Operating Deficit to be Raised in Budget of Succeeding Year			

TOWNSHIP OF PARSIPPANY-TROY HILLS  
CURRENT FUND  
COMPARATIVE STATEMENT OF OPERATIONS  
AND CHANGE IN FUND BALANCE - REGULATORY BASIS  
(Continued)

	<u>Ref.</u>	<u>Year Ended December 31,</u>	
		<u>2021</u>	<u>2020</u>
<u>Fund Balance</u>			
Balance January 1		<u>\$ 1,005,162.70</u>	<u>\$ 4,995,162.70</u>
		1,005,162.70	4,995,162.70
Decreased by:			
Utilized as Anticipated Revenue			<u>3,990,000.00</u>
Balance December 31	A	<u><u>\$ 1,005,162.70</u></u>	<u><u>\$ 1,005,162.70</u></u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF PARSIPPANY-TROY HILLS  
CURRENT FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021

	Budget	Added by NJSA 40A:4-87	Realized	Excess or Deficit *
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	\$ 90,000.00		\$ 91,230.00	\$ 1,230.00
Other	265,000.00		242,039.80	22,960.20 *
Fees and Permits	940,000.00		1,067,022.26	127,022.26
Fines and Costs:				
Municipal Court	450,000.00		192,991.48	257,008.52 *
Interest and Costs on Taxes	375,000.00		353,810.45	21,189.55 *
Interest of Investments and Deposits	470,000.00		91,937.44	378,062.56 *
Garbage and Trash Removal	1,550,000.00		1,724,402.30	174,402.30
Community Center Revenue - Concession Rents	180,000.00		104,039.90	75,960.10 *
Hotel Tax	2,050,000.00		987,898.56	1,062,101.44 *
Ambulance Service Billing	890,000.00		915,497.76	25,497.76
Lease of Township Assets	660,000.00		629,363.84	30,636.16 *
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	4,495,023.00		4,495,023.00	
Watershed Moratorium	55,178.00		55,178.00	
Uniform Construction Code Fees	1,970,000.00		1,792,224.14	177,775.86 *
Shared Services - Municipal Court	252,102.00		257,144.00	5,042.00
Uniform Fire Safety Act - Ch. 383, P.L. 1985	200,000.00		212,484.24	12,484.24
General Capital Fund Balance	350,000.00		350,000.00	
Reserve for Debt Service	490,000.00		490,000.00	
Interfunds	3,300,508.46		230,842.46	3,069,666.00 *
Reserve for Tax Appeals	800,000.00		800,000.00	
Reserve for Police Outside Employment	100,000.00		100,000.00	
Cablevision Franchise Fees	289,000.00		263,844.54	25,155.46 *
Payment in Lieu of Taxes - BT Property LLC (UPS)	480,000.00		613,220.00	133,220.00
The American Rescue Plan Act Allocation	2,763,764.00		2,763,763.50	0.50 *

TOWNSHIP OF PARSIPPANY-TROY HILLS  
CURRENT FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

	Budget	Added by NJSA 40A:4-87	Realized	Excess or Deficit *
Miscellaneous Revenue (Cont'd):				
State of New Jersey:				
Recycling Tonnage Grant	\$ 188,816.00		188,816.00	
Municipal Alliance Grant 2020/2021	18,587.00		18,587.00	
Click It or Ticket	6,000.00		6,000.00	
Bulletproof Vest Partnership Grant		\$ 16,977.70	16,977.70	
Clean Communities Program	111,066.43		111,066.43	
Distracted Driving Statewide Crackdown Grant	9,000.00		9,000.00	
Body Worn Camera Program-Police	224,180.00		224,180.00	
Sustainable Jersey	22,000.00		22,000.00	
NJ DEP Performance Partnership	1,999.15		1,999.15	
Community Development Block Grant	216,090.00		216,090.00	
Smith Baldwin House Renovation	250,000.00		250,000.00	
Highlands Water Protection and Planning Council	207,000.00		207,000.00	
Donation - American Endowment Foundation - Senior Citizens Activities	1,000.00		1,000.00	
Donation - Provident Bank - Summer Concerts 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 Shutters		42,372.00	42,372.00	
Morris County Historic Preservation Trust - Smith-Baldwin House ADA Compliance		11,388.00	11,388.00	
Onyx Contribution Fireworks Show - 4th of July 2021		75,000.00	75,000.00	
Drive Sober or Get Pulled Over		6,000.00	6,000.00	
American Endowment Foundation - Chao Charitable Fund Grant		3,000.00	3,000.00	
ANJEC Open Space Stewardship Grant		1,000.00	1,000.00	
Total Miscellaneous Revenue	24,726,314.04	472,137.70	20,556,833.95	\$4,641,617.79 *
Receipts from Delinquent Taxes	1,200,000.00		1,188,050.35	11,949.65 *

TOWNSHIP OF PARSIPPANY-TROY HILLS  
CURRENT FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021  
 (Continued)

	Budget	Added by NJSA 40A:4-87	Realized	Excess or Deficit *
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	\$ 50,870,880.54		\$ 52,447,187.64	\$ 1,576,307.10
Minimum Library Tax	2,936,189.00		2,936,189.00	
	53,807,069.54		55,383,376.64	1,576,307.10
Budget Totals	79,733,383.58	\$ 472,137.70	77,128,260.94	\$ 3,077,260.34 *
Nonbudget Revenue			483,302.02	
	\$ 79,733,383.58	\$ 472,137.70	\$ 77,611,562.96	

TOWNSHIP OF PARSIPPANY-TROY HILLS  
CURRENT FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Allocation of Current Tax Collections:

Collection of Current Taxes	\$ 229,807,791.46
Allocated to Local School, Municipal Open Space, Special District and County Taxes	176,254,854.82
	53,552,936.64
Add: Appropriation "Reserve for Uncollected Taxes"	1,830,440.00
	\$ 55,383,376.64

Receipts from Delinquent Taxes:

Delinquent Tax Collections	\$ 1,178,050.35
Tax Title Lien Collections	10,000.00
	\$ 1,188,050.35

Analysis of Fees and Permits:

Registrar	\$ 2,010.00
Zoning	87,037.18
Engineering	97,850.45
Fire Prevention	430,203.00
Police	8,514.45
Planning Board	106,014.00
Recreation	1,927.88
Board of Housing	182,600.00
Department of Public Works	137,045.30
Mayor	13,425.00
Tax Collector	395.00
	\$ 1,067,022.26

Analysis of Other Licenses:

Clerk	\$ 61,801.80
Health	173,670.00
Registrar	6,568.00
	\$ 242,039.80

TOWNSHIP OF PARSIPPANY-TROY HILLS  
CURRENT FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Analysis of Uniform Construction Code Fees

Construction Code Official	\$ 1,793,899.00
Less: Refunds	<u>1,674.86</u>
	<u><u>\$ 1,792,224.14</u></u>

Analysis of Interest on Investments and Deposits:

Collected/Received by Treasurer	\$ 79,576.37
Due from General Capital Fund	<u>12,361.07</u>
	<u><u>\$ 91,937.44</u></u>

Miscellaneous Revenue Not Anticipated:

Reimbursements	\$	5,760.91	
Clerk		2,602.45	
Health		25.00	
Tax Collector		2,449.60	
Tax Assessor		2,490.00	
Zoning		380.00	
Police		95,375.95	
Public Works		22,500.00	
Engineering		85,103.54	
Finance		42,426.42	
UCC		152.00	
Housing		540.00	
FEMA Reimbursement		19,104.07	
Board of Education Reimbursement - Special Resource Officer		162,805.00	
Other Miscellaneous		<u>18,981.26</u>	
			\$ 460,696.20
Due from Animal Control Fund - Statutory Excess in Reserve for Animal Control Fund Expenditures			<u>22,605.82</u>
			<u><u>\$ 483,302.02</u></u>

TOWNSHIP OF PARSIPPANY-TROY HILLS  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021

	Appropriations		Expended By		Unexpended Balance Cancelled	Over- Expenditures
	Budget	Budget After Modification	Paid or Charged	Reserved		
Operations Within "CAPS":						
GENERAL GOVERNMENT:						
Executive:						
Salaries and Wages	\$ 218,232.00	\$ 218,232.00	\$ 170,505.04	\$ 47,726.96		
Other Expenses	40,000.00	40,000.00	24,862.14	15,137.86		
General Administration:						
Salaries and Wages	520,540.00	520,540.00	499,641.19	20,898.81		
Other Expenses	51,000.00	51,000.00	50,077.51	922.49		
Township Council:						
Salaries and Wages	47,220.00	51,190.00	48,715.98	2,474.02		
Other Expenses	2,350.00	850.00	200.00	650.00		
Municipal Clerk:						
Salaries and Wages	264,694.00	276,794.00	269,316.82	7,477.18		
Other Expenses	85,000.00	75,000.00	64,115.40	10,884.60		
Grant Writer:						
Other Expenses	19,800.00	19,800.00	16,500.00	3,300.00		
Treasury:						
Salaries and Wages	203,673.00	203,673.00	185,156.93	18,516.07		
Other Expenses	110,774.00	110,774.00	78,245.33	32,528.67		
Audit	87,639.00	20,639.00	20,061.19	577.81		
Tax Collection:						
Salaries and Wages	82,767.00	76,767.00	71,090.23	5,676.77		
Other Expenses	26,000.00	32,000.00	25,996.77	6,003.23		
Tax Assessment Administration:						
Salaries and Wages	300,055.00	302,255.00	299,750.53	2,504.47		
Other Expenses	50,000.00	47,800.00	45,811.61	1,988.39		
Legal Services and Costs:						
Other Expenses	600,000.00	750,000.00	578,347.10	171,652.90		

TOWNSHIP OF PARSIPPANY-TROY HILLS  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

	Budget	Budget After Modification	Expended By		Unexpended Balance Cancelled	Over- Expenditures
			Paid or Charged	Reserved		
Operations Within "CAPS" (Continued):						
GENERAL GOVERNMENT:						
Engineering Services and Costs:						
Salaries and Wages	\$ 455,234.00	\$ 455,234.00	\$ 441,863.31	\$ 13,370.69		
Other Expenses	50,000.00	50,000.00	37,103.35	12,896.65		
LAND USE ADMINISTRATION:						
Department of Planning:						
Salaries and Wages	64,506.00	89,506.00	85,771.84	3,734.16		
Other Expenses	65,000.00	46,000.00	35,860.13	10,139.87		
Board of Adjustment:						
Salaries and Wages	53,571.00	47,571.00	6,004.77	41,566.23		
Other Expenses	21,750.00	21,750.00	21,037.64	712.36		
CODE ENFORCEMENT AND ADMINISTRATION:						
Housing and Zoning Code Enforcement:						
Salaries and Wages	525,509.00	528,009.00	513,263.09	14,745.91		
Other Expenses	55,030.00	52,530.00	35,562.68	16,967.32		
INSURANCE:						
Unemployment Insurance	106,299.00	106,299.00	48,200.00	58,099.00		
Liability Insurance	704,339.00	704,339.00	540,862.77	163,476.23		
Worker Compensation	779,756.00	779,756.00	676,722.52	103,033.48		
Employee Group Health	10,142,623.00	10,142,623.00	10,133,003.56	9,619.44		
Health Benefit Waivers	128,516.00	128,516.00	99,392.57	29,123.43		
PUBLIC SAFETY:						
Police Department:						
Salaries and Wages	16,437,424.00	16,784,328.00	16,440,443.70	343,884.30		
Other Expenses	852,996.00	793,622.00	665,902.66	127,719.34		
Office of Emergency Management:						
Salaries and Wages	33,612.00	33,612.00	32,234.51	1,377.49		
Other Expenses	48,300.00	48,300.00	34,639.23	13,660.77		

TOWNSHIP OF PARSIPPANY-TROY HILLS  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

	Budget	Budget After Modification	Paid or Charged	Expended By	Unexpended Balance Cancelled	Over- Expenditures
				Reserved		
Operations Within "CAPS" (Continued):						
<b>PUBLIC SAFETY:</b>						
Aid to First Aid Organization	\$ 210,000.00	\$ 210,000.00	\$ 210,000.00			
Fire Prevention Bureau:						
Salaries and Wages	327,393.00	336,493.00	324,933.49	\$ 11,559.51		
Other Expenses	53,587.00	45,587.00	44,466.56	1,120.44		
Municipal Court:						
Salary and Wages	568,619.00	568,619.00	553,303.80	15,315.20		
Other Expenses	25,339.00	25,339.00	10,350.60	14,988.40		
Prosecutor:						
Salary and Wages	30,004.00	30,004.00		30,004.00		
Other Expenses	35,000.00	35,000.00	33,000.00	2,000.00		
<b>PUBLIC WORKS:</b>						
Streets and Road Maintenance:						
Salaries and Wages	1,919,148.00	1,929,148.00	1,911,342.85	17,805.15		
Other Expenses	697,660.00	687,660.00	517,724.14	169,935.86		
Garbage and Trash Removal:						
Salary and Wages	2,299,795.00	2,299,795.00	2,171,537.28	128,257.72		
Other Expenses	998,150.00	598,150.00	304,716.53	293,433.47		
Buildings and Grounds:						
Salary and Wages	271,021.00	271,021.00	257,246.04	13,774.96		
Other Expenses	647,026.00	647,026.00	194,267.11	452,758.89		
Vehicle Maintenance:						
Other Expenses	675,000.00	675,000.00	619,375.67	55,624.33		
Condominium Costs	270,000.00	270,000.00	44,075.62	225,924.38		

TOWNSHIP OF PARSHIPANY-TROY HILLS  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

	Budget	Budget After Modification	Expended By		Unexpended Balance Cancelled	Over-Expenditures
			Paid or Charged	Reserved		
Operations Within "CAPS" (Continued):						
HEALTH AND HUMAN SERVICES::						
Public Health Services:						
Salaries and Wages	\$ 415,403.00	\$ 445,203.00	\$ 440,811.08	\$ 4,391.92		
Other Expenses	38,812.00	32,812.00	24,426.84	8,385.16		
Senior Citizen Center:						
Salaries and Wages	325,149.00	325,149.00	315,959.65	9,189.35		
Other Expenses	50,000.00	50,000.00	28,248.92	21,751.08		
Animal Control:						
Other Expenses	165,000.00	165,000.00	165,000.00			
Contribution to Day Care Center	60,400.00	60,400.00	60,000.00	400.00		
Ambulance Services:						
Salaries and Wages	1,000,736.00	1,029,138.00	1,023,656.87	5,481.13		
Other Expenses	299,900.00	271,498.00	186,516.33	84,981.67		
RECREATION AND EDUCATION:						
Recreation Services:						
Salaries and Wages	786,085.00	786,085.00	673,845.46	112,239.54		
Other Expenses	160,504.00	160,504.00	166,419.57			
Maintenance of Parks:						
Salaries and Wages	2,039,260.00	2,039,260.00	1,772,141.70	267,118.30		
Other Expenses	261,175.00	261,175.00	229,946.96	31,228.04		
UTILITIES:						
Utilities and Gasoline	1,936,922.00	1,936,922.00	1,674,981.11	261,940.89		
Solid Waste Disposal Costs	1,950,000.00	1,950,000.00	1,776,237.86	173,762.14		
UNIFORM CONSTRUCTION CODE:						
Department of Buildings and Inspections:						
Salaries and Wages	1,380,424.00	1,380,424.00	1,274,464.40	105,959.60		
Other Expenses	293,307.00	293,307.00	255,508.58	37,798.42		
						\$ 5,915.57

TOWNSHIP OF PARSIPPANY-TROY HILLS  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

	Budget	Budget After Modification	Paid or Charged	Expended By	Unexpended Balance Cancelled	Over-Expenditures
				Reserved		
Operations Within "CAPS" (Continued):						
UNCLASSIFIED:						
Retirement Payout (Special Emergency + \$1,038,975.00)	\$ 150,000.00	\$ 1,188,975.00	\$ 1,188,975.00			
Total Operations Within "CAPS"	53,575,028.00	54,614,003.00	50,749,742.12	\$ 3,870,176.45		\$ 5,915.57
Detail:						
Salaries and Wages	30,848,590.00	31,028,050.00	29,783,000.56	1,245,049.44		
Other Expenses (Including Contingent)	22,726,438.00	23,585,953.00	20,966,741.56	2,625,127.01		5,915.57
Deferred Charges and Statutory Expenditures- Municipal within "CAPS":						
Deferred Charges:						
Prior Years' Bills - Centennium	35,000.00	35,000.00		35,000.00		
Statutory Expenditures:						
Contributions to:						
Social Security System (O.A.S.I.)	1,635,000.00	1,635,000.00	1,560,023.17	74,976.83		
Public Employees' Retirement System	2,070,955.00	2,070,955.00	2,243,422.00			172,467.00
Police and Firemen's Retirement System of N.J.	4,197,340.00	4,197,340.00	4,197,340.00			
Defined Contribution Retirement Program	15,800.00	15,800.00	15,799.95	0.05		
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	7,954,095.00	7,954,095.00	8,016,585.12	109,976.88		172,467.00
Total General Appropriations for Municipal Purposes Within "CAPS"	61,529,123.00	62,568,098.00	58,766,327.24	3,980,153.33		178,382.57

TOWNSHIP OF PARSIPPANY-TROY HILLS  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

	Budget	Budget After Modification	Expended By		Unexpended Balance Cancelled	Over-Expenditures
			Paid or Charged	Reserved		
Operations Excluded from "CAPS":						
Maintenance of Free Public Library	\$ 3,281,182.00	\$ 3,281,182.00	\$ 3,280,181.32	\$ 1,000.68		
LOSAP:						
Other Expenses	60,000.00	60,000.00		60,000.00		
Shared Service Agreements:						
Shared Services Agreement - Health Officer	86,188.00	86,188.00	86,188.00			
Public and Private Programs Offset by Revenues:						
Recycling Tonnage Grant	188,816.00	188,816.00	188,816.00			
Clean Communities Grant	111,066.43	111,066.43	111,066.43			
Bulletproof Vest Partnership Grant - (N.J.S.A. 40A:4-87 + \$16,977.70)		16,977.70	16,977.70			
Municipal Alliance Grant 2021-2022	18,587.00	18,587.00	18,587.00			
Click It or Ticket	6,000.00	6,000.00	6,000.00			
Body Worn Camera Program-Police	224,180.00	224,180.00	224,180.00			
Distracted Driving Crackdown	9,000.00	9,000.00	9,000.00			
NJ Department of Transportation - North Beverwyck Rd Streetscape Phase II (N.J.S.A. 40A:4-87 + \$316,400.00)		316,400.00	316,400.00			
Smith-Baldwin House Renovation	250,000.00	250,000.00	250,000.00			
Morris County Historic Preservation Trust - Smith-Baldwin House Shutters (N.J.S.A. 40A:4-87 + \$42,372.00)		42,372.00	42,372.00			
Morris County Historic Preservation Trust - Smith-Baldwin House ADA Compliance (N.J.S.A. 40A:4-87 + \$11,388.00)		11,388.00	11,388.00			
Onyx Contribution Fireworks Show - 4th of July 2021 (N.J.S.A. 40A:4-87 + \$75,000.00)		75,000.00	75,000.00			
Drive Sober or Get Pulled Over (N.J.S.A. 40A:4-87 + \$6,000.00)		6,000.00	6,000.00			
American Endowment Foundation - Chao Charitable Fund Grant (N.J.S.A. 40A:4-87 + \$3,000.00)		3,000.00	3,000.00			
ANJEC Open Space Stewardship Grant (N.J.S.A. 40A:4-87 + \$1,000.00)		1,000.00	1,000.00			

TOWNSHIP OF PARSIPPANY-TROY HILLS  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

	Budget	Budget After Modification	Paid or Charged	Expended By	Unexpended Balance Cancelled	Over-Expenditures
				Reserved		
Operations Excluded from "CAPS":						
Public and Private Programs Offset by Revenues:						
Community Development Block Grant - Bartholdi Road Water Main	\$ 216,090.00	\$ 216,090.00	\$ 216,090.00			
Sustainable Jersey	22,000.00	22,000.00	22,000.00			
NJ DEP Performance Partnership	1,999.15	1,999.15	1,999.15			
Highlands Water Protection and Planning	207,000.00	207,000.00	207,000.00			
American Endowment Foundation - Sr. Citizens	1,000.00	1,000.00	1,000.00			
Provident Bank - Summer Concerts Series	5,000.00	5,000.00	5,000.00			
Matching Funds for Grants	40,000.00	40,000.00	40,000.00			
<b>Total Operations Excluded from "CAPS"</b>	<b>4,728,108.58</b>	<b>5,200,246.28</b>	<b>5,139,245.60</b>	<b>\$ 61,000.68</b>		
Detail:						
Other Expenses	4,728,108.58	5,200,246.28	5,139,245.60	61,000.68		
Capital Improvements Excluded from "CAPS":						
Capital Improvement Fund	300,000.00	300,000.00	300,000.00			
<b>Total Capital Improvements Excluded from "CAPS"</b>	<b>300,000.00</b>	<b>300,000.00</b>	<b>300,000.00</b>			
Municipal Debt Service Excluded from "CAPS":						
Payment of Bond Principal	8,175,000.00	8,175,000.00	8,175,000.00			
Interest on Bonds	2,354,222.00	2,354,222.00	2,354,219.72		\$ 2.28	
Interest on Notes	230,000.00	230,000.00	228,755.75		1,244.25	
Special Emergency Note Interest	19,560.00	19,560.00	9,752.70		9,807.30	
<b>Total Municipal Debt Service Excluded from "CAPS"</b>	<b>10,778,782.00</b>	<b>10,778,782.00</b>	<b>10,767,728.17</b>		<b>11,053.83</b>	

TOWNSHIP OF PARSIPPANY-TROY HILLS  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

	Budget	Budget After Modification	Paid or Charged	Expended By	Unexpended Balance Cancelled	Over- Expenditures
				Reserved		
Deferred Charges - Municipal - Excluded from "CAPS"						
Special Emergency Authorizations - 5 Years						
Retirement Payout 2016	\$ 121,592.00	\$ 121,592.00	\$ 121,592.00			
Retirement Payout 2017	80,389.00	80,389.00	80,389.00			
Retirement Payout 2018	150,427.00	150,427.00	150,427.00			
Retirement Payout 2019	61,187.00	61,187.00	61,187.00			
Retirement Payout 2020	126,335.00	126,335.00	126,335.00			
Master Plan 2019	27,000.00	27,000.00	27,000.00			
<b>Total Deferred Charges - Municipal - Excluded from "CAPS"</b>	<b>566,930.00</b>	<b>566,930.00</b>	<b>566,930.00</b>			
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	16,373,820.58	16,845,958.28	16,773,903.77	\$ 61,000.68	\$ 11,053.83	
Subtotal General Appropriations	77,902,943.58	79,414,056.28	75,540,231.01	4,041,154.01	11,053.83	\$ 178,382.57
Reserve for Uncollected Taxes	1,830,440.00	1,830,440.00	1,830,440.00			
<b>Total General Appropriations</b>	<b>\$ 79,733,383.58</b>	<b>\$ 81,244,496.28</b>	<b>\$ 77,370,671.01</b>	<b>\$ 4,041,154.01</b>	<b>\$ 11,053.83</b>	<b>\$ 178,382.57</b>

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TOWNSHIP OF PARSIPPANY-TROY HILLS  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

		Analysis of	
<u>Ref.</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Charged</u>
	<u>Modification</u>		
Adopted Budget	\$ 79,733,383.58		
Special Emergency Authorization (40A:4-53)	1,038,975.00		
Added by NJSA 40A:4-87	472,137.70		
	\$ 81,244,496.28		
Cash Disbursed		\$ 72,780,687.22	
Due to Federal and State Grant Fund		1,772,876.28	
Due to General Capital Fund - Capital Improvement Fund		300,000.00	
Deferred Charges		566,930.00	
Encumbrances	A	544,216.61	
Reserve for Uncollected Taxes		1,830,440.00	
		77,795,150.11	
Less: Refunds		424,479.10	
		\$ 77,370,671.01	

TOWNSHIP OF PARSIPPANY-TROY HILLS  
COUNTY OF MORRIS  
2021  
TRUST FUNDS

TOWNSHIP OF PARSIPPANY-TROY HILLS  
TRUST FUNDS  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31,	
		<u>2021</u>	<u>2020</u>
<u>ASSETS</u>			
Animal Control Fund:			
Cash and Cash Equivalents	B-4	\$ 83,314.12	\$ 83,106.10
Change Fund		50.00	50.00
Due from Current Fund	A	<u>12,049.06</u>	<u>11,570.88</u>
		<u>95,413.18</u>	<u>94,726.98</u>
Other Trust Funds:			
Cash and Cash Equivalents	B-4	24,966,389.61	20,089,126.00
Assets in the Hands of Plan Administrator:			
Workers' Compensation Plan		25,863.33	108,457.73
Due from Current Fund	A		1,365,757.09
Due from Federal and State Grant Fund - Other Trust Fund	A	697.80	697.80
Due from Federal and State Grant Fund - Open Space Trust Fund	A	5,299.93	5,299.93
Due from Public Assistance Fund	G	99,428.25	99,428.25
Due from Payroll		78,454.72	28,665.39
Community Development Block Grant -			
Federal Grants Receivable		842,964.30	198,817.22
Deferred Charge -			
Deficit in Reserve for Workers' Compensation - Self Insurance Fund -			
Municipal		90,624.61	90,624.61
		<u>26,109,722.55</u>	<u>21,986,874.02</u>
<u>TOTAL ASSETS</u>		<u>\$ 26,205,135.73</u>	<u>\$ 22,081,601.00</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS  
TRUST FUNDS  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
(Continued)

	Ref.	December 31,	
		2021	2020
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Fund:			
Due to State of New Jersey		\$ 15.00	\$ 542.00
Reserve for Animal Control Expenditures	B-5	52,026.00	56,414.40
Reserve for Donations		43,372.18	37,770.58
		<u>95,413.18</u>	<u>94,726.98</u>
Other Trust Funds:			
Due to Current Fund	A	1,918,267.15	
Due to Golf and Recreation Utility Operating Fund	F	669,791.16	669,791.16
Due to General Capital Fund	C	34,999.99	35,000.00
Reserve for:			
Special Deposits		9,495,264.87	9,035,634.69
Premiums on Tax Sale		1,430,600.00	963,600.00
Security Deposits		17,111.99	17,111.99
Off Duty Police		425,042.04	221,034.51
Municipal Open Space Preservation Trust Fund		5,560,750.03	4,927,011.34
Workers' Compensation - Self Insurance Fund - Municipal		98,299.19	
Workers' Compensation - Self Insurance Fund - Contractor		25,863.33	108,457.73
Police Explorer Program			233.45
LOSAP		135,085.27	138,229.11
Employee Health Benefit Self Insurance Fund - Municipal		2,792,849.32	3,059,479.02
Employee Health Benefit Self Insurance Fund - Contractor		785,844.63	958,256.62
State Unemployment Insurance Fund		776,734.00	649,086.05
Storm Recovery		542,255.28	365,131.13
Accumulated Sick and Vacation Compensation		558,000.00	640,000.00
Community Development Block Grant - Grant Trust Fund Expenditures		842,964.30	198,817.22
		<u>26,109,722.55</u>	<u>21,986,874.02</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 26,205,135.73</u>	<u>\$ 22,081,601.00</u>

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THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF PARSIPPANY-TROY HILLS ASSESSMENT  
TRUST FUND  
STATEMENT OF FUND BALANCE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021

NOT APPLICABLE

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF PARSIPPANY-TROY HILLS  
ASSESSMENT TRUST FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021

NOT APPLICABLE

ASSESSMENT TRUST FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021

NOT APPLICABLE

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF PARSIPPANY-TROY HILLS  
COUNTY OF MORRIS  
2021  
GENERAL CAPITAL FUND

TOWNSHIP OF PARSIPPANY-TROY HILLS  
GENERAL CAPITAL FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	<u>Ref.</u>	<u>December 31,</u>	
		<u>2021</u>	<u>2020</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	C-2	\$ 4,615,096.39	\$ 4,615,096.39
Due from Current Fund	A	6,841,800.32	7,129,032.38
Due from Other Trust Fund	B	34,999.99	35,000.00
Grants Receivable:			
New Jersey Department of Transportation		2,176.35	2,176.35
Deferred Charges to Future Taxation:			
Funded		70,945,000.00	79,295,000.00
Unfunded	C-4	30,538,485.48	30,179,751.91
<u>TOTAL ASSETS</u>		<u>\$ 112,977,558.53</u>	<u>\$ 121,256,057.03</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds Payable	C-8	\$ 65,210,000.00	\$ 72,260,000.00
Refunding Bonds	C-8A	5,735,000.00	7,035,000.00
Bond Anticipation Notes Payable	C-7	22,860,300.00	11,500,000.00
Improvement Authorizations:			
Funded	C-5	3,314,885.54	9,172,620.52
Unfunded	C-5	15,042,544.49	19,805,288.87
Capital Improvement Fund	C-6	152,353.00	152,353.00
Reserve for:			
Deposit for Regional Contribution Agreement		261,420.19	261,420.19
Developer Contributions		79,652.68	79,652.68
Payment of Debt Service		173,067.16	491,386.30
Emergency Preparedness		122,442.50	122,442.50
Fund Balance	C-1	25,892.97	375,892.97
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 112,977,558.53</u>	<u>\$ 121,256,057.03</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF PARSIPPANY-TROY HILLS  
GENERAL CAPITAL FUND  
STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	
Balance December 31, 2020	C	\$ 375,892.97
Decreased by:		
Utilized as Anticipated Revenue in the Current Fund		<u>350,000.00</u>
Balance December 31, 2021	C	<u><u>\$ 25,892.97</u></u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF PARSIPPANY-TROY HILLS  
COUNTY OF MORRIS  
2021  
WATER UTILITY FUND

TOWNSHIP OF PARSIPPANY-TROY HILLS  
WATER UTILITY FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31,	
		2021	2020
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents	D-4	\$ 3,657,595.58	\$ 3,629,512.33
Petty Cash Fund			300.00
Due from Current Fund	A	101,991.04	
Due from Water Utility Capital Fund	D	584,378.77	89,281.77
		<u>4,343,965.39</u>	<u>3,719,094.10</u>
Receivables and Inventory with Full Reserves:			
Consumer Accounts Receivable	D-6	634,152.55	885,396.66
Water Utility Liens Receivable	D-6A	77,919.45	252.57
Inventory	D-6B	278,473.63	254,963.00
Total Receivables and Inventory with Full Reserves		<u>990,545.63</u>	<u>1,140,612.23</u>
Total Operating Fund		<u>5,334,511.02</u>	<u>4,859,706.33</u>
Capital Fund:			
Cash and Cash Equivalents	D-4	5,613,187.11	13,044,175.18
Due from Current Fund	A	10,164,889.09	5,780,254.45
Fixed Capital	D-7	38,599,107.02	38,599,107.02
Fixed Capital Authorized and Uncompleted	D-8	37,083,000.00	24,383,000.00
Total Capital Fund		<u>91,460,183.22</u>	<u>81,806,536.65</u>
<u>TOTAL ASSETS</u>		<u>\$ 96,794,694.24</u>	<u>\$ 86,666,242.98</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS  
WATER UTILITY FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
(Continued)

	Ref.	December 31,	
		2021	2020
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Appropriation Reserves:			
Encumbered	D-3;D-9	\$ 393,069.90	\$ 136,860.13
Unencumbered	D-3;D-9	660,046.72	1,269,748.83
		<u>1,053,116.62</u>	<u>1,406,608.96</u>
Accrued Interest on Bonds		66,278.13	71,115.63
Accrued Interest on Loans			395.83
Accrued Interest on Notes		17,472.22	33,546.67
Water Rent Overpayments		117,124.77	58,352.77
Due to Current Fund	A		208,401.93
Reserve for Water Master Plan		<u>24,250.03</u>	<u>24,250.03</u>
		1,278,241.77	1,802,671.82
Reserve for Receivables and Inventory	D	990,545.63	1,140,612.23
Fund Balance	D-1	<u>3,065,723.62</u>	<u>1,916,422.28</u>
Total Operating Fund		<u>5,334,511.02</u>	<u>4,859,706.33</u>
Capital Fund:			
Bond Anticipation Notes Payable	D-13	12,580,000.00	12,580,000.00
Serial Bonds Payable	D-14	11,290,000.00	12,105,000.00
N.J. Environmental Infrastructure Loans Payable	D-15		33,496.10
Improvement Authorizations:			
Funded	D-10	4,076,117.96	5,528,087.27
Unfunded	D-10	22,882,719.36	11,871,579.28
Capital Improvement Fund	D-11	314,498.22	314,498.22
Due to Water Utility Operating Fund	D	584,378.77	89,281.77
Reserve for:			
Debt Service		287,225.01	192,749.21
Amortization	D-12	38,032,046.02	37,183,549.92
Deferred Amortization	D-12A	1,080,000.00	1,080,000.00
Fund Balance	D-1A	<u>333,197.88</u>	<u>828,294.88</u>
Total Capital Fund		<u>91,460,183.22</u>	<u>81,806,536.65</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 96,794,694.24</u>	<u>\$ 86,666,242.98</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF PARSIPPANY-TROY HILLS  
WATER UTILITY OPERATING FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND  
CHANGE IN FUND BALANCE - REGULATORY BASIS

	Ref.	Year Ended December 31,	
		2021	2020
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	\$	1,800,000.00	\$ 2,328,195.00
Rents		10,312,410.23	8,507,899.84
Interest on Investments		28,083.25	49,974.60
Water Utility Capital Fund Balance		495,097.00	89,281.77
Miscellaneous Revenue		204,675.06	279,999.31
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		834,126.88	156,997.98
Cancellation of Prior Year Accounts Payable			9.35
		<u>13,674,392.42</u>	<u>11,412,357.85</u>
<u>Expenditures</u>			
Budget Expenditures:			
Operating		8,722,086.00	8,656,626.00
Capital Improvements		140,000.00	
Debt Service		1,425,698.08	1,227,688.42
Statutory Expenditures		437,307.00	376,500.00
		<u>10,725,091.08</u>	<u>10,260,814.42</u>
Excess in Revenue		2,949,301.34	1,151,543.43
<u>Fund Balance</u>			
Balance January 1		1,916,422.28	3,543,073.85
		4,865,723.62	4,694,617.28
Decreased by:			
Utilized as Anticipated Revenue		1,800,000.00	2,328,195.00
Prior Year Fund Balance Appropriated as Revenue - Current Fund			450,000.00
		<u>3,065,723.62</u>	<u>1,916,422.28</u>
Balance December 31	D	<u>\$ 3,065,723.62</u>	<u>\$ 1,916,422.28</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF PARSIPPANY-TROY HILLS  
WATER UTILITY CAPITAL FUND  
STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	
Balance December 31, 2020	D	\$ 828,294.88
Decreased by:		
Anticipated as Revenue in Water Utility Operating Fund Budget		<u>495,097.00</u>
Balance December 31, 2021	D	<u>\$ 333,197.88</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF PARSIPPANY-TROY HILLS  
WATER UTILITY OPERATING FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021

	Anticipated	Realized	Excess/ Deficit *
Operating Fund Balance Anticipated	\$ 1,800,000.00	\$ 1,800,000.00	
Water Rents	8,400,000.00	10,312,410.23	\$ 1,912,410.23
Interest on Investments	46,622.00	28,083.25	18,538.75 *
Water Capital Fund Balance	495,097.00	495,097.00	
	10,741,719.00	12,635,590.48	1,893,871.48
Nonbudget Revenue		204,675.06	204,675.06
	\$ 10,741,719.00	\$ 12,840,265.54	\$ 2,098,546.54
 <u>Analysis of Water Rents</u>			
Cash Received		\$ 10,254,057.46	
Overpayments Applied		58,352.77	
		\$ 10,312,410.23	
 <u>Analysis of Nonbudget Revenue</u>			
Interest on Water Rents		\$ 76,247.38	
Final Fee		29,755.53	
Off/On Fee		18,029.50	
Capacity/Connection Fees		68,846.78	
Other		11,795.87	
		\$ 204,675.06	

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF PARSIPPANY-TROY HILLS  
WATER UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021

	Appropriations		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operating:					
Salaries and Wages	\$ 2,958,216.00	\$ 2,958,216.00	\$ 2,816,612.78	\$ 141,603.22	
Other Expenses	5,763,870.00	5,763,870.00	5,364,130.33	399,739.67	
Capital Improvements:					
Capital Outlay	140,000.00	140,000.00	105,861.00	34,139.00	
Debt Service:					
Payment of Bond Principal	815,000.00	815,000.00	815,000.00		
Interest on Bonds	341,675.00	341,675.00	341,675.00		
Interest on Notes	251,600.00	251,600.00	235,525.55		\$ 16,074.45
Environmental Infrastructure Loan	34,051.00	34,051.00	33,497.53		553.47
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	209,944.00	209,944.00	209,944.00		
Social Security (O.A.S.I.)	227,363.00	227,363.00	142,798.17	84,564.83	
	<u>\$ 10,741,719.00</u>	<u>\$ 10,741,719.00</u>	<u>\$ 10,065,044.36</u>	<u>\$ 660,046.72</u>	<u>\$ 16,627.92</u>

Ref.

Analysis of Paid or Charged

Cash Disbursed	\$ 9,146,783.81	
Encumbrances Payable	393,069.90	
Accrued Interest on Bonds	341,675.00	
Accrued Interest on Loans	376.36	
Accrued Interest on Notes	235,525.55	
	<u>10,117,430.62</u>	
Less: Refunds	52,386.26	
	<u>\$ 10,065,044.36</u>	

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THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF PARSIPPANY-TROY HILLS  
COUNTY OF MORRIS  
2021  
SEWER UTILITY FUND

TOWNSHIP OF PARSIPPANY-TROY HILLS  
SEWER UTILITY FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31,	
		2021	2020
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents	E-4	\$ 5,485,546.03	\$ 5,452,322.13
Due from Current Fund	A	2,589,087.91	944,119.79
Due from Sewer Utility Capital Fund	E	162,235.89	62,235.89
		<u>8,236,869.83</u>	<u>6,458,677.81</u>
Receivables and Inventory With Full Reserves:			
Consumer Accounts Receivable	E-6	1,601,863.51	1,642,778.56
Sewer Utility Liens Receivable	E-6A	23,274.52	721.81
Inventory	E-6B	88,600.00	67,506.00
Total Receivables and Inventory with Full Reserves		<u>1,713,738.03</u>	<u>1,711,006.37</u>
Total Operating Fund		<u>9,950,607.86</u>	<u>8,169,684.18</u>
Capital Fund:			
Cash and Cash Equivalents	E-4	13,709,668.03	18,709,668.03
Due from:			
Current Fund	A	7,391,493.28	
Fixed Capital	E-7	140,640,056.25	140,640,056.25
Fixed Capital Authorized and Uncomplete	E-8	75,009,321.49	70,881,000.00
Total Capital Fund		<u>236,750,539.05</u>	<u>230,230,724.28</u>
TOTAL ASSETS		<u>\$ 246,701,146.91</u>	<u>\$ 238,400,408.46</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS  
SEWER UTILITY FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
(Continued)

	Ref.	December 31	
		2021	2020
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves:			
Encumbered	E-3;E-9	\$ 367,109.58	\$ 64,144.50
Unencumbered	E-3;E-9	2,223,034.23	3,191,328.19
		<u>2,590,143.81</u>	<u>3,255,472.69</u>
Accounts Payable		908.50	
Accrued Interest on Loans		51,053.96	57,198.43
Accrued Interest on Bonds		91,504.17	98,479.17
Accrued Interest on Notes		23,354.79	28,440.00
Sewer Rent Overpayments		142,454.91	116,462.41
Prepaid Sewer Rents			22,881.02
Due to Public Assistance Fund	G	15,712.68	15,712.68
Due to Golf and Recreation Utility Operating Fund	F	2,377.07	2,377.07
		<u>2,917,509.89</u>	<u>3,597,023.47</u>
Reserve for Receivables and Inventory	E	1,713,738.03	1,711,006.37
Fund Balance	E-1	5,319,359.94	2,861,654.34
		<u>9,950,607.86</u>	<u>8,169,684.18</u>
Total Operating Fund			
Capital Fund:			
Bond Anticipation Notes Payable	E-13	17,049,000.00	10,665,000.00
Serial Bonds Payable	E-14	15,160,000.00	16,355,000.00
NJ Environmental Infrastructure Trust Loans Payable #1	E-15	74,909.75	83,859.74
NJ Environmental Infrastructure Trust Loans Payable #2	E-15A	8,337,603.08	9,368,884.93
Improvement Authorizations:			
Funded	E-10	5,838,656.86	7,605,897.64
Unfunded	E-10	22,501,307.22	20,703,849.13
Due to Current Fund	A		22,440.53
Due to Sewer Utility Operating Fund	E	162,235.89	62,235.89
Capital Improvement Fund	E-11	466,000.00	466,000.00
Reserve for:			
Debt Service		128,037.99	
Amortization	E-12	142,220,916.94	141,025,916.94
Deferred Amortization	E-12a	24,619,401.81	23,694,493.83
Fund Balance	E-1a	192,469.51	177,145.65
		<u>236,750,539.05</u>	<u>230,230,724.28</u>
Total Capital Fund			
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 246,701,146.91</u>	<u>\$ 238,400,408.46</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

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

	Ref.	Year Ended December 31	
		2021	2020
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	\$	2,800,000.00	\$ 3,366,000.00
Sewer and Other Rents		17,665,125.48	15,104,738.79
Septage Removal		848,729.11	606,008.41
Interest on Investments		33,223.90	150,171.04
Sewer Utility Capital Fund Balance		100,000.00	62,235.89
Nonbudget Revenue		255,759.65	256,555.25
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		2,117,585.06	918,878.19
<b>Total Income</b>		<b>23,820,423.20</b>	<b>20,464,587.57</b>
<u>Expenditures</u>			
Budget Expenditures:			
Operating		14,787,416.00	15,016,934.00
Debt Service		3,032,177.60	2,876,731.90
Deferred Charges and Statutory Expenditures		743,124.00	730,500.00
<b>Total Expenditures</b>		<b>18,562,717.60</b>	<b>18,624,165.90</b>
Excess in Revenue		5,257,705.60	1,840,421.67
<u>Fund Balance</u>			
Balance January 1		2,861,654.34	6,487,232.67
		8,119,359.94	8,327,654.34
Decreased by:			
Utilization as Anticipated Revenue		2,800,000.00	3,366,000.00
Prior Year Fund Balance Appropriated as Revenue - Current Fund			2,100,000.00
<b>Balance December 31</b>	<b>E</b>	<b>\$ 5,319,359.94</b>	<b>\$ 2,861,654.34</b>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF PARSIPPANY-TROY HILLS  
SEWER UTILITY CAPITAL FUND  
STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	
Balance December 31, 2020	E	\$ 177,145.65
Increased by:		
Improvement Authorizations Cancelled		115,323.86
		<u>292,469.51</u>
Decreased by:		
Due to Sewer Utility Operating Fund:		
Utilized as Anticipated Revenue in Sewer Utility Operating Fund		100,000.00
		<u>100,000.00</u>
Balance December 31, 2021	E	<u>\$ 192,469.51</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
 ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF PARSIPPANY-TROY HILLS  
SEWER UTILITY CAPITAL FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess/ Deficit *</u>
Operating Fund Balance Anticipated	\$ 2,800,000.00	\$ 2,800,000.00	
Sewer Rents	14,963,770.00	17,665,125.48	\$ 2,701,355.48
Interest on Investments	125,000.00	33,223.90	91,776.10 *
Septage Removal	580,000.00	848,729.11	268,729.11
Sewer Capital Fund Balance	<u>100,000.00</u>	<u>100,000.00</u>	
	18,568,770.00	21,447,078.49	2,878,308.49
Nonbudget Revenue		<u>255,759.65</u>	<u>255,759.65</u>
	<u>\$ 18,568,770.00</u>	<u>\$ 21,702,838.14</u>	<u>\$ 3,134,068.14</u>

Analysis of Sewer Rents:

Collections	\$ 17,527,366.55
Prepaid Sewer Rents Applied	22,881.02
Overpayments Applied	<u>114,877.91</u>
	<u>\$ 17,665,125.48</u>

Analysis of Septage Removal

Collections	\$ 847,144.61
Overpayments Applied	<u>1,584.50</u>
	<u>\$ 848,729.11</u>

Analysis of Interest on Investments

Collected by Treasurer	\$ 3,413.56
Due from Sewer Utility Capital Fund	<u>29,810.34</u>
	<u>\$ 33,223.90</u>

Analysis of Nonbudget Revenue:

Interest on Sewer Rents	\$ 104,716.12
Interest on Sludge Rents	7,856.10
Capacity/Connection Fees	116,663.81
Other Miscellaneous	<u>26,523.62</u>
	<u>\$ 255,759.65</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF PARSIPPANY-TROY HILLS  
SEWER UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021

	Appropriations		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operating:					
Salaries and Wages	\$ 4,630,596.00	\$ 4,630,596.00	\$ 3,853,926.39	\$ 776,669.61	
Other Expenses	10,156,820.00	10,156,820.00	8,848,007.61	1,308,812.39	
Debt Service:					
Payment of Bond Principal	1,195,000.00	1,195,000.00	1,195,000.00		
Interest on Bonds	459,550.00	459,550.00	459,550.00		
Interest on Notes	213,300.00	213,300.00	208,214.79		\$ 5,085.21
Environmental Infrastructure Loan	1,170,380.00	1,170,380.00	1,169,412.81		967.19
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	393,124.00	393,124.00	393,124.00		
Social Security System (O.A.S.I.)	350,000.00	350,000.00	212,447.77	137,552.23	
	<u>\$ 18,568,770.00</u>	<u>\$ 18,568,770.00</u>	<u>\$ 16,339,683.37</u>	<u>\$ 2,223,034.23</u>	<u>\$ 6,052.40</u>

Ref.

E

TOWNSHIP OF PARSIPPANY-TROY HILLS  
SEWER UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

		Analysis of	
	Ref.	Budget After Modification	Paid or Charged
Adopted Budget		\$ 18,568,770.00	
Cash Disbursed			\$ 15,251,891.56
Encumbered	E		367,109.58
Accrued Interest on Bonds			459,550.00
Accrued Interest on Notes			208,214.79
Accrued Interest on Loans			62,493.64
			16,349,259.57
Less: Refunds			9,576.20
			\$ 16,339,683.37

THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF PARSIPPANY-TROY HILLS  
COUNTY OF MORRIS  
2021  
GOLF AND RECREATION UTILITY FUND

TOWNSHIP OF PARSIPPANY-TROY HILLS  
GOLF AND RECREATION UTILITY FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31,	
		2021	2020
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents	F-4	\$ 3,515,544.39	\$ 4,440,888.97
Change Funds			1,800.00
		<u>3,515,544.39</u>	<u>4,442,688.97</u>
Due from Other Trust Funds - Open Space	B	669,791.16	669,791.16
Due from Sewer Utility Operating Fund	E	2,377.07	2,377.07
Due from Golf and Recreation Utility Capital Fund	F	73,070.00	73,070.00
		<u>4,260,782.62</u>	<u>5,187,927.20</u>
Receivables and Inventory With Full Reserves:			
Consumer Accounts Receivable	F-6	19,165.81	43,397.07
Inventory	F-6a	157,682.57	123,134.51
		<u>176,848.38</u>	<u>166,531.58</u>
Deferred Charges:			
Overexpenditure of Appropriations		20,172.53	20,172.53
Total Deferred Charges		<u>20,172.53</u>	<u>20,172.53</u>
		<u>4,457,803.53</u>	<u>5,374,631.31</u>
Capital Fund:			
Cash and Cash Equivalents	F-4	3,915,417.60	3,915,417.60
Due from Current Fund	A		454,997.92
Fixed Capital	F-7	25,617,805.11	25,617,805.11
Fixed Capital Authorized and Uncompleted	F-8	9,352,999.50	8,832,299.50
		<u>38,886,222.21</u>	<u>38,820,520.13</u>
<u>TOTAL ASSETS</u>		<u>\$ 43,344,025.74</u>	<u>\$ 44,195,151.44</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS  
GOLF AND RECREATION UTILITY FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
(Continued)

	Ref.	December 31,	
		2021	2020
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Appropriation Reserves:			
Encumbered	F-3;F-9	\$ 160,763.91	\$ 46,699.13
Unencumbered	F-3;F-9	418,845.31	467,433.68
		<u>579,609.22</u>	<u>514,132.81</u>
Sales Tax Payable		8,353.24	7,676.43
Accrued Interest on Bonds		41,165.30	45,693.24
Accrued Interest on Notes		737.66	
Membership Overpayments			18,077.36
Due to Golf Pro			15,082.50
Due to Current Fund	A	2,541,330.39	2,901,287.68
		<u>3,171,195.81</u>	<u>3,501,950.02</u>
Reserve for Receivables and Inventory	F	176,848.38	166,531.58
Fund Balance	F-1	1,109,759.34	1,706,149.71
		<u>4,457,803.53</u>	<u>5,374,631.31</u>
Total Operating Fund			
Capital Fund:			
Bond Anticipation Notes Payable	F-13	520,700.00	
Serial Bonds Payable	F-14	6,680,000.00	7,310,000.00
Improvement Authorizations:			
Funded	F-10	398,454.34	1,721,801.69
Unfunded	F-10	521,482.46	984.00
Capital Improvement Fund	F-11	161,593.05	161,593.05
Due to Current Fund	A	343,940.52	
Due to Golf and Recreation Utility Operating Fund	F	73,070.00	73,070.00
Reserve for:			
Preliminary Expenses - Miniature Golf Recreation Facility		12,000.00	12,000.00
Payment of Debt Service		2,403,910.45	2,400,000.00
Amortization	F-12	27,546,355.11	26,916,355.11
Deferred Amortization	F-12a	222,765.50	222,765.50
Fund Balance	F-1a	1,950.78	1,950.78
		<u>38,886,222.21</u>	<u>38,820,520.13</u>
Total Capital Fund			
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 43,344,025.74</u>	<u>\$ 44,195,151.44</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

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

	Ref.	Year Ended December 31,	
		2021	2020
<u>Revenue and Other Income Realized</u>			
Fund Balance Anticipated	\$	1,234,948.00	\$ 1,079,625.00
Golf Fees		3,796,980.90	3,770,023.71
Concession Fees			255,000.00
Merchandise Sales		141,711.03	127,741.54
Interest on Investments		19,144.18	33,750.08
Golf and Recreation Capital Fund Balance			45,070.00
Miscellaneous Revenue Not Anticipated		219,769.57	147,157.31
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		464,643.45	315,304.46
Cancellation of Due to Golf Pro		15,082.50	
Total Income		<u>5,892,279.63</u>	<u>5,773,672.10</u>
<u>Expenditures</u>			
Budget Expenditures:			
Operating		4,175,428.00	3,889,114.00
Capital Improvements		250,000.00	
Debt Service		565,119.00	
Deferred Charges and Statutory Expenditures		263,175.00	327,172.53
Total Expenditures		<u>5,253,722.00</u>	<u>4,216,286.53</u>
Excess in Revenue		638,557.63	1,557,385.57
Adjustments to Excess Before Fund Balance:			
Expenditures included above which are by Statute			
Deferred Charges to Budget of Succeeding Year			20,172.53
Statutory Excess to Fund Balance		638,557.63	1,577,558.10
<u>Fund Balance</u>			
Balance January 1		1,706,149.71	1,208,216.61
		<u>2,344,707.34</u>	<u>2,785,774.71</u>
Decreased by:			
Utilized as Anticipated Revenue		1,234,948.00	1,079,625.00
Balance December 31	F	<u>\$ 1,109,759.34</u>	<u>\$ 1,706,149.71</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF PARSIPPANY-TROY HILLS  
GOLF AND RECREATION UTILITY CAPITAL FUND  
STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	
Balance December 31, 2020	F	\$ <u>1,950.78</u>
Balance December 31, 2021	F	\$ <u><u>1,950.78</u></u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
 ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF PARSIPPANY-TROY HILLS  
GOLF AND RECREATION UTILITY CAPITAL FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess/ Deficit *</u>
Operating Fund Balance Anticipated	\$ 1,234,948.00	\$ 1,234,948.00	
Golf Fees	3,760,000.00	3,796,980.90	\$ 36,980.90
Concession Fees	100,000.00		100,000.00 *
Merchandise Sales	125,774.00	141,711.03	15,937.03
Interest on Investments	33,000.00	19,144.18	13,855.82 *
	<u>5,253,722.00</u>	<u>5,192,784.11</u>	<u>60,937.89 *</u>
Nonbudget Revenue		219,769.57	219,769.57
	<u>\$ 5,253,722.00</u>	<u>\$ 5,412,553.68</u>	<u>\$ 158,831.68</u>

Analysis of Golf Fees

Collections - Golf Fees	\$ 3,778,903.54
Membership Overpayments Applied	<u>18,077.36</u>
	<u>\$ 3,796,980.90</u>

Analysis of Nonbudget Revenue

Concession Fee Settlement	\$ 120,592.37
Other	<u>99,177.20</u>
	<u>\$ 219,769.57</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF PARSIPPANY-TROY HILLS  
GOLF AND RECREATION UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021

	Appropriations		Expended by		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operating:					
Salaries and Wages	\$ 2,266,415.00	\$ 2,246,515.00	\$ 1,959,723.65	\$ 286,791.35	
Other Expenses	1,928,913.00	1,928,913.00	1,798,878.10	130,034.90	
Capital Improvements:					
Capital Outlay	250,000.00	250,000.00	250,000.00		
Debt Service:					
Payment of Bond Principal	380,000.00	380,000.00	380,000.00		
Interest on Bonds	185,119.00	185,119.00	185,119.00		
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	127,275.00	127,275.00	127,275.00		
Social Security (O.A.S.I.)	116,000.00	135,900.00	133,880.94	2,019.06	
	<u>\$ 5,253,722.00</u>	<u>\$ 5,253,722.00</u>	<u>\$ 4,834,876.69</u>	<u>\$ 418,845.31</u>	<u>\$ -0-</u>

Ref.

F

Analysis of Paid or Charged

Cash Disbursed	\$ 4,529,545.04
Accrued Interest on Bonds	185,119.00
Encumbrances Payable	160,763.91
	<u>4,875,427.95</u>
Less: Refunds	<u>40,551.26</u>
	<u>\$ 4,834,876.69</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF PARSIPPANY-TROY HILLS  
COUNTY OF MORRIS  
2021  
PUBLIC ASSISTANCE FUND

TOWNSHIP OF PARSIPPANY-TROY HILLS  
PUBLIC ASSISTANCE FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

		December 31,	
<u>ASSETS</u>	<u>Ref.</u>	2021	2020
Cash and Cash Equivalents	G-1	\$ 87,888.06	\$ 87,668.62
Due from Sewer Utility Operating Fund	E	15,712.68	15,712.68
<u>TOTAL ASSETS</u>		<u>\$ 103,600.74</u>	<u>\$ 103,381.30</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Due to Other Trust Fund	B	\$ 99,428.25	\$ 99,428.25
Reserve for Public Assistance		4,172.49	3,953.05
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 103,600.74</u>	<u>\$ 103,381.30</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF PARSIPPANY-TROY HILLS  
COUNTY OF MORRIS  
2021  
GENERAL FIXED ASSETS ACCOUNT GROUP

TOWNSHIP OF PARSIPPANY-TROY HILLS  
GENERAL FIXED ASSETS ACCOUNT GROUP  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

<u>ASSETS</u>	December 31,	
	2021	2020
Land	\$ 114,261,584.00	\$ 114,261,584.00
Buildings	42,407,748.00	42,407,748.00
Machinery and Equipment	33,312,888.00	33,312,888.00
Construction in Progress	13,363,613.00	13,363,613.00
<u>TOTAL ASSETS</u>	<u>\$ 203,345,833.00</u>	<u>\$ 203,345,833.00</u>
<u>RESERVE</u>		
Reserve for Fixed Assets	\$ 203,345,833.00	\$ 203,345,833.00
<u>TOTAL RESERVE</u>	<u>\$ 203,345,833.00</u>	<u>\$ 203,345,833.00</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021

Note 1: Summary of Significant Accounting Policies

A. 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.

B. Description of Funds

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 - Resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

Trust Fund - Receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
 (Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

B. Description of Funds (Cont'd)

General Capital Fund - Receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund.

Water Utility Operating and Capital Funds – Account for the operations and acquisition of capital facilities of the municipally owned Water Utility.

Sewer Utility Operating and Capital Funds – Account for the operations and acquisition of capital facilities of the municipally owned Sewer Utility.

Golf and Recreation Utility Operating and Capital Funds – Account for the operations and acquisition of capital facilities of the municipally owned Golf and Recreation Utility.

Public Assistance Fund - Receipt and disbursement 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.

General Fixed Assets Account Group – Estimated values of land, buildings and certain fixed assets of the Township as discussed in Note 1E.

C. Basis of Accounting

Basis of accounting refers to when revenue and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The more significant accounting policies in New Jersey follow.

Revenue is recorded when received in cash except for certain amounts which may be due from the State of New Jersey and for the prepayment of future years' revenue. Grant revenue is realized in the operating funds when it is budgeted and in the capital funds when improvements are authorized. The amounts recorded as property taxes and consumer accounts receivable have not been included in revenue. Other amounts that are due to the municipality, which are susceptible of accrual, are recorded as receivables with offsetting reserves in the Current Fund.

Expenditures are generally charged to operations based on budgeted amounts. Exceptions to this general rule include:

1. Accumulated unpaid vacation, sick pay and other employee amounts are not accrued.
2. Prepaid expenses, such as insurance premiums applicable to subsequent periods, are charged to current budget appropriations in total.
3. Principal and interest on long-term debt are recognized when due.

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

C. Basis of Accounting (Cont'd)

Expenditures, if any, in excess of appropriations, appropriation reserves or ordinances become deferred charges which must be raised by future taxes. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the statutory appropriation reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31 of each year and recorded as liabilities, except for amounts which may be cancelled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

Had the Township's financial statements been prepared under accounting principles generally accepted in the United States of America, encumbrances would not be considered as expenditures; appropriation reserves would not be recorded; revenue susceptible to accrual would have been reflected without offsetting reserves; Federal and State grants and assistance would be recognized when earned, not when budgeted or authorized in an ordinance; inventories would not be reflected as expenditures at the time of purchase, investments would generally be stated at fair value and the Township's net OPEB liability and net pension liability and related deferred inflows and outflows would be recorded.

The cash basis of accounting is followed in the Trust and Capital Funds.

- D. Deferred Charges to Future Taxation – The General Capital Fund balance sheet includes both funded and unfunded deferred charges. Funded means that bonds have been issued and are being paid off on a serial basis. Unfunded means that debt has been authorized but not permanently financed. A municipality can eliminate an unfunded deferred charge by raising it in the budget, by collecting a grant, by selling bonds, by issuing loans or through capital lease purchase agreements.

- E. Other significant accounting policies include:

Management Estimates – The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents – Amounts include petty cash, change funds, amounts on deposit, and short-term investments with original maturities of three months or less.

Investments – Investments are stated at cost.

Grants Receivable – Grants receivable represent total grant awards less amounts collected to date. Because the amount of grants funds to be collected are dependent on the total costs eligible for reimbursement, the actual amount collected may be less than the total amount awarded.

Allowance for Uncollectible Accounts – No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

E. Other significant accounting policies include: (Cont'd)

Compensated Absences – Expenditures relating to unused vested accumulated vacation and sick pay are not recorded until paid.

Foreclosed Property - Foreclosed Property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved.

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

Inventories of Supplies - The cost of inventories of supplies for all funds, except the Water, Sewer and Golf and Recreation Utility, is recorded as an expenditure at the time individual items are purchased. The cost of the Water, Sewer, and Golf and Recreation Utility Operating Fund inventory is included on the respective balance sheet and is offset by a reserve.

General Fixed Assets Account Group – In accordance with N.J.A.C. accounting requirements, the Township has developed a fixed assets accounting and reporting system based on the following:

General fixed assets are recorded at cost except for land and buildings, which are recorded at estimated historical cost. Infrastructure assets are not included in general fixed assets, as per state directive. Major renewals and betterments are charged to the asset accounts; maintenance and minor repairs and replacements, which do not improve or extend the lives of the respective assets, are expensed currently. Donated fixed assets are valued at their fair market value on the date donated. No depreciation has been provided on general fixed assets. The total value recorded for general fixed assets is offset by a "Reserve for Fixed Assets". When properties are retired or otherwise disposed of, the asset and the reserve are adjusted accordingly. Assets recorded in the General Fixed Assets Account Group may also be recorded in the Current Fund, the General Capital Fund and the Utility Funds. The values recorded in the General Fixed Assets Account Group and the Current, General Capital and Utility Funds may not always agree due to differences in valuation methods, timing of recognition of assets and the recognition of infrastructures. Fixed assets are reviewed for impairment.

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

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

- F. Budget/Budgetary Control – Annual appropriated budgets are usually prepared in the first quarter for the Current, Open Space, Water, Sewer and Golf and Recreation Utility Operating Funds. The budgets are submitted to the governing body and the Division of Local Government Services. Budgets are prepared using the cash basis of accounting. The legal level of budgetary control is established at the line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the flexible chart of accounts referenced in N.J.S.A. 40A. All budget amendments/transfers must be approved by the Township during the year.

Note 2: Long-Term Debt

The Local Bond Law governs the issuance of bond 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.

Summary of Municipal Debt

	December 31,		
	2021	2020	2019
<u>Issued</u>			
General:			
Bonds and Notes	\$ 93,805,300	\$ 90,795,000	\$ 90,555,000
Water Utility:			
Bonds, Loans and Notes	23,870,000	24,718,496	12,967,604
Sewer Utility:			
Bonds, Loans and Notes	40,621,513	36,472,745	28,016,905
Golf and Recreation Utility:			
Bonds and Notes	7,200,700	7,310,000	6,190,000
Total Issued	<u>165,497,513</u>	<u>159,296,241</u>	<u>137,729,509</u>
Less:			
Funds Temporarily Held to Pay Bonds and Notes:			
General	252,720	571,039	1,071,039
Water Utility	287,225	192,749	192,749
Sewer Utility	128,038		
Golf and Recreation Utility	2,403,910	2,400,000	2,400,000
Total Deductions	<u>3,071,893</u>	<u>3,163,788</u>	<u>3,663,788</u>
Net Debt Issued	<u>162,425,620</u>	<u>156,132,453</u>	<u>134,065,721</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 2: Long-Term Debt (Cont'd)

Summary of Municipal Debt (Cont'd)

	December 31,		
	2021	2020	2019
<u>Authorized but not Issued:</u>			
General:			
Bonds, Loans and Notes	\$ 7,678,185	\$ 18,679,752	\$ 16,848,144
Water Utility:			
Bonds, Loans and Notes	12,700,061	61	3,000,061
Sewer Utility:			
Bonds, Loans and Notes	8,187,546	10,327,901	6,577,901
Golf and Recreation Utility:			
Bonds and Notes	984	984	984
Total Authorized but not Issued	<u>28,566,776</u>	<u>29,008,698</u>	<u>26,427,090</u>
Net Bonds and Notes Issued and Authorized but not Issued	<u>\$ 190,992,396</u>	<u>\$ 185,141,151</u>	<u>\$ 160,492,811</u>

Summary of Municipal Debt Issued and Outstanding – Prior Year

	Balance 12/31/2019	Additions	Retirements	Balance 12/31/2020
Serial Bonds:				
General Capital Fund	\$ 74,555,000	\$ 12,450,000	\$ 7,710,000	\$ 79,295,000
Water Utility Capital Fund	12,900,000		795,000	12,105,000
Sewer Utility Capital Fund	17,540,000		1,185,000	16,355,000
Golf and Recreation Utility Capital Fund	6,190,000	1,645,000	525,000	7,310,000
Bond Anticipation Notes:				
General Capital Fund	16,000,000	11,500,000	16,000,000	11,500,000
Water Utility Capital Fund		12,580,000		12,580,000
Sewer Utility Capital Fund		10,665,000		10,665,000
Loans Payable:				
Water Utility Capital Fund:				
NJ Environmental Infrastructure Loan	67,604		34,108	33,496
Sewer Utility Capital Fund:				
NJ Environmental Infrastructure Loan	10,476,905		1,024,160	9,452,745
Total	<u>\$ 137,729,509</u>	<u>\$ 48,840,000</u>	<u>\$ 27,273,268</u>	<u>\$ 159,296,241</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 2: Long-Term Debt (Cont'd)

Summary of Municipal Debt Issued and Outstanding – Current Year

	<u>Balance</u> <u>12/31/2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>12/31/2021</u>
Serial Bonds:				
General Capital Fund	\$ 79,295,000		\$ 8,350,000	\$ 70,945,000
Water Utility Capital Fund	12,105,000		815,000	11,290,000
Sewer Utility Capital Fund	16,355,000		1,195,000	15,160,000
Golf and Recreation Utility Capital Fund	7,310,000		630,000	6,680,000
Bond Anticipation Notes:				
General Capital Fund	11,500,000	\$ 22,860,300	11,500,000	22,860,300
Water Utility Capital Fund	12,580,000	12,580,000	12,580,000	12,580,000
Sewer Utility Capital Fund	10,665,000	17,049,000	10,665,000	17,049,000
Golf and Recreation Utility Capital Fund		520,700		520,700
Loans Payable:				
Water Utility Capital Fund:				
NJ Environmental Infrastructure Loan	33,496		33,496	
Sewer Utility Capital Fund:				
NJ Environmental Infrastructure Loan	9,452,745		1,040,232	8,412,513
Total	<u>\$ 159,296,241</u>	<u>\$ 53,010,000</u>	<u>\$ 46,808,728</u>	<u>\$ 165,497,513</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition, which follows, is prepared in accordance with the required method of setting up the Debt Statement and indicates a statutory net debt of 1.146%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 21,035,000	\$ 21,035,000	
Water Utility Debt	36,570,061	36,570,061	
Sewer Utility Debt	48,809,059	48,809,059	
Golf and Recreation Utility Debt	7,201,684	7,201,684	
General Debt	101,483,485	252,720	\$ 101,230,765
	<u>\$ 215,099,289</u>	<u>\$ 113,868,524</u>	<u>\$ 101,230,765</u>

Net Debt: \$101,230,765 divided by Equalized Valuation basis per N.J.S. 40A:2-2, as amended, of \$8,833,573,407 = 1.146%.

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 2: Long-Term Debt (Cont'd)

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

3-1/2% Average Equalized Valuation of Real Property	\$ 309,175,069
Net Debt	<u>101,230,765</u>
Remaining Borrowing Power	<u>\$ 207,944,304</u>

Calculation of "Self-Liquidating Purpose", Water Utility Per N.J.S.40A:2-45

Cash Receipts from Fees, Rents or Other Charges for Year	\$ 12,840,266
Deductions:	
Operating and Maintenance Cost	\$ 9,159,393
Debt Service	<u>1,425,698</u>
	<u>10,585,091</u>
Excess in Revenue	<u>\$ 2,255,175</u>

Calculation of "Self-Liquidating Purpose", Sewer Utility Per N.J.S.40A:2-45

Cash Receipts from Fees, Rents or Other Charges for Year	\$ 21,702,838
Deductions:	
Operating and Maintenance Cost	\$ 15,530,540
Debt Service	<u>3,032,178</u>
	<u>18,562,718</u>
Excess in Revenue	<u>\$ 3,140,120</u>

Calculation of "Self-Liquidating Purpose", Golf and Recreation Utility Per N.J.S.40A:2-45

Cash Receipts from Fees, Rents or Other Charges for Year	\$ 5,412,554
Deductions:	
Operating and Maintenance Cost	\$ 4,438,603
Debt Service	<u>565,119</u>
	<u>5,003,722</u>
Excess in Revenue	<u>\$ 408,832</u>

Note: If there is a deficit in revenue, then the utility debt is not deductible to the extent of 20 times such deficit amount.

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

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 2: Long-Term Debt (Cont'd)

Schedule of Annual Debt Service for the Next Five Years and Thereafter for  
Bonded Debt and Loans Issued and Outstanding

Year Ended December 31,	General		Water Utility	
	Principal	Interest	Principal	Interest
2022	\$ 8,770,000	\$ 2,130,638	\$ 850,000	\$ 322,463
2023	9,170,000	1,841,888	885,000	297,213
2024	9,175,000	1,543,763	750,000	270,763
2025	9,170,000	1,246,163	765,000	246,763
2026	7,435,000	957,163	775,000	222,388
2027-2031	27,225,000	1,615,381	3,665,000	732,794
2032-2036			2,250,000	343,125
2037-2039			1,350,000	60,750
	<u>\$ 70,945,000</u>	<u>\$ 9,334,996</u>	<u>\$ 11,290,000</u>	<u>\$ 2,496,259</u>

Year Ended December 31,	Sewer Utility		Golf and Recreation Utility	
	Principal	Interest	Principal	Interest
2022	\$ 2,258,309	\$ 553,755	\$ 715,000	\$ 257,550
2023	2,277,392	504,791	720,000	155,850
2024	2,126,483	454,961	740,000	139,250
2025	2,150,578	408,215	740,000	120,050
2026	2,179,681	360,503	695,000	100,775
2027-2031	8,055,070	1,054,158	2,925,000	205,475
2032-2036	2,875,000	423,437	145,000	1,450
2037-2039	1,650,000	74,250		
	<u>\$ 23,572,513</u>	<u>\$ 3,834,070</u>	<u>\$ 6,680,000</u>	<u>\$ 980,400</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 2: Long-Term Debt (Cont'd)

Analysis of Debt Issued and Outstanding at December 31, 2021

General Capital Fund

Serial Bonds

<u>Purpose</u>	<u>Maturities of Bonds</u>		<u>Interest</u>	<u>Balance</u>
	<u>Outstanding Dec. 31, 2021</u>			
	<u>Date</u>	<u>Amount</u>	<u>Rate</u>	<u>Dec. 31, 2021</u>
Refunding Bonds	7/15/2022	\$ 1,340,000	5.00%	
	7/15/2023	1,460,000	5.00%	
	7/15/2024	1,470,000	4.00%	
	7/15/2025	1,465,000	4.00%	\$ 5,735,000
General Improvements	11/1/22-23	1,150,000	3.00%	2,300,000
General Improvements	9/15/2022-23	3,000,000	2.00%	
	9/15/2024-25	4,000,000	2.50%	
	9/15/2026-28	4,000,000	3.00%	
	9/15/2029	3,500,000	3.00%	
	9/15/2030	3,510,000	2.50%	33,010,000
General Improvements	5/1/2022-25	2,465,000	4.00%	
	5/1/2026	2,195,000	4.00%	
	5/1/2027-28	2,005,000	4.00%	
	5/1/2029	2,005,000	2.25%	18,070,000
General Improvements	6/1/2022	815,000	3.00%	
	6/1/2023	1,095,000	3.00%	
	6/1/2024-27	1,240,000	3.00%	
	6/1/2028-31	1,240,000	2.00%	11,830,000
				<u>\$ 70,945,000</u>

Bond Anticipation Notes

<u>Purpose</u>	<u>Maturities of Notes</u>		<u>Interest</u>	<u>Balance</u>
	<u>Outstanding Dec. 31, 2021</u>			
	<u>Date</u>	<u>Amount</u>	<u>Rate</u>	<u>Dec. 31, 2021</u>
Various Capital Improvements	11/9/2022	\$ 22,860,300	1.00%	<u>\$ 22,860,300</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 2: Long-Term Debt (Cont'd)

Analysis of Debt Issued and Outstanding at December 31, 2021 (Cont'd)

Water Utility Capital Fund

<u>Serial Bonds</u>	<u>Maturities of Bonds</u>		<u>Interest</u>	<u>Balance</u>
	<u>Outstanding Dec. 31, 2021</u>			
<u>Purpose</u>	<u>Date</u>	<u>Amount</u>	<u>Rate</u>	<u>Dec. 31, 2021</u>
Water Improvements	11/1/2022-23	\$ 175,000	3.00%	\$ 350,000
Water Improvements	9/15/2022	375,000	2.00%	
	9/15/2023	385,000	2.00%	
	9/15/2024	400,000	2.50%	
	9/15/2025	415,000	2.50%	
	9/15/2026	425,000	3.00%	
	9/15/2027	440,000	3.00%	
	9/15/2028-29	450,000	3.00%	
	9/15/2030	450,000	2.50%	3,790,000
Water Improvements	5/1/2022	300,000.00	4.00%	
	5/1/2023	325,000.00	4.00%	
	5/1/2024-28	350,000.00	4.00%	
	5/1/2029-30	350,000.00	2.25%	
	5/1/2031	475,000.00	2.25%	
	5/1/2032-36	450,000.00	2.25%	
	5/1/2037-39	450,000.00	3.00%	7,150,000
				<u>\$ 11,290,000</u>

<u>Bond Anticipation Notes</u>	<u>Maturities of Notes</u>		<u>Interest</u>	<u>Balance</u>
	<u>Outstanding Dec. 31, 2021</u>			
<u>Purpose</u>	<u>Date</u>	<u>Amount</u>	<u>Rate</u>	<u>Dec. 31, 2021</u>
Improvement of Water System	11/9/2022	\$ 12,580,000	1.00%	<u>\$ 12,580,000</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 2: Long-Term Debt (Cont'd)

Analysis of Debt Issued and Outstanding at December 31, 2021 (Cont'd)

Sewer Utility Capital Fund

<u>Serial Bonds</u>	<u>Maturities of Bonds</u>		<u>Interest</u>	<u>Balance</u>
	<u>Outstanding Dec. 31, 2021</u>			
<u>Purpose</u>	<u>Date</u>	<u>Amount</u>	<u>Rate</u>	<u>Dec. 31, 2021</u>
Sewer Improvements	11/1/2022-23	\$ 370,000	3.00%	\$ 740,000
Sewer Improvements	9/15/2022-23	450,000	2.00%	
	9/15/2024-25	650,000	2.50%	
	9/15/2026-27	650,000	3.00%	
	9/15/2028	660,000	3.00%	
	9/15/2029	675,000	3.00%	
	9/15/2030	690,000	2.50%	5,525,000
Sewer Improvements	5/1/2022	385,000.00	4.00%	
	5/1/2023	390,000.00	4.00%	
	5/1/2024	400,000.00	4.00%	
	5/1/2025	410,000.00	4.00%	
	5/1/2026	420,000.00	4.00%	
	5/1/2027	430,000.00	4.00%	
	5/1/2028	435,000.00	4.00%	
	5/1/2029-30	450,000.00	2.25%	
	5/1/2031	600,000.00	2.25%	
	5/1/2032-33	600,000.00	2.50%	
	5/1/2034	575,000.00	2.50%	
	5/1/2035-36	550,000.00	2.50%	
5/1/2037-39	550,000.00	3.00%	8,895,000	
				<u>\$ 15,160,000</u>

<u>Loan Payable</u>	<u>Final Maturity Date of NJ</u>	<u>Interest</u>	<u>Balance</u>
<u>Purpose</u>	<u>Loan Payable</u>	<u>Rate</u>	<u>Dec. 31, 2021</u>
Sewer Improvements	8/1/2029	3.00% to 5.00%	<u>\$ 8,412,513</u>

<u>Bond Anticipation Notes</u>	<u>Maturities of Notes</u>		<u>Interest</u>	<u>Balance</u>
	<u>Outstanding Dec. 31, 2021</u>			
<u>Purpose</u>	<u>Date</u>	<u>Amount</u>	<u>Rate</u>	<u>Dec. 31, 2021</u>
Various Sewer Improvements	11/9/2022	\$ 17,049,000	1.00%	<u>\$ 17,049,000</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 2: Long-Term Debt (Cont'd)

Analysis of Debt Issued and Outstanding at December 31, 2021 (Cont'd)

Golf and Recreation Utility Capital Fund

Serial Bonds

<u>Purpose</u>	<u>Maturities of Bonds</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2021</u>
	<u>Outstanding Dec. 31, 2021</u>	<u>Outstanding Dec. 31, 2021</u>		
	<u>Date</u>	<u>Amount</u>		
General Improvements	11/1/2022-23	\$ 80,000	3.00%	\$ 160,000
General Improvements	9/15/2022-23	500,000	2.00%	
	9/15/2024-25	600,000	2.50%	
	9/15/2026-29	550,000	3.00%	
	9/15/2030	550,000	2.50%	
	11/1/2023	80,000	3.00%	4,950,000
General Improvements	6/1/2022	135,000	3.00%	
	6/1/2023	140,000	3.00%	
	6/1/2026-27	145,000	3.00%	
	6/1/2028-32	145,000	2.00%	1,570,000
				<u>\$ 6,680,000</u>

Bond Anticipation Notes

<u>Purpose</u>	<u>Maturities of Notes</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2021</u>
	<u>Outstanding Dec. 31, 2021</u>	<u>Outstanding Dec. 31, 2021</u>		
	<u>Date</u>	<u>Amount</u>		
Golf Course and Recreation Utility Improvements	11/9/2022	\$ 520,700	1.00%	\$ 520,700
Total Debt Issued and Outstanding				<u>\$ 165,497,513</u>

N.J. Environmental Infrastructure Loan

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, 2021 for the Sewer Utility Capital Fund were \$8,412,513.

Refunding Bonds:

On May 15, 2012, the Township issued \$16,115,000 refunding bonds with interest rates ranging from 1.50% to 4.00% to refund \$17,135,000 dated June 1, 2005 with an interest rates ranging from 1.50% to 4.00%. The refunding bonds will mature on July 15, 2012 through July 15, 2025 and constitute an advanced refunding. The refunding met the requirements of an in-substance debt defeasance.

As a result of the advance refunding, the Township reduced its total debt service requirement by \$2,320,284 which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt).

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 3: Fund Balances Appropriated

Fund Balances at December 31, 2021 which are appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2022 introduced budget were as follows:

Current Fund	\$	-0-
Water Utility Operating Fund	\$	1,500,000
Sewer Utility Operating Fund	\$	2,600,000
Golf and Recreation Utility Operating Fund	\$	1,100,000

Note 4: Pension Plans

Township employees participate in one of the two contributory, defined benefit public employee retirement systems: the State of New Jersey Public Employee’s Retirement System (PERS) or the State of New Jersey Police and Firemen’s Retirement System (PFRS); or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

A. Public Employees’ Retirement System (PERS)

Plan Description

The State of New Jersey, Public Employees’ Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about the PERS, please refer to the Division’s annual financial statements which can be found at [www.state.nj.us/treasury/pensions/annual-reports.shtml](http://www.state.nj.us/treasury/pensions/annual-reports.shtml).

Benefits Provided

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

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

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65.

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 4: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Benefits Provided (Cont'd)

Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members.

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers 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 those retirement systems, 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 are adjusted by the rate of return on the actuarial value of assets.

Township contributions to PERS amounted to \$3,173,886 for 2021.

The employee contribution rate was 7.50% effective July 1, 2018.

Pension Liabilities and Pension Expense

At June 30, 2020, the Township's liability was \$47,312,722 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2020, the Township's proportion was 0.290%, which was an increase of 0.019% from its proportion measured as of June 30, 2019. The Township has rolled forward the net pension liability as of June 30, 2020 with no adjustments. The State of New Jersey Public Employees' Retirement System (PERS)' valuation cycle is July 1 instead of December 31. The roll forward methodology puts them a year in arrears in terms of valuation. The Division of Local Government Services, Department of Community Affairs, State of New Jersey is permitting municipalities and counties to include the June 30, 2020 information in the Notes to the Financial Statements as the June 30, 2021 information has not been released as of the date of this audit.

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 4: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities and Pension Expense (Cont'd)

For the year ended December 31, 2021, the Township recognized actual pension expense in the amount of \$3,173,886.

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00 – 6.00% based on age
Thereafter	3.00 – 7.00% based on age
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 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and a 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 4: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Management Strategies	3.00%	3.40%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. 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 upon 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 4: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Sensitivity of the Township's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Township's proportionate share of the collective net pension liability as of June 30, 2020 calculated using the discount rate as disclosed below, as well as what the Township's proportionate share of 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:

	June 30, 2020		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
Township's proportionate share of the Net Pension Liability	\$ 59,426,888	\$ 47,312,722	\$ 36,839,780

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

B. Police and Firemen's Retirement System (PFRS)

Plan Description

The State of New Jersey Police and Firemen's Retirement System (PFRS), is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about the PFRS, please refer to the Division's annual financial statements which can be found at [www.state.nj.us/treasury/pensions/annual-reports.shtml](http://www.state.nj.us/treasury/pensions/annual-reports.shtml).

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 4: Pension Plans (Cont'd)

B. Police and Firemen’s Retirement System (PFRS) (Cont'd)

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:16A. The PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except 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 to enroll on or after June 28, 2011

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Contributions

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing members. The Local employers’ contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers 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 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 amounts 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 the assets.

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 4: Pension Plans (Cont'd)

B. Police and Firemen's Retirement System (PFRS) (Cont'd)

Special Funding Situation

Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specified 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 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 pension liability that is associated with the local participating employer.

Township contributions to PFRS amounted to \$4,197,340 for the year ended December 31, 2021. During the fiscal year ended June 30, 2020, the State of New Jersey contributed \$579,757 to the PFRS for normal pension benefits on behalf of the Township, which is less than the contractually required contribution of \$853,857.

The employee contributions for PFRS are 10.00% of employees' annual compensation, as defined.

Pension Liabilities and Pension Expense

At June 30, 2020, the Township's liability for its proportionate share of the net pension liability was \$48,546,888. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2020, the Township's proportion was 0.376%, which was an increase of 0.024% from its proportion measured as of June 30, 2019. The Township has rolled forward the net pension liability as of June 30, 2020 with no adjustments. The State of New Jersey Police and Firemen's Retirement System (PFRS)' valuation cycle is July 1 instead of December 31. The roll forward methodology puts them a year in arrears in terms of valuation. The Division of Local Government Services, Department of Community Affairs, State of New Jersey is permitting municipalities and counties to include the June 30, 2020 information in the Notes to the Financial Statements as the June 30, 2021 information has not been released as of the date of this audit.

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 4: Pension Plans (Cont'd)

B. Police and Firemen’s Retirement System (PFRS) (Cont'd)

Pension Liabilities and Pension Expense (Cont'd)

Additionally, the State’s proportionate share of the net pension liability attributable to the Township is \$7,534,256 as of June 30, 2020. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. The State's proportionate share of the net pension liability associated with the Township was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2020, the State's proportion was 0.376%, which was an increase of 0.024% from its proportion measured as of June 30, 2019 which is the same proportion as the Township’s.

Township's Proportionate Share of the Net Pension Liability	\$ 48,546,888
State's Proportionate Share of the Net Pension Liability Associated with the Township	<u>7,534,256</u>
Total Net Pension Liability	<u>\$ 56,081,144</u>

For the year ended December 31, 2021, the Township recognized total pension expense of \$4,197,340.

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through all future years	3.25 – 15.25% based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the RP-2010 Safety Employee Mortality Table with a 105.6% adjustment for males and 102.5% 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 Safety Retiree Below-Median Income Weighted Retiree mortality table with a 96.7% adjustment for males and a 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 4: Pension Plans (Cont'd)

B. Police and Firemen's Retirement System (PFRS) (Cont'd)

Actuarial Assumptions (Cont'd)

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PFRS' target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Management Strategies	3.00%	3.40%

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 4: Pension Plans (Cont'd)

B. Police and Firemen’s Retirement System (PFRS) (Cont'd)

Discount Rate – PFRS

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. 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 upon 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the Total Net Pension Liability (including the State’s proportionate share of the net pension liability attributable to the Township) to Changes in the Discount Rate

The following presents the total net pension liability (including the State’s proportionate share of the net pension liability attributable to the Township) as of June 30, 2020 calculated using the discount rate as disclosed above, as well as what the collective 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:

	June 30, 2020		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
Township's proportionate share of the NPL and the State's proportionate share of the Net Pension Liability associated with the Township	\$ 74,576,378	\$ 56,081,144	\$ 40,719,439

Pension Plan Fiduciary Net Position – PFRS

Detailed information about the PFRS's fiduciary net position is available in the separately issued PFRS financial statements.

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 4: Pension Plans (Cont'd)

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or PFRS, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the Township recognized pension expense of \$78,096 for the year ended December 31, 2021. Employee contributions to DCRP amounted to \$138,319 for the year ended December 31, 2021.

Note 5: School District Taxes

Regulations provide for the deferral of not more than 50% 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.

Note 6: Accrued Sick and Vacation Benefits

The Township permits employees to accrue a limited amount of unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed-upon rate. It is estimated that the current cost of such unpaid compensation would approximate \$7,806,000 at December 31, 2021. This amount is not reported either as expenditure or a liability. It is expected that the cost of such unpaid compensation would be included in the Township's budget operating expenditures in the year in which it is used.

The reserve for accumulated sick and vacation compensation of \$558,000 reflected on the Other Trust Funds' balance sheet as of December 31, 2021 represents partial funding of the total estimated amount.

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
 (Continued)

Note 7: Selected Tax Information

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1.

A ten-day grace period is usually granted before the taxes are considered delinquent and the imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the prior year may be placed in lien at a tax sale held after April 1 and through December 31. Unpaid Taxes of the current year may be placed in lien at a tax sale held after December 10.

Comparative Schedule of Tax Rate Information

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<u>Tax Rate</u>	\$ 3.096	\$ 3.030	\$ 2.948
<u>Apportionment of Tax Rate</u>			
Municipal	0.759	0.728	0.690
County	0.317	0.315	0.316
Local School	2.020	1.987	1.942
<u>Assessed Valuations</u>			
2021	\$ 7,271,860,000		
2020		\$ 7,251,292,350	
2019			\$ 7,244,352,500

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.

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collections</u>
2021	\$ 231,027,794	\$ 229,807,791	99.47%
2020	225,247,446	223,825,221	99.36%
2019	218,814,889	217,549,114	99.42%

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
 (Continued)

Note 7: Selected Tax Information (Cont'd)

Also, increases in future tax levies can also be warranted if revenue sources outside of those directly generated by the municipality, such as federal or state aid, should decline without corresponding decreases in budgeted expenditures.

Note 8: Cash and Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds, amounts in deposits, money market accounts, and short-term investments with original maturities of three months or less.

Investments are stated at cost. The Township classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB requires disclosure of the level of custodial credit risk assumed by the Township in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk – In accordance with its cash management plan, the Township ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk – The Township limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed on the following two pages.

Custodial Credit Risk – The Township's policy with respect to custodial credit risk requires that the Township ensures that Township funds are only deposited in financial institutions in which NJ municipalities are permitted to invest their funds.

Deposits:

New Jersey statutes require that municipalities deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. Municipalities are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of collected public funds that exceed insurance limits as follows:

The market value of the collateral must equal 5% of the average daily balance of public funds on deposit, and

In addition to the above collateral requirement, if public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 8: Cash and Cash Equivalents and Investments (Cont'd)

Deposits: (Cont'd)

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

Investments

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located;
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law" P.L. 1983, c. 313 (C.40A:5A-1 et seq.) Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:
  - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a or are bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983 c.313 (C.40A:5A-1 et seq.);
  - (b) the custody of collateral is transferred to a third party;
  - (c) the maturity of the agreement is not more than 30 days;

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 8: Cash and Cash Equivalents and Investments (Cont'd)

Investments (Cont'd)

- (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
- (e) a master repurchase agreement providing for the custody and security of collateral is executed.

As of December 31, 2021, cash and cash equivalents and investments of the Township of Parsippany-Troy Hills consisted of the following:

<u>Fund</u>	<u>Cash and Cash Equivalents</u>		<u>Investments</u>	<u>Total</u>
	<u>Cash on Hand</u>	<u>Checking Accounts</u>	<u>Certificate of Deposits</u>	
Current Fund	\$ 1,565	\$ 29,390,038	\$ 6,684,841	\$ 36,076,444
Animal Control Trust Fund	50	83,314		83,364
Other Trust Fund		24,966,390		24,966,390
General Capital Fund		4,615,096		4,615,096
Water Utility Operating Fund		3,657,596		3,657,596
Water Utility Capital Fund		5,613,187		5,613,187
Sewer Utility Operating Fund		5,485,546		5,485,546
Sewer Utility Capital Fund		13,709,668		13,709,668
Golf and Recreation Utility Operating Fund		3,515,544		3,515,544
Golf and Recreation Utility Capital Fund		3,915,418		3,915,418
Public Assistance Fund		87,888		87,888
	<u>\$ 1,615</u>	<u>\$ 95,039,685</u>	<u>\$ 6,684,841</u>	<u>\$ 101,726,141</u>

The carrying amount of the Township's cash and cash equivalents and investments at December 31, 2021, was \$101,726,141 and the bank balance was \$103,582,339.

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 9: 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 Garden State Municipal Joint Insurance 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, 2021 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, 2020 is as follows:

Total Assets	<u>\$ 63,089,500</u>
Net Position	<u>\$ 350,912</u>
Total Revenue	<u>\$ 36,735,716</u>
Total Expenses	<u>\$ 35,814,224</u>
Change in Net Position	<u>\$ 921,492</u>
Members Dividends	<u>\$ -0-</u>

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

Garden State Municipal Joint Insurance Fund  
900 Route 9 North, Suite 503  
Woodbridge, NJ 07095-1003  
800-446-7647

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 9: Risk Management (Cont'd)

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 American National Insurance Company with coverages detailed as follows:

A. Specific Loss:

The Township will pay the Specific Deductible amount of \$125,000 per policy period per covered person.

B. Aggregate Loss:

The maximum aggregate reimbursement is \$1,000,000 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 – Municipal and Contractor for claims incurred but not reported as of December 31, 2021 of \$3,578,694, 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 Benefit Self Insurance Fund - Contractor fund is detailed as follows:

	<u>2021</u>	<u>2020</u>
Balance, Beginning of the Year	\$ 958,257	\$ 395,958
Provision for Insured Events	<u>11,946,156</u>	<u>13,410,249</u>
	12,904,413	13,806,207
Claims and Claim Adjustment Expenses		
Attributable to Insured Events	<u>12,118,568</u>	<u>12,847,950</u>
Balance, End of the Year	<u>\$ 785,845</u>	<u>\$ 958,257</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 9: Risk Management (Cont'd)

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, 2021.

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:

	<u>2021</u>	<u>2020</u>
Balance, Beginning of the Year	\$ 108,458	\$ 96,625
Provisions for Insured Events	<u>1,552,312</u>	<u>1,776,663</u>
	1,660,770	1,873,288
Claims and Claim Adjustment Expenses Attributable to Insured Events	<u>1,634,907</u>	<u>1,764,830</u>
Balance, End of the Year	<u>\$ 25,863</u>	<u>\$ 108,458</u>

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, 2021. 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. A reserve has been established in the Other Trust Fund Reserve for Workers' Compensation in the amount of \$25,863.

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 9: Risk Management (Cont'd)

Workers' Compensation Loss Reserves (Cont'd)

Loss reserves, at December 31, 2021 and 2020, respectively, which have been estimated by the Fund's Actuary and Servicing Agents, are as follows:

	2021	2020
Case Reserves	\$ 5,503,444	\$ 4,846,183
Less: Excess Coverage	4,065,851	3,116,650
Total Loss Reserves (Expenses)	\$ 1,437,593	\$ 1,729,533

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.

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
2021	\$ 100,000	\$ 54,869	\$ 27,221	\$ 776,734
2020	146,880	52,083	54,253	649,086
2019	188,000	29,019	239,287	504,376

Note 10: 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.

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 11: Interfund Receivables and Payables

The following interfund balances remain on the balance sheet at December 31, 2021:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 4,803,538	\$ 28,858,116
Federal and State Grant Fund	1,756,806	5,998
Animal Control Fund	12,049	
Other Trust Funds	105,426	2,623,058
General Capital Fund	6,876,800	
Water Utility Operating Fund	686,370	
Water Utility Capital Fund	10,164,889	584,379
Sewer Utility Operating Fund	2,751,324	18,090
Sewer Utility Capital Fund	7,391,493	162,236
Golf and Recreation Utility Operating Fund	745,238	2,541,330
Golf and Recreation Utility Capital Fund		417,011
Public Assistance Trust Fund	15,713	99,428
	<u>\$ 35,309,646</u>	<u>\$ 35,309,646</u>

The Township utilizes the Current Fund as a clearing account for receipts and disbursements of the other funds.

Note 12: 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, 2021.

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 \$772,808 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, 2021 is fully reserved, therefore the possible cancellation of part of the receivable will not impact operations, but would reduce the receivable and offsetting reserve.

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 13: Deferred Charges to be Raised in Succeeding Years

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2021, the Township had the following deferred charges:

	<u>Balance Dec. 31, 2021</u>	<u>Required 2022 Budget Appropriation</u>	<u>Balance to Years Subsequent Budgets</u>
<b>Current Fund:</b>			
Special Emergency Appropriation	\$ 4,490,112	\$ 1,113,132	\$ 3,376,980
Operating Deficit	23,836	23,836	
Overexpenditure of Appropriations	223,111	223,111	
Overexpenditure of Appropriation Reserve	67,497	67,497	
Expenditure without Appropriation - Federal and State Grant Fund	39,800		39,800
<b>Other Trust Funds:</b>			
Deficit - Reserve for Workers Compensation Self Insurance Fund - Municipal	90,625	90,625	
Golf and Recreation Utility Operating Fund: Overexpenditure of Appropriations	20,173	20,173	

The appropriations in the 2022 budget will not be less than that required by statute.

Note 14: 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.

Note 15: Tax Abatements

Governmental Accounting Standards Board requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues.

As of December 31, 2021, the Township provides a tax abatement to a redeveloper of BT Property, LLC in the Township pursuant to N.J.S.A 40A:20-1 et seq., the Long Term Tax Exemption Law, and a financial agreement between the Township and the redeveloper. The agreement is for a period of 30 years. 2017 was the first year in which the payments under this agreement was effective.

In consideration of the Township granting the redeveloper this tax abatement the developer will be required to pay to the Township an annual service charge as follows: Stage One (years 1-15) – the annual service charge will be the greater of the minimum annual service charge or 10% of gross revenue; Stage Two (years 16-21) – the annual service charge as defined in Stage One or 20% of the amount of taxes otherwise due on the value of the land and improvements, whichever is greater; Stage 3 (years 22-27) - – the annual service charge as defined in Stage One or 40% of the amount of taxes otherwise due on the value of the land and improvements, whichever is greater; Stage 4 (years 28-29) - – the annual service charge as defined in Stage One or 60% of the amount of taxes otherwise due on the value of the land and improvements, whichever is greater; Stage 5 (year 30) - – the annual service charge as defined in Stage

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 15: Tax Abatements (Cont'd)

One or 80% of the amount of taxes otherwise due on the value of the land and improvements, whichever is greater. The minimum annual service charge per the agreement shall be the amount of total taxes levied against all real property in the area covered under this tax abatement in the last full tax year in which that area was subject to taxation, and the minimum annual service charge shall be paid in each year in which the other provisions of the financial agreement would result in less than the minimum annual service charge being paid. In the event that the net profits on the redevelopment property exceed the allowable net profits for such period the redeveloper shall pay such excess net profits to the Township as an additional service charge. Additionally, the Township shall remit to the County of Morris on a quarterly basis, 5% of the Annual Service Charge received from the redeveloper in accordance with N.J.S.A. 40A:20-12b. The Township recognized revenue in the amount of \$613,220 from this annual service charge or payment in lieu of taxes recorded as an anticipated miscellaneous revenue in the Current Fund. The taxes which would have been paid on this property for 2021 without the abatement would have been \$765,050 of which \$165,389 would have been for the local municipal tax and municipal open space tax.

In the event that the redeveloper fails to make the required Annual Service Charge payment within the required period of time which would constitute a breach of the agreement, the Township has the right as one of the allowable remedies to proceed against the redeveloper pursuant to the In-Rem Foreclosure Act. Upon the termination or expiration of this agreement the property under this agreement shall be assessed and taxed as applicable to other taxable property within the Township.

Note 16: Postemployment Benefits Other than Pensions (OPEB)

A. General Information about the Township's OPEB Plan

Plan Description and Benefits Provided

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.

Base plan costs for all benefits for pre-65 and post-65 retirees are based on fully insured premium rates for the 2020 and 2021 plan years. Plan costs are based 100% 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.

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 16: Postemployment Benefits Other than Pensions (OPEB) (Cont'd)

A. General Information about the Township's OPEB Plan (Cont'd)

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 1.5% 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% of the benefit cost).

Employees Covered by Benefit Terms

As of May 2021, there was a total of 605 active employees and retirees, reflecting the sum of 427 active employees (383 electing coverage and 44 waiving coverage) and 178 retirees including 16 surviving spouses. For valuation purposes, it is assumed that 100% 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 \$308,128,045 was measured as of December 31, 2021 and was determined by an actuarial valuation based on census information provided in May 2021.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the fiscal year January 1, 2021 to December 31, 2021 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	2.05%
Salary Increases	3.00% per year

The discount rate used was 2.05% which is based on an end of year measurement date of 12/31/21 and is consistent with the prescribed discount interest rate methodology under GASB 74/75. The valuation discount rate was 2.05%.

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 16: Postemployment Benefits Other than Pensions (OPEB) (Cont'd)

A. General Information about the Township's OPEB Plan (Cont'd)

Actuarial Assumptions and Other Inputs (Cont'd)

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, 2022	7.00%	7.00%
Ultimate Trend	2032 & 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-2020.

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

	<u>Total OPEB Liability</u>
Balance at January 1, 2021	\$ 304,110,163
Changes for Year:	
Service Cost	5,703,178
Interest on total OPEB Liability	6,175,183
Change in Assumptions	(2,097,057)
Benefit Payments	<u>(5,763,422)</u>
Net Changes	<u>4,017,882</u>
Balance at December 31, 2021	<u>\$ 308,128,045</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 16: Postemployment Benefits Other than Pensions (OPEB) (Cont'd)

A. General Information about the Township's OPEB Plan (Cont'd)

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 lower (1.05 percent) or 1 percentage higher (3.05 percent) than the current discount rate:

	December 31, 2021		
	1%	Discount Rate	1%
	Decrease		Increase
	(1.05%)	(2.05%)	(3.05%)
Total OPEB Liability	\$ 389,137,092	\$ 308,128,045	\$ 249,274,153

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 lower or 1 percentage higher than the valuation healthcare cost trend rates:

	December 31, 2021		
	1%	Valuation Healthcare	1%
	Decrease	Trend Rates	Increase
Total OPEB Liability	\$ 245,010,831	\$ 308,128,045	\$ 395,046,759

OPEB Expense

For the year ended December 31, 2021, the Township's OPEB expense was \$19,332,671 as determined by the actuarial valuation.

Actual retiree payments to 171 retired employees in 2021 were \$4,521,277.

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 16: Postemployment Benefits Other than Pensions (OPEB) (Cont'd)

B. 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. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) annual financial statements, 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 covered dependents of the participating employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees.

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

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

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
 (Continued)

Note 16: Postemployment Benefits Other than Pensions (OPEB) (Cont'd)

B. State Health Benefit Local Government Retired Employees Plan (Cont'd)

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.

Special Funding Situation

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 nonemployer contributing entity. For New Jersey local governments who report under the regulatory basis of accounting, the net OPEB liability and related deferred inflows are not recorded in the financial statements and there is only note disclosure of this information.

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.

Allocation Methodology

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB (benefit)/expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are based on separately calculated total OPEB liabilities. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit)/expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2019 through June 30, 2020. Employer and nonemployer allocation percentages were rounded for presentation purposes: therefore, amounts presented in the schedule of OPEB amounts by employer and nonemployer may result in immaterial differences.

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 16: Postemployment Benefits Other than Pensions (OPEB) (Cont'd)

B. State Health Benefit Local Government Retired Employees Plan (Cont'd)

OPEB Expense

The Township has rolled forward the net OPEB liability as of June 30, 2020 with no adjustments. The Division of Local Government Services, Department of Community affairs, State of New Jersey is permitting municipalities and counties to include June 30, 2020 OPEB information in the Notes to the Financial Statements as the June 30, 2021 OPEB information has not been released as of this audit report.

The total OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020.

The State's proportionate share of the net OPEB liability attributable to the Township at June 30, 2020 was \$22,709,034. At June 30, 2020, the State's proportion related to the Township was .415741%. This is the percentage of the total State Share of the net OPEB liability of the Plan.

Actuarial Assumptions and Other Inputs

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases*:	
Public Employees' Retirement System (PERS)	
Initial fiscal year applied	
Rate through 2026	2.00% - 6.00%
Rate thereafter	3.00% to 7.00%
Police and Firemen's Retirement System (PFRS)	
Rate for all future years	3.25% to 15.25%

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

Mortality:

- PERS Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2020
- PFRS Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2020

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 16: Postemployment Benefits Other than Pensions (OPEB) (Cont'd)

B. State Health Benefit Local Government Retired Employees Plan (Cont'd)

Actuarial Assumptions and Other Inputs (Cont'd)

Actuarial assumptions used in the June 30, 2019 valuation were based on the results of the PFRS and the PERS experience studies prepared for July 1, 2013 to June 30, 2018 and July 1, 2014 – June 30, 2018, respectively.

100% of active members are considered to participate in the Plan upon retirement.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate initially is 5.6% and decreases to a 4.5% long term trend rate after seven years. For post 65 medical benefits the actual fully-insured Medicare Advantage trend rate for fiscal year 2021 through 2022 are reflected. The rates used for 2023 and 2024 are 21.83% and 18.53%, respectively trending to 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long term rate after seven years.

Discount Rate

The discount rate for June 30, 2020 was 2.21%. The discount rate for June 30, 2019 was 3.50%. This represents the municipal bond 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.

Note 17: Fixed Assets

The following is a summarization of the activity of the Township's fixed assets for the years ended December 31, 2021 and 2020:

	Balance Dec. 31, 2020	Additions	Deletions/ Adjustments	Balance Dec. 31, 2021
Land	\$ 114,261,584			\$ 114,261,584
Buildings	42,407,748			42,407,748
Furniture and Equipment	117,321			117,321
Vehicles and Road Equipment	25,842,870			25,842,870
Machinery and Equipment	7,352,697			7,352,697
Construction in Progress	13,363,613			13,363,613
	<u>\$ 203,345,833</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 203,345,833</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 17: Fixed Assets (Cont'd)

	Balance Dec. 31, 2019	Additions	Deletions/ Adjustments	Balance Dec. 31, 2020
Land	\$ 113,382,397	\$ 110,680	\$ 768,507	\$ 114,261,584
Buildings	34,115,018	795,562	7,497,168	42,407,748
Furniture and Equipment	41,433	75,888		117,321
Vehicles and Road Equipment	22,469,710	2,695,479	677,681	25,842,870
Machinery and Equipment	5,390,027	644,696	1,317,974	7,352,697
Construction in Progress		12,801,873	561,740	13,363,613
	<u>\$ 175,398,585</u>	<u>\$ 17,124,178.00</u>	<u>\$ 10,823,070.00</u>	<u>\$ 203,345,833</u>

Note 18: Open Space Trust Fund

The Township created an Open Space Trust Fund with a tax levy of \$.02 per \$100 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, 2021 and 2020 were \$5,560,750 and \$4,927,011. respectively.

TOWNSHIP OF PARSIPPANY-TROY HILLS

SUPPLEMENTARY DATA

TOWNSHIP OF PARSIPPANY-TROY HILLS  
ROSTER OF OFFICIALS  
YEAR ENDED DECEMBER 31, 2021

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

Name	Title	Amount of Bond	Name of Corporate or Personal Surety
Michael Soriano	Mayor		
Michael J. dePiero	Council President		
Loretta Gragnani	Council Vice President		
Paul Carifi, Jr.	Councilman		
Janice McCarthy	Councilwoman		
Emily Peterson	Councilwoman		
Frederick Carr	Administrator	*	
Khaled Madin	Clerk	*	
Juan Uribe	Chief Financial Officer	\$1,000,000	Garden State Municipal Joint Insurance Fund
Terence M. Whalen	Tax Collector	\$1,000,000	Garden State Municipal Joint Insurance Fund
Daniel Cassese	Tax Assessor	*	
Michael Hardie	Director of Purchasing	*	
Justin Lizza	Engineer		
James L. Lott	Attorney		
Anthony Frese	Judge	\$1,000,000	Garden State Municipal Joint Insurance Fund
Gerald Scala	Judge	\$1,000,000	Garden State Municipal Joint Insurance Fund
Alvaro Leal	Court Administrator	\$1,000,000	Garden State Municipal Joint Insurance Fund

\* Covered under a \$1,000,000.00 Public Employee Dishonesty Bond with the Garden State Municipal Joint Insurance Fund

All bonds were examined and were properly executed.

TOWNSHIP OF PARSIPPANY-TROY HILLS  
COUNTY OF MORRIS  
2021  
CURRENT FUND

TOWNSHIP OF PARSIPPANY-TROY HILLS  
CURRENT FUND  
SCHEDULE OF CASH AND INVESTMENTS

	<u>Ref.</u>	
Balance December 31, 2020	A	\$ 26,207,875.65
Increased by Receipts:		
Tax Collector	\$ 230,831,364.38	
Revenue Accounts Receivable	16,453,864.18	
Miscellaneous Revenue Not Anticipated	460,696.20	
Due from / to State of New Jersey:		
Veterans and Senior Citizens' Deductions	227,900.92	
Construction Code Fees Payable	100,973.00	
Marriage License Fees Payable	4,125.00	
Interest on Investments	79,576.37	
Reserve for Accumulated Revenue Unappropriated -		
Watershed Moratorium	55,178.00	
Special Emergency Notes Payable	3,370,136.00	
Due to/from:		
Federal and State Grant Fund:		
Federal and State Grants Receivable	754,881.26	
Unappropriated Reserves	11,739.66	
Animal Control Fund	95,295.66	
General Capital Fund:		
Interfund Advanced/Returned	12,361.07	
Bond Anticipation Note Issue	11,360,300.00	
Premium on Note Sale	171,680.86	
Water Utility Capital Fund	4,384,634.64	
Golf and Recreation Utility Operating Fund	359,957.29	
Water Utility Operating Fund	310,392.97	
Sewer Utility Operating Fund	1,644,968.12	
Sewer Utility Capital Fund	7,413,933.81	
Appropriation Refunds	424,479.10	
Appropriation Reserve Refunds	707,582.06	
	279,236,020.55	
		305,443,896.20

TOWNSHIP OF PARSIPPANY-TROY HILLS  
CURRENT FUND  
SCHEDULE OF CASH AND INVESTMENTS  
(Continued)

	<u>Ref.</u>	
Decreased by Disbursements:		
2021 Appropriation Expenditures	\$ 72,780,687.22	
2020 Appropriation Reserves	2,704,485.91	
Accounts Payable	582.67	
Change Fund	250.00	
Tax Overpayment Refunds	95,952.55	
Local School District Taxes	146,841,284.00	
County Taxes	23,092,703.67	
Fire District Taxes	4,859,975.00	
Due State of New Jersey:		
Construction Code Fees Payable	179,200.00	
Marriage License Fees Payable	4,200.00	
Reserve for Tax Appeals	88,290.00	
Special Emergency Notes Payable	977,987.00	
Due to / from:		
Federal and State Grant Fund:		
Appropriated Reserve Expenditures	846,465.41	
Animal Control Fund	72,211.66	
Other Trust Funds	4,744,916.39	
General Capital Fund	11,279,212.92	
Golf and Recreation Utility Capital Fund	798,938.44	
Refund of Current Year Revenue:		
Uniform Construction Code Fees	1,674.86	
	\$ 269,369,017.70	
Balance December 31, 2021	A	\$ 36,074,878.50

TOWNSHIP OF PARSIPPANY-TROY HILLS  
CURRENT FUND  
SCHEDULE OF CASH - COLLECTOR YEAR  
ENDED DECEMBER 31, 2021

Increased by Receipts:		
Taxes Receivable	\$ 228,350,426.53	
Tax Title Liens Receivable	10,000.00	
2022 Prepaid Taxes	1,814,437.60	
Interest and Costs on Taxes	353,810.45	
Third Party Liens	1,245,097.17	
Premiums on Tax Sale	973,700.00	
Tax Overpayments	302,689.80	
		\$ 233,050,161.55
Decreased by:		
Payments to Treasurer	230,831,364.38	
Payments to Other Trust Funds:		
Special Deposits	1,245,097.17	
Reserve for Premiums on Tax Sale	973,700.00	
		\$ 233,050,161.55

TOWNSHIP OF PARSIPPANY-TROY HILLS  
CURRENT FUND  
SCHEDULE OF CASH - GRANT FUNDS  
YEAR ENDED DECEMBER 31, 2021

NOT APPLICABLE

TOWNSHIP OF PARSIPPANY-TROY HILLS  
CURRENT FUND  
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance Dec 31, 2020	2021 Levy		Collections		State of NJ Veterans' and Senior Citizens' Deductions	Canceled	Transferred to Tax Title Liens	Balance Dec 31, 2021
		2020	2021	2020	2021				
2018	\$ 0.03		\$ 0.03						
2019	116.33		116.33						
2020	1,162,523.78		1,177,933.99		\$ (15,717.74)			\$ 32.78	\$ 274.75
2021	1,162,640.14	\$ 231,027,794.32	1,178,050.35	227,172,376.18	(15,717.74)	238,235.64	\$ 90,458.61	190,598.59	274.75
	<u>\$ 1,162,640.14</u>	<u>\$ 231,027,794.32</u>	<u>\$ 228,350,426.53</u>		<u>\$ 222,517.90</u>		<u>\$ 90,458.61</u>	<u>\$ 190,631.37</u>	<u>\$ 939,220.41</u>

Ref. A

A

Analysis of 2021 Property Tax Levy

Tax Yield:

General Purpose Tax	\$ 225,124,042.01
Business Personal Property Taxes	12,743.14
Special District Taxes	4,863,284.81
Added and Omitted Taxes	<u>1,027,724.36</u>
	<u>\$ 231,027,794.32</u>

Tax Levy:

Local School District Taxes	\$ 146,841,284.00
Open Space Taxes	1,460,892.15
Special District Taxes	4,859,975.00
County Taxes	\$ 22,989,205.20
Due County for Added and Omitted Taxes	<u>103,498.47</u>
	<u>23,092,703.67</u>
	<u>176,254,854.82</u>

Local Tax for Municipal Purposes Levied	50,870,880.54
Minimum Library Tax Levied	2,936,189.00
Add: Additional Tax Levied	<u>965,869.96</u>
	<u>54,772,939.50</u>
	<u>\$ 231,027,794.32</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS  
CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS

	<u>Ref.</u>	
Balance December 31, 2020	A	\$ 832,100.68
Increased by:		
Transfer from Taxes Receivable		\$ 190,631.37
Interest and Costs Accrued at Sale		<u>529.34</u>
		<u>191,160.71</u>
		1,023,261.39
Decreased by:		
Collections		<u>10,000.00</u>
Balance December 31, 2021	A	<u><u>\$ 1,013,261.39</u></u>

TOWNSHIP OF PARSIPPANY - TROY HILLS  
CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance Dec 31, 2020	Accrued in 2021	Received in 2021	Balance Dec 31, 2021
Clerk:				
Alcoholic Beverages Licenses	\$ 91,230.00	\$ 91,230.00	\$ 91,230.00	
Other Licenses	61,801.80	61,801.80	61,801.80	
Health:				
Other Licenses	173,670.00	173,670.00	173,670.00	
Registrar:				
Other Licenses	6,568.00	6,568.00	6,568.00	
Fees and Permits:				
Registrar	2,010.00	2,010.00	2,010.00	
Zoning	87,037.18	87,037.18	87,037.18	
Engineering	97,850.45	97,850.45	97,850.45	
Fire Prevention	430,203.00	430,203.00	430,203.00	
Planning Board	106,014.00	106,014.00	106,014.00	
Recreation	1,927.88	1,927.88	1,927.88	
Board of Housing	182,600.00	182,600.00	182,600.00	
Recycling	137,045.30	137,045.30	137,045.30	
Administration	13,425.00	13,425.00	13,425.00	
Tax Collector	395.00	395.00	395.00	
Police	8,514.45	8,514.45	8,514.45	
Municipal Court:				
Fines and Costs	\$ 9,768.91	193,513.03	192,991.48	\$ 10,290.46
Garbage and Trash Removal		1,724,402.30	1,724,402.30	
Community Center Revenue - Concession Rents		104,039.90	104,039.90	
Hotel Tax		987,898.56	987,898.56	
Ambulance Service Billing		915,497.76	915,497.76	
Lease Rentals		629,363.84	629,363.84	

TOWNSHIP OF PARSIPPANY-TROY HILLS  
CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE  
(Continued)

	<u>Balance</u> <u>Dec 31, 2020</u>	<u>Accrued</u> <u>in 2021</u>	<u>Received</u> <u>in 2021</u>	<u>Balance</u> <u>Dec 31, 2021</u>
Energy Receipts Taxes	\$ 4,495,023.00	\$ 4,495,023.00	4,495,023.00	
Watershed Moratorium	55,178.00	55,178.00	55,178.00	
Construction Code Official:				
Fees and Permits	1,793,899.00	1,793,899.00	1,793,899.00	
Uniform Fire Safety Act	212,484.24	212,484.24	212,484.24	
Municipal Court - Shared Services	257,144.00	257,144.00	257,144.00	
The American Rescue Plan Act Allocation	2,763,763.50	2,763,763.50	2,763,763.50	
Reserve for Police Outside Employment	100,000.00	100,000.00	100,000.00	
General Capital Fund - Fund Balance	350,000.00	350,000.00	350,000.00	
General Capital Fund - Reserve for Debt Service	490,000.00	490,000.00	490,000.00	
Cablevision Franchise Fees	263,844.54	263,844.54	263,844.54	
Payment in Lieu of Taxes - BT Property LLC (UPS)	613,220.00	613,220.00	613,220.00	
	<u>\$ 9,768.91</u>	<u>\$ 17,349,563.73</u>	<u>\$ 17,349,042.18</u>	<u>\$ 10,290.46</u>
<u>Ref.</u>	A			A
Cash Received		\$ 16,453,864.18		
Due General Capital Fund		840,000.00		
Reserve for Accumulated Revenue				
Unappropriated - Watershed			55,178.00	
Moratorium				
			<u>\$ 17,349,042.18</u>	

TOWNSHIP OF PARSIPPANY-TROY HILLS  
CURRENT FUND  
SCHEDULE OF OTHER LIENS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2020	A	<u>\$ 191,926.95</u>
Balance December 31, 2021	A	<u><u>\$ 191,926.95</u></u>

TOWNSHIP OF PARSIPPANY-TROY HILLS  
CURRENT FUND  
SCHEDULE OF 2020 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2021

	<u>Balance</u> <u>Dec 31, 2020</u>	<u>Balance</u> <u>After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
General Government:				
Executive:				
Salaries and Wages	\$ 11,767.78	\$ 11,767.78		\$ 11,767.78
Other Expenses	8,740.65	8,740.65	\$ 1,299.03	7,441.62
General Administration:				
Salaries and Wages	6,785.61	6,785.61		6,785.61
Other Expenses	45,006.10	45,006.10	27,979.52	17,026.58
Township Council:				
Other Expenses	2,950.00	2,950.00		2,950.00
Municipal Clerk:				
Salaries and Wages	9,822.60	9,822.60		9,822.60
Other Expenses	48,680.13	48,680.13	23,639.66	25,040.47
Other Expenses - Codification	6,000.00	6,000.00		6,000.00
Treasury:				
Other Expenses	5,221.77	5,221.77	3,793.79	1,427.98
Audit	750.00	750.00		750.00
Tax Collection:				
Other Expenses	19,134.96	19,134.96	6,586.02	12,548.94
Tax Assessing:				
Salaries and Wages	0.46	0.46		0.46
Other Expenses	22,219.96	22,219.96	4,672.06	17,547.90
Legal Services and Costs:				
Other Expenses	296,981.22	296,981.22	190,372.90	106,608.32
Engineering Services and Costs:				
Salaries and Wages	65,651.08	65,651.08		65,651.08
Other Expenses	32,134.42	32,134.42	9,073.68	23,060.74
Department of Planning:				
Salaries and Wages	2,877.63	2,877.63		2,877.63
Other Expenses	28,726.36	28,726.36	7,067.35	21,659.01
Board of Adjustment:				
Salaries and Wages	31,290.00	31,290.00		31,290.00
Other Expenses	14,046.59	14,046.59	9,588.33	4,458.26
Housing and Zoning Code Enforcement:				
Salaries and Wages	23,506.51	23,506.51		23,506.51
Other Expenses	27,272.97	27,272.97	6,762.76	20,510.21
Insurance:				
Unemployment Insurance	51,000.00	51,000.00		51,000.00
Liability Insurance	219,139.67	219,139.67	219,139.67	
Worker Compensation	57,641.45	57,641.45	57,641.45	
Employee Health and Group Life	693,614.85	735,837.38	242,758.71	493,078.67
Health Benefit Waivers	11,665.17	11,665.17		11,665.17

TOWNSHIP OF PARSIPPANY-TROY HILLS  
CURRENT FUND  
SCHEDULE OF 2020 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

A-11  
2 of 3

	<u>Balance</u> <u>Dec 31, 2020</u>	<u>Balance</u> <u>After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Public Safety:				
Police Department:				
Salaries and Wages	\$ 368,010.11	\$ 368,010.11		\$ 368,010.11
Other Expenses	157,548.65	157,548.65	\$ 157,488.67	59.98
Office of Emergency Management:				
Salaries and Wages	3,092.36	3,092.36		3,092.36
Other Expenses	307,533.11	307,533.11	243,728.15	63,804.96
Fire Prevention Bureau:				
Other Expenses	11,321.35	11,321.35	893.07	10,428.28
Municipal Court:				
Salaries and Wages	34,780.03	34,780.03		34,780.03
Other Expenses	15,903.78	15,903.78	1,756.46	14,147.32
Prosecutor:				
Salaries and Wages	30,004.00	30,004.00		30,004.00
Other Expenses	7,500.00	7,500.00	5,500.00	2,000.00
Street and Road Maintenance:				
Salaries and Wages	111,727.38	111,727.38		111,727.38
Other Expenses	417,379.44	417,379.44	112,012.22	305,367.22
Garbage and Trash Removal:				
Salaries and Wages	126,397.94	126,397.94		126,397.94
Other Expenses	206,589.10	206,589.10	74,336.81	132,252.29
Buildings and Grounds:				
Salaries and Wages	8,998.29	8,998.29		8,998.29
Other Expenses	72,114.57	72,114.57	29,139.02	42,975.55
Vehicle Maintenance:				
Other Expenses	248,212.54	218,212.54	106,851.09	111,361.45
Condominium Cost	270,000.00	270,000.00	1,448.57	268,551.43
Health and Human Services:				
Public Health Services:				
Other Expenses	19,380.11	19,380.11	15,125.60	4,254.51
Senior Citizen Center:				
Salaries and Wages	22,344.65	22,344.65		22,344.65
Other Expenses	25,914.93	25,914.93	16,545.55	9,369.38
Ambulance Services:				
Other Expenses	95,172.62	95,172.62	47,215.72	47,956.90
Recreation and Education:				
Recreation Services:				
Salaries and Wages	106,096.76	106,096.76		106,096.76
Other Expenses	32,997.36	32,997.36	16,388.90	16,608.46
Maintenance of Parks:				
Salaries and Wages	84,792.98	84,792.98		84,792.98
Other Expenses	43,382.40	43,382.40	27,281.24	16,101.16

TOWNSHIP OF PARSIPPANY-TROY HILLS  
CURRENT FUND  
SCHEDULE OF 2020 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

	<u>Balance</u> <u>Dec 31, 2020</u>	<u>Balance</u> <u>After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Utilities:				
Utilities and Gasoline	\$ 695,668.22	\$ 695,668.22	\$ 192,343.31	\$ 503,324.91
Solid Waste Disposal Costs	152,152.51	152,152.51	152,152.51	
Uniform Construction Code:				
Department of Buildings and Inspections:				
Salaries and Wages	57,507.48	57,507.48		57,507.48
Other Expenses	118,354.30	118,354.30	48,101.07	70,253.23
Contingent	15,000.00	15,000.00		15,000.00
Contribution to :				
Public Employees' Retirement System	19,950.00	19,950.00		19,950.00
Social Security System (O.A.S.I)	148,956.79	128,784.26		128,784.26
DCRP Pension	913.41	913.41		913.41
Contribution to LOSAP	75,000.00	82,950.00	39,750.00	43,200.00
Maintenance of Free Public Library	0.08	0.08		0.08
Shared Service Agreements:				
Health Office	0.40	0.40		0.40
	<u>\$ 5,853,325.59</u>	<u>\$ 5,853,325.59</u>	<u>\$ 2,098,432.89</u>	<u>\$ 3,754,892.70</u>

Analysis of Balance December 31, 2020

Encumbered	\$ 1,151,106.89
Unencumbered	4,702,218.70
	<u>\$ 5,853,325.59</u>

Analysis of Paid or Charged

Cash Disbursed	\$ 2,704,485.91
Accounts Payable	101,529.04
	<u>2,806,014.95</u>
Less: Refunds	707,582.06
	<u>\$ 2,098,432.89</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS  
CURRENT FUND  
SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE

Increased by:	
Levy - Calendar Year 2021	\$ 146,841,284.00
Decreased by:	
Payments to Local School District	<u>\$ 146,841,284.00</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS  
CURRENT FUND  
SCHEDULE OF SPECIAL EMERGENCY NOTES PAYABLE

Date Authorized	Purpose	Date of		Interest Rate	Balance Dec. 31, 2020	Issued	Matured	Balance Dec. 31, 2021
		Issue	Maturity					
Various	Accrued Vacation and Sick Time Liabilities	11/12/2020	11/11/2021	1.000%	\$ 977,987.00	\$ 3,370,136.00	\$ 977,987.00	\$ 3,370,136.00
		11/10/2021	11/09/2022	0.595%				
					\$ 977,987.00	\$ 3,370,136.00	\$ 977,987.00	\$ 3,370,136.00
				<u>Ref.</u>	A			A
				New Issue		\$ 3,370,136.00	\$ 977,987.00	
				Retired			\$ 977,987.00	
						\$ 3,370,136.00	\$ 977,987.00	\$ 3,370,136.00

TOWNSHIP OF PARSIPPANY-TROY HILLS  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE

Grant	2021		Balance Dec 31, 2021
	Balance Dec 31, 2020	Revenue Realized	
Clean Communities Program	\$	111,066.43	\$ 111,066.43
Bulletproof Vest Partnership Grant		16,977.70	5,402.60
Recycling Tonnage Grant		188,816.00	188,816.00
Municipal Alliance Grant 2021/2022		18,587.00	17,840.59
Municipal Alliance Grant 2020/2021	\$	13,140.00	13,140.00
Click It or Ticket		6,000.00	4,920.00
Highlands Initial Assessment		12,057.67	1,080.00
Drive Sober or Get Pulled Over		275.00	12,057.67
Recreation for Individuals with Disabilities		10,874.63	1,595.00
NJ Trafficking Org Task Force (NJ HIDTA)		15,000.00	53.14
Distracted Driving Statewide Crackdown Grant		880.00	15,000.00
Smith-Baldwin House Renovation		24,469.00	2,380.00
Smith-Baldwin House Phase 2 Rehabilitation		1,338.00	1,338.00
Smith Baldwin House Archaeological Investment		54,836.00	38,380.00
NJDEP - It Pays to Plug In - NJ Electric Vehicle Charging Grant		12,000.00	12,000.00
NJ DOT - Greenbank Road Safety & Improvements		98,125.00	98,125.00
Body Worn Camera Program-Police		224,180.00	224,180.00
Sustainable Jersey		22,000.00	10,000.00
NJ DEP Performance Partnership		1,999.15	1,999.15
Community Development Block Grant		216,090.00	216,090.00
Smith Baldwin House Renovation		250,000.00	250,000.00
Highlands Water Protection and Planning Council		207,000.00	24,468.00
Donation - American Endowment Foundation - Senior Citizens Activities		1,000.00	1,000.00
Donation - Provident Bank - Summer Concerts Series		5,000.00	5,000.00
NJDOT - North Beverwyck Rd Streetscape Phase II		316,400.00	316,400.00

TOWNSHIP OF PARSIPPANY-TROY HILLS  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE  
(Continued)

Grant	Balance Dec 31, 2020	2021 Revenue Realized	Received	Balance Dec 31, 2021
Morris County Historic Preservation Trust - Smith-Baldwin House Shutters	\$ 42,372.00			\$ 42,372.00
Morris County Historic Preservation Trust - Smith-Baldwin House ADA Compliance	11,388.00			11,388.00
Onyx Contribution Fireworks Show - 4th of July 2021	75,000.00		\$ 75,000.00	
American Endowment Foundation - Chao Charitable Fund Grant	3,000.00		3,000.00	
ANJEC Open Space Stewardship Grant	1,000.00			1,000.00
	<u>\$ 242,995.30</u>	<u>\$ 1,732,876.28</u>	<u>\$ 754,881.26</u>	<u>\$ 1,220,990.32</u>
Original Budget	Ref. A	\$ 1,260,738.58		A
Added by NJSA 40A:4-87		<u>472,137.70</u>		
		<u>\$ 1,732,876.28</u>		
Received in Current Fund			<u>\$ 754,881.26</u>	

TOWNSHIP OF PARSIPPANY-TROY HILLS  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF UNAPPROPRIATED RESERVES

Grant	Balance Dec 31, 2020	Received in Current Fund	Balance Dec 31, 2021
Bulletproof Vest Partnership Grant	\$ 11,680.20		\$ 11,680.20
Emergency Management Performance Grant	10,000.00		10,000.00
Body Armor Replacement Fund		\$ 6,699.66	6,699.66
Division of Highway Traffic Safety		2,040.00	2,040.00
PSE&G Small Grants Award		2,000.00	2,000.00
Target Youth Soccer Grant		1,000.00	1,000.00
	<u>\$ 21,680.20</u>	<u>\$ 11,739.66</u>	<u>\$ 33,419.86</u>
<u>Ref.</u>	A		A

TOWNSHIP OF PARSIPPANY-TROY HILLS  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF APPROPRIATED RESERVES

Grant	Balance Dec 31, 2020	Transfer from 2021 Budget Appropriations	Paid or Charged - Due to Current Fund	Balance Dec 31, 2021
Drunk Driving Enforcement Fund - FY 2019	\$ 12,598.00		\$ 4,033.55	\$ 8,564.45
Clean Communities Program - FY 2021		\$ 111,066.43	105,521.95	5,544.48
Clean Communities Program - FY 2020	20,596.84		20,596.84	
Body Armor Replacement Fund - FY 2020	9,229.19		8,668.45	560.74
No Net Loss Grant - PF14-07	2,501.43			2,501.43
Recycling Tonnage Grant - FY 2020	179,992.86		179,992.86	
Recycling Tonnage Grant - FY 2021		188,816.00	141,154.56	47,661.44
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
Recreation for Individuals with Disabilities	10,874.63			53.14
Stream Cleaning and Desnagging	300,000.00		10,821.49	300,000.00
Federal Emergency Management Agency: Emergency Management Performance Guarantee	16,400.00			16,400.00
National Priority Safety Program Grant / Pedestrian Safety Grant	12,210.00			12,210.00
NJ DOT - Greenbank Road Safety & Improvements	392,500.00			392,500.00
NJ DOT - North Beverwyck Road Improvements	244,451.81			244,451.81
NJ DOT - Old Bloomfield Ave Phase I	245,000.00			245,000.00
NJ DOT - Old Bloomfield Ave Phase II	400,000.00			400,000.00
Donation - EMS COVID-19	100.00			100.00
CARES ACT - Stimulus	21,756.97			21,756.97

TOWNSHIP OF PARSIPPANY-TROY HILLS  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF APPROPRIATED RESERVES  
(Continued)

Grant	Balance		Transfer from		Paid or Charged - Due to Current Fund	Balance Dec 31, 2021
	Dec 31, 2020		2021 Budget Appropriations			
Municipal Alliance Match 2019/20	\$	7,036.00			\$	7,036.00
Municipal Alliance 2019/20		21,140.00				21,140.00
Municipal Alliance Match 2020/21		5,285.00				5,285.00
Municipal Alliance 2020/21	\$	18,587.00	\$	17,840.59	\$	746.41
Drive Sober or Get Pulled Over		280.00		6,280.00		
Donation - Elks Lodge Fire Trailer		2,606.00				2,606.00
Best Friends Animal Society RRSTA Grant		9,013.00		8,295.53		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 Store Grant Community Relations		3,000.00				3,000.00
Fire Prevention Donation		2,000.00				2,000.00
Target Youth Soccer Grant		2,000.00				2,000.00
Smith Baldwin House Renovation			250,000.00	26,184.85		223,815.15
Morris County Historic Preservation Trust - Smith-Baldwin House Shutters			42,372.00	42,372.00		
Morris County Historic Preservation Trust - Smith-Baldwin House ADA Compliance			11,388.00	11,388.00		540.00
Distracted Driving Statewide Crackdown Grant			9,000.00	8,460.00		
Body Worn Camera Program-Police			224,180.00	168,010.08		56,169.92
Sustainable Jersey			22,000.00			22,000.00
NJ DEP Performance Partnership			1,999.15			1,999.15

TOWNSHIP OF PARSIPPANY-TROY HILLS  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF APPROPRIATED RESERVES  
(Continued)

Grant	Balance Dec 31, 2020	Transfer from 2021 Budget Appropriations	Paid or Charged - Due to Current Fund	Balance Dec 31, 2021
Community Development Block Grant	\$ 216,090.00			\$ 216,090.00
Highlands Water Protection and Planning Council	207,000.00		\$ 10,587.50	196,412.50
Donation - American Endowment Foundation - Senior Citizens Activities	1,000.00			1,000.00
Donation - Provident Bank - Summer Concerts Series	5,000.00			5,000.00
NJDOT - North Beverwyck Rd Streetscape Phase II	316,400.00			316,400.00
Onyx Contribution Fireworks Show - 4th of July 2021	75,000.00		58,532.41	16,467.59
Matching Funds for Grants	40,000.00			40,000.00
American Endowment Foundation - Chao Charitable Fund Grant	3,000.00			3,000.00
ANJEC Open Space Stewardship Grant	1,000.00			1,000.00
Click It or Ticket	\$ 3,960.00		4,920.00	5,040.00
Bulletproof Vest Partnership Grant	12,804.75		12,804.75	16,977.70
NJ Trafficking Org Task Force (NJ HIDTA)	15,000.00			15,000.00
NJDEP - 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	6,000.00			6,000.00
	<u>\$ 2,011,968.34</u>	<u>\$ 1,772,876.28</u>	<u>\$ 846,465.41</u>	<u>\$ 2,938,379.21</u>

Ref.

A

A

Grant Funds:  
Original Budget \$ 1,260,738.58  
Added by NJSA 40A:4-87 472,137.70  
1,732,876.28

Matching Share 40,000.00  
\$ 1,772,876.28

TOWNSHIP OF PARSIPPANY-TROY HILLS  
COUNTY OF MORRIS  
2021  
TRUST FUNDS

TOWNSHIP OF PARSIPPANY-TROY HILLS  
TRUST FUNDS  
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Other Trust Funds</u>
Balance December 31, 2020	B	\$ 83,106.10	\$ 20,089,126.00
Increased by Receipts:			
Animal Control Fees		\$ 24,122.40	
Due to State of New Jersey		2,706.60	
Miscellaneous		5,815.62	
Reserve for Donations		5,601.60	
Due from Current Fund - Budget Appropriation		165,000.00	
Due from Current Fund - Interfund		72,211.66	
Special Deposits			\$ 3,264,966.78
Premiums on Tax Sale			973,700.00
Off Duty Police Deposits			1,081,630.10
Employee Health Benefit Self Insurance Fund - Municipal			10,743,773.85
Employee Health Benefit Self Insurance Fund - Contractor			11,946,155.87
Open Space Trust Fund Deposits and Interest			28,059.86
Worker's Compensation			1,733,548.34
Unemployment Insurance Trust Fund Deposits			100,000.00
Community Development Block Grant - Federal Grants Receivable			122,724.92
Due to Current Fund - Interfund Advanced/Returned			4,744,916.39
Storm Recovery			407,937.88
Due Payroll			5,080.07
		275,457.88	
		358,563.98	35,152,494.06
			55,241,620.06
Decreased by Disbursements:			
Due to State of New Jersey		3,233.60	
Expenditures Under R.S. 4:19-15.11		176,720.60	
Due to Current Fund		95,295.66	
Off Duty Police			877,622.57
Special Deposits			2,805,336.61
Police Explorer Program			233.45
Employee Health Benefit Self Insurance Fund - Municipal			11,010,403.55
Employee Health Benefit Self Insurance Fund - Contractor			12,118,567.86
Reserve for LOSAP			3,143.84
Reserve for Storm Recovery			230,813.73
Premiums on Tax Sale			506,700.00
Municipal Open Space Preservation Trust Fund			855,213.32
Worker's Compensation			1,635,249.15
Accrued Vacation/Sick			82,000.00
Unemployment Insurance Trust Fund Expenditures			27,221.45
Community Development Block Grant - Federal Grant Fund Expenditures			122,724.92
		275,249.86	
			30,275,230.45
Balance December 31, 2021	B	\$ 83,314.12	\$ 24,966,389.61

TOWNSHIP OF PARSIPPANY-TROY HILLS  
ANIMAL CONTROL FUND  
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>Ref.</u>		
Balance December 31, 2020	B		\$ 56,414.40
Increased by:			
Animal License Fees Collected		\$ 24,122.40	
Miscellaneous Fees		5,815.62	
Budget Appropriation		<u>165,000.00</u>	
			<u>194,938.02</u>
			251,352.42
Decreased by:			
Animal Control Fund Expenditures Under R.S. 4:19-15.11		176,720.60	
Statutory Excess- Due to Current Fund		<u>22,605.82</u>	
			<u>199,326.42</u>
Balance December 31, 2021	B		<u><u>\$ 52,026.00</u></u>

License Fees Collected

<u>Year</u>		<u>Amount</u>	
2019		\$ 27,641.40	
2020		<u>24,384.60</u>	
Maximum Allowable Reserve		<u><u>\$ 52,026.00</u></u>	

TOWNSHIP OF PARSIPPANY-TROY HILLS  
COUNTY OF MORRIS  
2021  
GENERAL CAPITAL FUND

TOWNSHIP OF PARSIPPANY-TROY HILLS  
GENERAL CAPITAL FUND  
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2020	C	\$ 4,615,096.39
Increased by Receipts:		
Due to/from Current Fund:		
Interest Earned		<u>12,361.07</u>
		4,627,457.46
Decreased by Disbursements:		
Due to/from Current Fund		<u>12,361.07</u>
Balance December 31, 2021	C	<u><u>\$ 4,615,096.39</u></u>

TOWNSHIP OF PARSIPPANY-TROY HILLS  
GENERAL CAPITAL FUND  
ANALYSIS OF CASH

Fund Balance	Balance (Deficit) Dec. 31, 2020	Receipts		Disbursements		Transfers		Balance (Deficit) Dec. 31, 2021
		Miscellaneous	Miscellaneous	Miscellaneous	Miscellaneous	From	To	
Capital Improvement Fund	\$ 375,892.97					\$ 350,000.00		\$ 25,892.97
Due from Current Fund	152,353.00					300,000.00	\$ 300,000.00	152,353.00
Due from Other Trust Funds - Fire Prevention	(7,129,032.38)	\$ 12,361.07	\$ 12,361.07	\$ 12,361.07		12,226,980.86	12,514,212.92	(6,841,800.32)
Deposit For Regional Contribution Agreement	(35,000.00)						0.01	(34,999.99)
New Jersey Department of Transportation Grant Receivable	261,420.19							261,420.19
Reserve for Developer Contributions - Road Improvement	(2,176.35)							(2,176.35)
Reserve for Emergency Preparedness	79,652.68							79,652.68
Reserve Payment of Debt Service	122,442.50							122,442.50
	491,386.30					490,000.00	171,680.86	173,067.16
<b>Ord. No.</b>	<b>Improvement Description</b>							
	<b>General Improvements:</b>							
06-08	Various Capital Improvements	(3,408.32)						(3,408.32)
13-14	Various Capital Improvements	356,684.79				160,447.57		196,237.22
14-27	Various Capital Improvements	(452,216.23)				248,828.40		(701,044.63)
15-22	Various Capital Improvements	13,985.91				278,854.61		(264,868.70)
16-16	Various Capital Improvements	464,224.80				151,040.66		313,184.14
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	709,763.07				360,922.61		348,840.46
17-24	Acquisition and Installation of 700/800 MHz Emergency Services Digital Radio System	5,769,619.45				4,059,377.33		1,710,242.12
18-05	Various Road and Sidewalk Improvements	(468,880.45)				131,583.18		(600,463.63)
18-17	Various Capital Improvements	1,196,498.19				1,569,528.80		(373,030.61)
19-07	Roof Repairs to the DPW Building	3,351.59						3,351.59
19-09	Various Capital Improvements	280,974.46				316,344.46		(35,370.00)
19-11	Various Capital Improvements	2,275,108.97				1,156,972.34		1,118,136.63
20-10	Various Road and Sidewalk Improvements	(4,539.13)				892,960.87	897,500.00	
20-24	Various Capital Improvements	(501,502.34)				2,131,889.39	4,977,800.00	2,344,408.27
20-25	Acquisition of a Vehicle	35,000.00				35,000.00		
21-21	Various Capital Improvements					180,462.71	6,180,000.00	5,999,537.29
		\$ 4,615,096.39	\$ 12,361.07	\$ 12,361.07	\$ 12,361.07	\$ 25,041,193.79	\$ 25,041,193.79	\$ 4,615,096.39

TOWNSHIP OF PARSIPPANY-TROY HILLS  
GENERAL CAPITAL FUND  
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ord. No.	Improvement Description	Balance Dec. 31, 2020	2021 Improvement Authorizations	Authorizations Canceled	Balance Dec. 31, 2021	Analysis of Balance December 31, 2021		
						Financed by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
<u>General Improvements:</u>								
91-27	Regional Contribution Agreement - City of Newark	\$ 453,643.69		\$ 453,643.69				
06-08	Various Capital Improvements	3,408.32			\$ 3,408.32	\$ 3,408.32		
14-27	Various Capital Improvements	999,891.06			999,891.06	701,044.63		\$ 298,846.43
15-22	Various Capital Improvements	2,102,498.97			2,102,498.97	264,868.70		1,837,630.27
16-16	Various Capital Improvements	129,928.24			129,928.24			129,928.24
18-05	Various Road and Sidewalk Improvements	600,943.63			600,943.63	600,463.63		480.00
18-17	Various Capital Improvements	2,867,064.00		1,567,622.74	1,299,441.26	373,030.61		926,410.65
19-09	Various Capital Improvements	2,536,500.00			2,536,500.00	\$ 2,500,000.00		1,130.00
19-11	Various Capital Improvements	10,109,266.00		3,500,000.00	6,609,266.00	6,605,000.00		4,266.00
20-10	Various Road and Sidewalk Improvements	2,897,500.00			2,897,500.00	2,897,500.00		
20-24	Various Capital Improvements	7,479,108.00			7,479,108.00	4,977,800.00		2,501,308.00
21-21	Various Capital Improvements		\$ 5,880,000.00		5,880,000.00	5,880,000.00		
		<u>\$30,179,751.91</u>	<u>\$ 5,880,000.00</u>	<u>\$ 5,521,266.43</u>	<u>\$30,538,485.48</u>	<u>\$ 22,860,300.00</u>	<u>\$ 1,978,185.89</u>	<u>\$ 5,699,999.59</u>
Ref:		C			C			
								\$15,042,544.49
								\$ 1,118,136.63
								2,344,408.27
								<u>5,880,000.00</u>
								<u>9,342,544.90</u>
								<u>\$ 5,699,999.59</u>



TOWNSHIP OF PARSIPPANY-TROY HILLS  
GENERAL CAPITAL FUND  
CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>		
Balance December 31, 2020	C	\$	152,353.00
Increased by:			
Budget Appropriations			<u>300,000.00</u>
			452,353.00
Decreased by:			
Appropriated to Finance Improvement Authorizations			<u>300,000.00</u>
Balance December 31, 2021	C	\$	<u><u>152,353.00</u></u>



TOWNSHIP OF PARSIPPANY-TROY HILLS  
GENERAL CAPITAL FUND  
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2020	Matured	Balance Dec. 31, 2021					
			Outstanding Dec. 31, 2021	Amount									
General Improvements	10/26/2010	\$ 14,425,000.00	11/1/2022-23	\$ 1,150,000.00	3.00%	\$ 3,450,000.00	\$ 1,150,000.00	\$ 2,300,000.00					
General Improvements	09/07/2017	43,827,000.00	9/15/2022-23	3,000,000.00	2.00%								
			9/15/2024-25	4,000,000.00	2.50%								
			9/15/2026-28	4,000,000.00	3.00%								
			9/15/2029	3,500,000.00	3.00%								
			9/15/2030	3,510,000.00	2.50%								
General Improvements	11/14/2019	22,640,000.00	5/1/2022	2,465,000.00	4.00%								
			5/1/2023	2,465,000.00	4.00%								
			5/1/2024	2,465,000.00	4.00%								
			5/1/2025	2,465,000.00	4.00%								
			5/1/2026	2,195,000.00	4.00%								
			5/1/2027	2,005,000.00	4.00%								
			5/1/2028	2,005,000.00	4.00%								
			5/1/2029	2,005,000.00	2.25%								
									20,350,000.00			2,280,000.00	18,070,000.00
			General Improvements	11/12/2020	12,450,000.00				6/1/2022	815,000.00	3.00%		
6/1/2023	1,095,000.00	3.00%											
6/1/2024	1,240,000.00	3.00%											
6/1/2025	1,240,000.00	3.00%											
6/1/2026	1,240,000.00	3.00%											
6/1/2027	1,240,000.00	3.00%											
6/1/2028	1,240,000.00	2.00%											
6/1/2029	1,240,000.00	2.00%											
6/1/2030	1,240,000.00	2.00%											
6/1/2031	1,240,000.00	2.00%											
						12,450,000.00			620,000.00	11,830,000.00			
						<u>\$ 72,260,000.00</u>	<u>\$ 7,050,000.00</u>	<u>\$ 65,210,000.00</u>					

Ref.

C

C

Current Fund	\$ 6,875,000.00
Open Space	175,000.00
	<u>\$ 7,050,000.00</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS  
GENERAL CAPITAL FUND  
SCHEDULE OF REFUNDING BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2020	Matured	Balance Dec. 31, 2021
			Outstanding Dec. 31, 2021	Amount				
Refunding Bonds	5/15/2012	\$ 15,190,000.00	7/15/2022	\$ 1,340,000.00	5.00%	\$ 7,035,000.00	\$ 1,300,000.00	\$ 5,735,000.00
			7/15/2023	1,460,000.00	5.00%			
			7/15/2024	1,470,000.00	4.00%			
			7/15/2025	1,465,000.00	4.00%			
						\$ 7,035,000.00	\$ 1,300,000.00	\$ 5,735,000.00
						<u>\$ 7,035,000.00</u>	<u>\$ 1,300,000.00</u>	<u>\$ 5,735,000.00</u>

Ref.

C

C

TOWNSHIP OF PARSIPPANY-TROY HILLS  
GENERAL CAPITAL FUND  
SCHEDULE OF GREEN ACRES TRUST ACQUISITION LOAN PAYABLE  
YEAR ENDED DECEMBER 31, 2021

NOT APPLICABLE

TOWNSHIP OF PARSIPPANY-TROY HILLS  
GENERAL CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ord. No.	Improvement Description	2021		Bond		Improvement Authorizations Canceled	Balance Dec. 31, 2021
		Balance Dec. 31, 2020	Improvement Authorizations	Anticipation Notes Redeemed	Anticipation Notes Issued		
91-27	Regional Contribution Agreement - City of Newark	\$ 453,643.69				\$ 453,643.69	
06-08	Various Capital Improvements	3,408.32					\$ 3,408.32
14-27	Various Capital Improvements	999,891.06					999,891.06
15-22	Various Capital Improvements	2,102,498.97					2,102,498.97
16-16	Various Capital Improvements	129,928.24					129,928.24
18-05	Various Road and Sidewalk Improvements	600,943.63					600,943.63
18-17	Various Capital Improvements	2,867,064.00				1,567,622.74	1,299,441.26
19-09	Various Capital Improvements	36,500.00	\$ 2,500,000.00	\$ 2,500,000.00	\$ 2,500,000.00		36,500.00
19-11	Various Capital Improvements	3,109,266.00		7,000,000.00	6,605,000.00	3,500,000.00	4,266.00
20-10	Various Road and Sidewalk Improvements	897,500.00		2,000,000.00	2,897,500.00		
20-24	Various Capital Improvements	7,479,108.00			4,977,800.00		2,501,308.00
21-21	Various Capital Improvements		\$ 5,880,000.00		5,880,000.00		
		\$ 18,679,751.91	\$ 5,880,000.00	\$ 11,500,000.00	\$ 22,860,300.00	\$ 5,521,266.43	\$ 7,678,185.48

TOWNSHIP OF PARSIPPANY-TROY HILLS  
COUNTY OF MORRIS  
2021  
WATER UTILITY FUND

TOWNSHIP OF PARSIPPANY-TROY HILLS  
WATER UTILITY FUND  
SCHEDULE OF CASH-TREASURER

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2020	D	\$ 3,629,512.33	\$ 13,044,175.18
Increased by Receipts:			
Consumer Accounts Receivable		\$ 10,254,057.46	
Water Rent Overpayments		170,655.64	
Interest on Investments		28,083.25	
Miscellaneous Revenue		204,675.06	
Petty Cash		300.00	
Appropriation Refunds		52,386.26	
Premium on Sale of Bond Anticipation Notes			
Bond Anticipation Notes Issued		10,710,157.67	12,674,475.80
		<u>14,339,670.00</u>	<u>25,718,650.98</u>
Decreased by Disbursements:			
2021 Appropriation Expenditures		9,146,783.81	
2020 Appropriation Reserves		572,482.08	
Accrued Interest on Bonds		346,512.50	
Accrued Interest on Loans		772.19	
Accrued Interest on Notes		251,600.00	
Water Rent Overpayments		53,530.87	
Due to Current Fund:			
Interfund Advanced		310,392.97	4,384,634.64
Bond Anticipation Notes Matured			12,580,000.00
Improvement Authorizations			3,140,829.23
		<u>10,682,074.42</u>	<u>20,105,463.87</u>
Balance December 31, 2021	D	<u>\$ 3,657,595.58</u>	<u>\$ 5,613,187.11</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS  
 WATER UTILITY CAPITAL FUND  
 ANALYSIS OF WATER CAPITAL CASH

	Balance/ (Deficit) Dec. 31, 2020	Receipts		Disbursements			Transfers		Balance/ (Deficit) Dec. 31, 2021
		Bond Anticipation Notes	Miscellaneous	Bond Anticipation Notes	Improvement Authorizations	Miscellaneous	From	To	
Fund Balance	\$ 828,294.88						\$ 495,097.00		\$ 333,197.88
Due Water Utility Operating Fund	89,281.77							\$ 495,097.00	584,378.77
Due to Current Fund	(5,780,254.45)					\$ 4,384,634.64			(10,164,889.09)
Capital Improvement Fund	314,498.22								314,498.22
Reserve for Payment of Debt Service	192,749.21		\$ 94,475.80						287,225.01
Ord. No.									
General Improvements									
General Improvements:									
12-25	Improvements to Water Utility System	(61.00)							(61.00)
14-25	Improvements to Water Utility System	16,418.27							16,418.27
17-13	Improvements to Water Utility System	206,345.98			\$ 137,732.47				68,613.51
18-18	Improvements to Water Utility System	1,797,960.28			404,672.11				1,393,288.17
19-13	Improvements to Water Utility System	3,507,362.74			909,564.73				2,597,798.01
19-70	Improvements to Water Utility System	2,354,029.82	\$ 3,000,000.00		746,153.07				1,607,876.75
20-16	Improvements to Water Utility System	3,129,178.03	3,170,000.00		311,912.69				2,817,265.34
20-22	Improvements to Water Utility System	6,388,371.43	6,410,000.00		630,794.16				5,757,577.27
		\$ 13,044,175.18	\$ 12,580,000.00	\$ 94,475.80	\$ 3,140,829.23	\$ 4,384,634.64	\$ 495,097.00	\$ 495,097.00	\$ 5,613,187.11

TOWNSHIP OF PARSIPPANY-TROY HILLS  
WATER UTILITY OPERATING FUND  
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2020	D	\$ 885,396.66
Increased by:		
Water Rents Levied		10,138,683.00
		<u>11,024,079.66</u>
Decreased by:		
Collections:		
Water Collections	\$ 10,254,057.46	
Overpayments Applied	<u>58,352.77</u>	
		10,312,410.23
Transfer to Water Utility Liens Receivable		<u>77,516.88</u>
Balance December 31, 2021	D	<u><u>\$ 634,152.55</u></u>

WATER UTILITY OPERATING FUND  
SCHEDULE OF WATER UTILITY LIENS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2020	D	\$ 252.57
Increased by:		
Transfer from Water Rents Receivable	\$ 77,516.88	
Interest and Costs Accrued at Tax Sale	<u>150.00</u>	
		<u>77,666.88</u>
Balance December 31, 2021	D	<u><u>\$ 77,919.45</u></u>

TOWNSHIP OF PARSIPPANY-TROY HILLS  
WATER UTILITY OPERATING FUND  
SCHEDULE OF INVENTORY

	<u>Ref.</u>	
Balance December 31, 2020	D	\$ 254,963.00
Net Inventory Increase		<u>23,510.63</u>
Balance December 31, 2021	D	<u>\$ 278,473.63</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL

	Balance Dec. 31, 2020	Balance Dec. 31, 2021
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	1,581,670.19	1,581,670.19
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	678,000.00	678,000.00
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
Improvement of Water Supply and Distribution System	25,441,177.16	25,441,177.16
Meter Reader System	2,606,000.00	2,606,000.00
Issuance Costs - Various	572,645.00	572,645.00
Various Major Information Technology and Telecommunications Equipment	60,000.00	60,000.00
Main Replacements	170,000.00	170,000.00
Supervisory Control and Data Acquisition Communication System Upgrades	350,000.00	350,000.00
Painting of 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
	<u>\$ 38,599,107.02</u>	<u>\$ 38,599,107.02</u>
	D	D

TOWNSHIP OF PARSIPPANY-TROY HILLS  
WATER UTILITY CAPITAL FUND  
 SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Improvement Description	Ord. No.	Balance Dec.31, 2020	2021 Authorizations	Balance Dec.31, 2021
<u>General Improvements:</u>				
Improvements to Water Utility System	12-25	\$ 725,000.00		\$ 725,000.00
Improvements to Water Utility System	13-11	1,600,000.00		1,600,000.00
Improvements to Water Utility System	14-25	880,000.00		880,000.00
Improvements to Water Utility System	17-13	1,075,000.00		1,075,000.00
Improvements to Water Utility System	18-18	2,925,000.00		2,925,000.00
Improvements to Water Utility System	19-13	4,598,000.00		4,598,000.00
Improvements to Water Utility System	19-70	3,000,000.00		3,000,000.00
Improvements to Water Utility System	20-16	3,170,000.00		3,170,000.00
Improvements to Water Utility System	20-22	6,410,000.00		6,410,000.00
Improvements to Water Utility System	21-20		\$ 12,700,000.00	12,700,000.00
		<u>\$ 24,383,000.00</u>	<u>\$ 12,700,000.00</u>	<u>\$ 37,083,000.00</u>

Ref.

D

D

TOWNSHIP OF PARSIPPANY-TROY HILLS  
WATER UTILITY OPERATING FUND  
SCHEDULE OF 2020 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2021

	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Balance After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 322,972.72	\$ 322,972.72		\$ 322,972.72
Other Expenses	1,014,131.24	1,014,131.24	\$ 572,482.08	441,649.16
Statutory Expenditures:				
Contribution to:				
Public Employees' Retirement System	172.00	172.00		172.00
Social Security (O.A.S.I.)	69,333.00	69,333.00		69,333.00
	<u>\$ 1,406,608.96</u>	<u>\$ 1,406,608.96</u>	<u>\$ 572,482.08</u>	<u>\$ 834,126.88</u>

Analysis of Balance December 31, 2020

	<u>Ref.</u>	
Encumbered	D	\$ 136,860.13
Unencumbered	D	<u>1,269,748.83</u>
		<u>\$ 1,406,608.96</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2020		Paid or Charged	2021 Authorizations	
				Funded	Unfunded		Deferred	Charges to Future Revenue
14-25	Improvements to Water Utility System	08/21/14	\$ 880,000.00	\$ 16,418.27			\$ 16,418.27	
17-13	Improvements to Water Utility System	07/11/17	1,075,000.00	206,345.98		\$ 137,732.47	68,613.51	
18-18	Improvements to Water Utility System	09/11/18	2,925,000.00	1,797,960.28		404,672.11	1,393,288.17	
19-13	Improvements to Water Utility System	06/25/19	4,598,000.00	3,507,362.74		909,564.73	2,597,798.01	
19-70	Improvements to Water Utility System	12/17/19	3,000,000.00		\$ 2,354,029.82	746,153.07		\$ 1,607,876.75
20-16	Improvements to Water Utility System	05/05/20	3,170,000.00		3,129,178.03	311,912.69		2,817,265.34
20-22	Improvements to Water Utility System	07/21/20	6,410,000.00		6,388,371.43	630,794.16		5,757,577.27
21-20	Improvements to Water Utility System	09/07/21	12,700,000.00		\$ 12,700,000.00			12,700,000.00
				\$ 5,528,087.27	\$ 11,871,579.28	\$ 3,140,829.23	\$ 4,076,117.96	\$ 22,882,719.36

Ref.

D D

D D

TOWNSHIP OF PARSIPPANY-TROY HILLS  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2020	D	<u>\$ 314,498.22</u>
Balance December 31, 2021	D	<u>\$ 314,498.22</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>Ref.</u>	
Balance December 31, 2020	D	\$ 37,183,549.92
Increased by:		
Water Utility Operating Budget:		
Serial Bonds	\$ 815,000.00	
Infrastructure Loans	<u>33,496.10</u>	
		<u>848,496.10</u>
Balance December 31, 2021	D	<u>\$ 38,032,046.02</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Ord. No.	Improvement Description	Date of Ordinance	Balance Dec. 31, 2020	Balance Dec. 31, 2021
<u>General Improvements:</u>				
14-25	Improvements to Water Utility System	08/21/14	\$ 880,000.00	\$ 880,000.00
18-18	Improvements to Water Utility System	09/11/18	200,000.00	200,000.00
			<u>\$ 1,080,000.00</u>	<u>\$ 1,080,000.00</u>
	<u>Ref.</u>		D	D

TOWNSHIP OF PARSIPPANY-TROY HILLS  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

Ord. No.	Improvement Description	Original Issue	Date of		Maturity	Interest Rate	Balance Dec. 31, 2020	Issued	Matured	Balance Dec. 31, 2021
			Issue							
19-70	Improvements to Water Utility System	11/12/20	11/12/20		11/11/21	2.00%	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,000,000.00
			11/10/21		11/09/22	1.00%				
20-16	Improvements to Water Utility System	11/12/20	11/12/20		11/11/21	2.00%	3,170,000.00	3,170,000.00	3,170,000.00	3,170,000.00
			11/10/21		11/09/22	1.00%				
20-22	Improvements to Water Utility System	11/12/20	11/12/20		11/11/21	2.00%	6,410,000.00	6,410,000.00	6,410,000.00	6,410,000.00
			11/10/21		11/09/22	1.00%				
							<u>\$ 12,580,000.00</u>	<u>\$ 12,580,000.00</u>	<u>\$ 12,580,000.00</u>	<u>\$ 12,580,000.00</u>

Ref.

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TOWNSHIP OF PARSIPPANY-TROY HILLS  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Original Issue	Maturities of Bonds				Balance Dec. 31, 2020	Matured	Balance Dec. 31, 2021
			Date	Outstanding		Interest Rate			
				December 31, 2021	Amount				
Water Improvements	10/26/2010	\$ 1,988,000.00	11/1/2022	\$ 175,000.00	3.00%	\$ 525,000.00	\$ 175,000.00	\$ 350,000.00	
			11/1/2023	175,000.00	3.00%				
Water Improvements	9/7/2018	5,119,000.00	9/15/2022	375,000.00	2.00%	4,155,000.00	365,000.00	3,790,000.00	
			9/15/2023	385,000.00	2.00%				
			9/15/2024	400,000.00	2.50%				
			9/15/2025	415,000.00	2.50%				
			9/15/2026	425,000.00	3.00%				
			9/15/2027	440,000.00	3.00%				
	9/15/2028-29	450,000.00	3.00%						
	9/15/2030	450,000.00	2.50%						
Water Improvements	11/14/2019	7,670,000.00	5/1/2022	300,000.00	4.00%	7,425,000.00	275,000.00	7,150,000.00	
			5/1/2023	325,000.00	4.00%				
			5/1/2024-28	350,000.00	4.00%				
			5/1/2029-30	350,000.00	2.25%				
			5/1/2031	475,000.00	2.25%				
			5/1/2032-36	450,000.00	2.25%				
	5/1/2037-39	450,000.00	3.00%						
						\$ 12,105,000.00	\$ 815,000.00	\$ 11,290,000.00	

Ref.

D

D

TOWNSHIP OF PARSIPPANY-TROY HILLS  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE LOANS PAYABLE  
YEAR ENDED DECEMBER 31, 2021

	<u>Ref.</u>	
Balance December 31, 2020	D	\$ 33,496.10
Less: 2021 Payment of Principal		<u>\$ 33,496.10</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Balance Dec.31, 2020</u>	<u>2021 Authorizations</u>	<u>Balance Dec.31, 2021</u>
<u>General Improvements:</u>				
12-25	Improvements to Water Utility System	\$ 61.00		\$ 61.00
21-20	Improvements to Water Utility System		\$ 12,700,000.00	12,700,000.00
		<u>\$ 61.00</u>	<u>\$ 12,700,000.00</u>	<u>\$ 12,700,061.00</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS  
COUNTY OF MORRIS  
2021  
SEWER UTILITY FUND

TOWNSHIP OF PARSIPPANY-TROY HILLS  
SEWER UTILITY FUND  
SCHEDULE OF CASH AND INVESTMENTS - TREASURER

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2020	E	\$ 5,452,322.13	\$ 18,709,668.03
Increased by Receipts:			
Sewer Rents and Septage Removal Receivable		\$ 18,374,511.16	
Miscellaneous Revenue		255,759.65	
Interest Earned on Investments		3,413.56	
Sewer Rent Overpayments		146,642.50	
Due to Sewer Utility Operating Fund - Interest Earned		29,810.34	\$ 29,810.34
Due from Sewer Utility Capital Fund - Interest Earned		9,576.20	
Appropriation Refunds			128,037.99
Premium on Sale of Bond Anticipation Notes			17,049,000.00
Bond Anticipation Notes Issued		18,819,713.41	17,206,848.33
		<u>24,272,035.54</u>	<u>35,916,516.36</u>
Decreased by Disbursements:			
2021 Appropriation Expenditures		15,251,891.56	
2020 Appropriation Reserves		1,136,979.13	
Interest on Bonds		466,525.00	
Interest on Notes		213,300.00	
Interest on Loans		68,638.11	
Due to/from Current Fund:			
Interfund Advanced		1,644,968.12	
Due to Sewer Utility Operating Fund:			7,413,933.81
Interest Earned			29,810.34
Refund of Sewer Rent Overpayments		4,187.59	
Bond Anticipation Notes Matured			10,665,000.00
Improvement Authorization Expenditures			4,098,104.18
		<u>18,786,489.51</u>	<u>22,206,848.33</u>
Balance December 31, 2021	E	<u>\$ 5,485,546.03</u>	<u>\$ 13,709,668.03</u>



TOWNSHIP OF PARSIPPANY-TROY HILLS  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	Balance Dec.31, 2020	2021 Billings	Cash Receipts	Prepays Applied	Transferred to Lien	Overpayments Applied	Balance Dec.31, 2021
Sewer Rents:							
Residential and Industrial	\$ 719,060.52	\$ 12,747,425.17	\$ 12,698,103.30		\$ 22,402.71	\$ 114,877.91	\$ 631,101.77
Municipalities:							
Township of East Hanover	436,359.97	2,034,957.72	1,929,000.00				542,317.69
Township of Montville	107,506.96	2,383,641.26	2,314,118.98	\$ 22,881.02			46,641.26
Borough of Mountain Lakes	11,144.23	488,195.04	473,000.04				122,701.96
Township of Denville	1,274,071.68	121,303.91	113,144.23				19,303.91
	<u>368,706.88</u>	<u>17,775,523.10</u>	<u>17,527,366.55</u>	<u>22,881.02</u>		<u>114,877.91</u>	<u>1,362,066.59</u>
Septage Removal		719,819.15	847,144.61			1,584.50	239,796.92
	<u>\$ 1,642,778.56</u>	<u>\$ 18,495,342.25</u>	<u>\$ 18,374,511.16</u>	<u>\$ 22,881.02</u>	<u>\$ 22,402.71</u>	<u>\$ 116,462.41</u>	<u>\$ 1,601,863.51</u>

Ref.

E

E

Realized Sewer Rents Revenue

Cash Collections	\$ 17,527,366.55
Prepays Applied	22,881.02
Overpayments Applied	114,877.91
	<u>\$ 17,665,125.48</u>

Realized Septage Revenue

Cash Collections	\$ 847,144.61
Overpayments Applied	1,584.50
	<u>\$ 848,729.11</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF SEWER UTILITY LIENS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2020	E	\$ 721.81
Increased by:		
Transfer from Sewer Receivable		\$ 22,402.71
Interest and Costs Accrued at Sale		<u>150.00</u>
		<u>22,552.71</u>
Balance December 31, 2021	E	<u>\$ 23,274.52</u>

SEWER UTILITY OPERATING FUND  
SCHEDULE OF INVENTORY

	<u>Ref.</u>	
Balance December 31, 2020	E	\$ 67,506.00
Net Inventory Increase		<u>21,094.00</u>
Balance December 31, 2021	E	<u>\$ 88,600.00</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL

	Balance Dec.31, 2020	Balance Dec.31, 2021
Sanitary Sewer Facilities	\$ 136,740,520.66	\$ 136,740,520.66
Equipment	1,100,405.00	1,100,405.00
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	156,798.58	156,798.58
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
	<u>\$ 140,640,056.25</u>	<u>\$ 140,640,056.25</u>

Ref.

E

E

TOWNSHIP OF PARSIPPANY-TROY HILLS  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Improvement Description	Ord. No.	Balance Dec.31, 2020	2021 Authorizations	Authorizations Canceled	Balance Dec.31, 2021
<u>General Improvements:</u>					
Various Major Information Technology and Telecommunications Equipment	07-20	\$ 50,000.00			\$ 50,000.00
Various Sewer Utility Improvements and Equipment Acquisitions	08-15a	3,130,000.00			3,130,000.00
Improvements and Upgrades to the Township's Waste Water Treatment Plant	09-28	27,188,210.00			27,188,210.00
Various Sewer Utility Improvements	12-26	4,636,547.50			4,636,547.50
Various Sewer Utility Improvements	13-24	2,401,589.50			2,401,589.50
Various Sewer Utility Improvements	14-24	3,152,653.00		\$ 1,267,976.86	1,884,676.14
Various Sewer Utility Improvements	15-23	580,000.00			580,000.00
Various Sewer Utility Improvements	16-17	1,087,000.00			1,087,000.00
Troy Meadows Interceptor Repairs	16-27	1,500,000.00			1,500,000.00
Various Sewer Utility Improvements	17-12	2,475,000.00		337,701.65	2,137,298.35
Upgrade and Replacement of Generators	18-04	4,000,000.00			4,000,000.00
Acquisition of a Sewer Jet Vacuum Truck	18-20	500,000.00			500,000.00
Acquisition of Vehicles and Replacement Water Meters	18-21	515,000.00			515,000.00
Primary Scum Pump Rehabilitation	19-03				
Various Sewer Utility Improvements	19-14	5,250,000.00			5,250,000.00
Various Sewer Utility Improvements	20-20	6,415,000.00			6,415,000.00
Pump Station 4 Redirection Tunnel Program	20-21	8,000,000.00			8,000,000.00
Various Sewer Utility Improvements	21-22		\$ 5,734,000.00		5,734,000.00
		<u>\$ 70,881,000.00</u>	<u>\$ 5,734,000.00</u>	<u>\$ 1,605,678.51</u>	<u>\$ 75,009,321.49</u>

Ref.

E

E

TOWNSHIP OF PARSIPPANY-TROY HILLS  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF 2020 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2021

	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Balance After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 574,169.06	\$ 574,169.06		\$ 574,169.06
Other Expenses	2,483,524.12	2,483,524.12	\$ 1,137,887.63	1,345,636.49
Statutory Expenditures:				
Contribution to:				
Public Employee's Retirement System	196.00	196.00		196.00
Social Security System (O.A.S.I.)	197,583.51	197,583.51		197,583.51
	<u>\$ 3,255,472.69</u>	<u>\$ 3,255,472.69</u>	<u>\$ 1,137,887.63</u>	<u>\$ 2,117,585.06</u>

Analysis of Balance December 31, 2020

	<u>Ref.</u>	
Encumbered	E	\$ 64,144.50
Unencumbered	E	<u>3,191,328.19</u>
		<u>\$ 3,255,472.69</u>

Analysis of Paid or Charged

Cash Disbursed	\$ 1,136,979.13
Accounts Payable	<u>908.50</u>
	<u>\$ 1,137,887.63</u>



TOWNSHIP OF PARSIPPANY-TROY HILLS  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2020	E	<u>\$ 466,000.00</u>
Balance December 31, 2021	E	<u><u>\$ 466,000.00</u></u>

TOWNSHIP OF PARSIPPANY-TROY HILLS  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Ord. No.	Improvement Description	Date of Ordinance	Balance Dec. 31, 2020	NJFIT Loan Paydowns	Authorizations Canceled	Balance Dec. 31, 2021
<u>General Improvements:</u>						
07-20	Various Major Information Technology and Telecommunications Equipment	07/24/17	\$ 2,385.00			\$ 2,385.00
08-15a	Various Sewer Utility Improvements and Equipment Acquisitions	05/13/08	698,459.76	\$ 8,949.99		707,409.75
09-28	Improvements and Upgrades to the Township's Waste Water Treatment Plant	06/16/19	15,349,626.07	1,031,281.85		16,380,907.92
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	2,000,000.00		\$ 115,323.86	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
			<u>\$ 23,694,493.83</u>	<u>\$ 1,040,231.84</u>	<u>\$ 115,323.86</u>	<u>\$ 24,619,401.81</u>

Ref.

E

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TOWNSHIP OF PARSIPPANY-TROY HILLS  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>Ref.</u>	
Balance December 31, 2020	E	\$ 141,025,916.94
Increased by:		
Sewer Utility Operating Budget:		
Serial Bonds		<u>1,195,000.00</u>
Balance December 31, 2021	E	<u>\$ 142,220,916.94</u>



TOWNSHIP OF PARSIPPANY-TROY HILLS  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Original Issue	Maturities of Bonds			Interest Rate	Balance Dec. 31, 2020	Matured	Balance Dec. 31, 2021
			Date	Outstanding December 31, 2021 Amount					
Sewer Improvements	10/26/2010	\$ 4,003,300.00	11/1/2022	\$ 370,000.00	3.00%	\$ 1,110,000.00	\$ 370,000.00	\$ 740,000.00	
			11/1/2023	370,000.00	3.00%				
Sewer Improvements	9/7/2017	7,197,000.00	9/15/2022-23	450,000.00	2.00%				
			9/15/2024-25	650,000.00	2.50%				
			9/15/2026-27	650,000.00	3.00%				
			9/15/2028	660,000.00	3.00%				
			9/15/2029	675,000.00	3.00%				
			9/15/2030	690,000.00	2.50%	5,975,000.00	450,000.00	5,525,000.00	
Sewer Improvements	11/14/2019	9,570,000.00	5/1/2022	385,000.00	4.00%				
			5/1/2023	390,000.00	4.00%				
			5/1/2024	400,000.00	4.00%				
			5/1/2025	410,000.00	4.00%				
			5/1/2026	420,000.00	4.00%				
			5/1/2027	430,000.00	4.00%				
			5/1/2028	435,000.00	4.00%				
			5/1/2029-30	450,000.00	2.25%				
			5/1/2031	600,000.00	2.25%				
			5/1/2032-33	600,000.00	2.50%				
			5/1/2034	575,000.00	2.50%				
5/1/2035-36	550,000.00	2.50%							
5/1/2037-39	550,000.00	3.00%	9,270,000.00	375,000.00	8,895,000.00				
						\$ 16,355,000.00	\$ 1,195,000.00	\$ 15,160,000.00	

Ref.

E

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TOWNSHIP OF PARSIPPANY-TROY HILLS  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS PAYABLE #1

	<u>Ref.</u>	
Balance December 31, 2020	E	\$ 83,859.74
Less: 2021 Payment of Principal		8,949.99
Balance December 31, 2021	E	\$ 74,909.75

Schedule of Principal and Interest Payments Outstanding December 31, 2021  
February 2010 Issue

Due Date	Trust Loan		Fund Loan	Balance of
	Interest	Principal	Principal	Loans
				\$ 74,909.75
2/1/2022	\$ 424.75		\$ 2,201.28	72,708.47
8/1/2022	424.75	\$ 2,422.86	4,402.57	65,883.04
2/1/2023	382.84		2,201.28	63,681.76
8/1/2023	382.84	2,506.69	4,402.57	56,772.50
2/1/2024	337.72		2,201.28	54,571.22
8/1/2024	337.72	2,596.93	4,402.57	47,571.72
2/1/2025	289.80		2,201.28	45,370.44
8/1/2025	289.80	2,692.76	4,402.57	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	
	\$ 4,100.26	\$ 22,078.67	\$ 52,831.08	

TOWNSHIP OF PARSIPPANY-TROY HILLS  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS PAYABLE #2

	<u>Ref.</u>	
Balance December 31, 2020	E	\$ 9,368,884.93
Less:		
2021 Payment of Principal		1,031,281.85
Balance December 31, 2021	E	\$ 8,337,603.08

Schedule of Principal and Interest Payments Outstanding December 31, 2021  
March 2010 Issue

<u>Due Date</u>	<u>Trust Loan</u>		<u>Fund Loan</u>	<u>Balance of</u>
	<u>Interest</u>	<u>Principal</u>	<u>Principal</u>	<u>Loans</u>
				\$ 8,337,603.08
2/1/2022	\$ 60,840.00		\$ 237,427.28	8,100,175.80
8/1/2022	60,840.00	\$ 332,000.00	474,854.57	7,293,321.23
2/1/2023	54,200.00		237,427.28	7,055,893.95
8/1/2023	54,200.00	346,000.00	474,854.57	6,235,039.38
2/1/2024	47,280.00		237,427.28	5,997,612.10
8/1/2024	47,280.00	355,000.00	474,854.57	5,167,757.53
2/1/2025	40,180.00		237,427.28	4,930,330.25
8/1/2025	40,180.00	369,000.00	474,854.57	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	
	\$ 572,080.00	\$ 3,042,000.00	\$ 5,295,603.08	

TOWNSHIP OF PARSIPPANY-TROY HILLS  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ord. No.	Improvement Description	Balance Dec.31, 2020	2021 Authorizations	Bond Anticipation Notes Issued	Authorizations Canceled	Balance Dec.31, 2021
<u>General Improvements:</u>						
09-28	Improvements to the Township's Waste Water Treatment Plant	\$ 699.00				\$ 699.00
10-15	Various Sewer Utility Improvements	548.81				548.81
14-24	Various Sewer Utility Improvements	1,152,653.00			\$ 1,152,653.00	
17-12	Various Sewer Utility Improvements	1,174,000.00		\$ 650,000.00	337,701.65	186,298.35
20-21	Pump Station 4 Redirection Tunnel Program	8,000,000.00				8,000,000.00
21-22	Various Sewer Utility Improvements		\$ 5,734,000.00	5,734,000.00		
		<u>\$ 10,327,900.81</u>	<u>\$ 5,734,000.00</u>	<u>\$ 6,384,000.00</u>	<u>\$ 1,490,354.65</u>	<u>\$ 8,187,546.16</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS  
COUNTY OF MORRIS  
2021  
GOLF AND RECREATION UTILITY FUND

TOWNSHIP OF PARSIPPANY-TROY HILLS  
GOLF AND RECREATION UTILITY FUND  
SCHEDULE OF CASH -TREASURER

<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2020	\$ 4,440,888.97	\$ 3,915,417.60
Increased by Receipts:		
Consumer Accounts Receivable	\$ 3,778,903.54	
Merchandise Sales	141,711.03	
Interest on Investments	19,144.18	
Change Funds	1,800.00	
Miscellaneous Revenue	219,769.57	
Sales Tax Payable	52,503.00	
Due from Current Fund:		
Interfund Advanced/Returned		\$ 798,938.44
Premium on Sale of Notes		3,910.45
Bond Anticipation Notes Issued		520,700.00
Appropriation Refunds	<u>40,551.26</u>	
	<u>4,254,382.58</u>	<u>1,323,548.89</u>
	8,695,271.55	5,238,966.49
Decreased by Disbursements:		
2021 Appropriation Expenditures	4,529,545.04	
2020 Appropriation Reserves	49,489.36	
Interest on Bonds	188,909.28	
Sales Tax Payable	51,826.19	
Due to Current Fund	359,957.29	
Improvement Authorizations		<u>1,323,548.89</u>
	<u>5,179,727.16</u>	<u>1,323,548.89</u>
Balance December 31, 2021	<u>\$ 3,515,544.39</u>	<u>\$ 3,915,417.60</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS  
 GOLF AND RECREATION UTILITY CAPITAL FUND  
ANALYSIS OF GOLF AND RECREATION CAPITAL CASH

		Receipts			Disbursements	
		Balance (Deficit) Dec. 31, 2020	Bond Anticipation Notes		Miscellaneous	Miscellaneous
	Fund Balance	\$ 1,950.78				\$ 1,950.78
	Capital Improvement Fund	161,593.05				161,593.05
	Due to Current Fund	(454,997.92)	\$ 798,938.44			343,940.52
	Due to Golf and Recreation Operating Fund	73,070.00				73,070.00
	Reserve for Preliminary Expenses - Miniature Golf Recreation Facility	12,000.00				12,000.00
	Reserve for Payment of Debt Service	2,400,000.00	3,910.45			2,403,910.45
<div style="text-align: center;"><u>Improvement Authorizations</u></div>						
<u>General Improvements:</u>						
Ord.						
No.						
10-16	Various Improvements and Equipment	2,500.00				2,500.00
12-27	Golf Course and Recreation Utility Improvements	36,949.82				36,949.82
15-20	Golf Course and Recreation Utility Improvements	724,590.63			\$ 681,162.01	43,428.62
16-19	Golf Course and Recreation Utility Improvements	19,734.46			3,646.50	16,087.96
17-14	Golf Course and Recreation Utility Improvements	175,247.10			27,360.16	147,886.94
18-19	Golf Course and Recreation Utility Improvements	33,542.53				33,542.53
19-12	Golf Course and Recreation Utility Improvements	10,476.75				10,476.75
20-03	Other Expenses to the Knoll West Clubhouse Building	30,487.56				30,487.56
20-04	Replacement of Irrigation System at the Knoll West Golf Course	961.88				961.88
20-23	Golf Course and Recreation Utility Improvements	687,310.96			611,178.68	76,132.28
21-19	Golf Course and Recreation Utility Improvements		\$ 520,700.00		201.54	520,498.46
		\$ 3,915,417.60	\$ 520,700.00	\$ 802,848.89	\$ 1,323,548.89	\$ 3,915,417.60

TOWNSHIP OF PARSIPPANY-TROY HILLS  
GOLF AND RECREATION UTILITY OPERATING FUND  
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2020	F	\$ 43,397.07
Increased by:		
Billings:		
Membership and Other Fees and Rentals		<u>3,794,544.74</u>
		3,837,941.81
Decreased by:		
Collections	\$ 3,778,903.54	
Overpayments Applied	18,077.36	
Accounts Receivable Cancelled	<u>21,795.10</u>	
		<u>3,818,776.00</u>
Balance December 31, 2021	F	<u><u>\$ 19,165.81</u></u>

TOWNSHIP OF PARSIPPANY-TROY HILLS  
GOLF AND RECREATION UTILITY OPERATING FUND  
SCHEDULE OF INVENTORY

	<u>Ref.</u>	
Balance December 31, 2020	F	\$ 123,134.51
Net Inventory Increase		<u>34,548.06</u>
Balance December 31, 2021	F	<u>\$ 157,682.57</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS  
GOLF AND RECREATION UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL

	Balance Dec. 31, 2020	Balance Dec. 31, 2021
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	3,978,289.16	3,978,289.16
Reconstruction of the Knoll Country Club West	2,465,000.00	2,465,000.00
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	941,867.00	941,867.00
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
Issuance Cost	186,451.50	186,451.50
	<u>\$ 25,617,805.11</u>	<u>\$ 25,617,805.11</u>
	F	F

TOWNSHIP OF PARSIPPANY-TROY HILLS  
 GOLF AND RECREATION UTILITY CAPITAL FUND  
 SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Improvement Description	Ord. No.	Balance Dec. 31, 2020	2021 Authorizations	Balance Dec. 31, 2021
<u>General Improvements:</u>				
Various Improvements and Equipment	10-16	\$ 300,000.00		\$ 300,000.00
Golf Course and Recreation Utility Improvements	12-27	135,000.00		135,000.00
Golf Course and Recreation Utility Improvements	15-20	3,006,403.00		3,006,403.00
Golf Course and Recreation Utility Improvements	16-19	119,177.00		119,177.00
Golf Course and Recreation Utility Improvements	17-14	2,865,180.00		2,865,180.00
Golf Course and Recreation Utility Improvements	18-19	253,000.00		253,000.00
Golf Course and Recreation Utility Improvements	19-12	205,391.00		205,391.00
Other Expenses to the Knoll West Clubhouse Building	20-03	248,148.50		248,148.50
Replacement of Irrigation System at the Knoll West Golf Course	20-04	400,000.00		400,000.00
Golf Course and Recreation Utility Improvements	20-23	1,300,000.00		1,300,000.00
Golf Course and Recreation Utility Improvements	21-19		\$ 520,700.00	520,700.00
		<u>\$ 8,832,299.50</u>	<u>\$ 520,700.00</u>	<u>\$ 9,352,999.50</u>

Ref.

F

F

TOWNSHIP OF PARSIPPANY-TROY HILLS  
GOLF AND RECREATION UTILITY OPERATING FUND  
SCHEDULE OF 2020 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2021

	Balance Dec. 31, 2020	Balance After Modification	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	\$ 387,638.48	\$ 387,638.48		\$ 387,638.48
Other Expenses	126,284.33	126,284.33	\$ 49,489.36	76,794.97
Statutory Expenditures:				
Contribution to:				
Public Employees' Retirement System	210.00	210.00		210.00
	<u>\$ 514,132.81</u>	<u>\$ 514,132.81</u>	<u>\$ 49,489.36</u>	<u>\$ 464,643.45</u>

Analysis of Balance December 31, 2020

	<u>Ref.</u>	
Encumbered	F	\$ 46,699.13
Unencumbered	F	<u>467,433.68</u>
		<u>\$ 514,132.81</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS  
GOLF AND RECREATION UTILITY CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Date	Ordinance Amount	Balance Dec. 31, 2020		2021 Improvement Authorizations Deferred Charges to Future Revenue	Paid or Charged	Balance Dec. 31, 2021	
				Funded	Unfunded			Funded	Unfunded
10-16	Various Improvements and Equipment	07/20/10	\$ 300,000.00	\$ 2,500.00		\$ 2,500.00			
12-27	Golf Course and Recreation Utility Improvements	06/19/12	135,000.00	36,949.82		36,949.82			
15-20	Golf Course and Recreation Utility Improvements	09/15/15	3,006,403.00	724,590.63			\$ 681,162.01	43,428.62	
16-19	Golf Course and Recreation Utility Improvements	07/19/16	119,177.00	19,734.46			3,646.50	16,087.96	
17-14	Golf Course and Recreation Utility Improvements	07/11/17	2,865,180.00	175,247.10	\$ 593.00		27,360.16	147,886.94	\$ 593.00
18-19	Golf Course and Recreation Utility Improvements	09/11/18	253,000.00	33,542.53				33,542.53	
19-12	Golf Course and Recreation Utility Improvements	05/21/19	205,391.00	10,476.75	391.00			10,476.75	391.00
20-03	Other Expenses to the Knoll West Clubhouse Building	02/04/20	250,000.00	30,487.56				30,487.56	
20-04	Replacement of Irrigation System at the Knoll West Golf Course	02/04/20	400,000.00	961.88				961.88	
20-23	Golf Course and Recreation Utility Improvements	07/21/20	1,300,000.00	687,310.96			611,178.68	76,132.28	
21-19	Golf Course and Recreation Utility Improvements	09/07/21	520,700.00			\$ 520,700.00	201.54		520,498.46
				\$ 1,721,801.69	\$ 984.00	\$ 520,700.00	\$ 1,323,548.89	\$ 398,454.34	\$ 521,482.46
				F	F		F	F	F

TOWNSHIP OF PARSIPPANY-TROY HILLS  
GOLF AND RECREATION UTILITY CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2020	F	<u>\$ 161,593.05</u>
Balance December 31, 2021	F	<u><u>\$ 161,593.05</u></u>

TOWNSHIP OF PARSIPPANY-TROY HILLS  
GOLF AND RECREATION UTILITY CAPITAL FUND  
SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>Ref.</u>	
Balance December 31, 2020	F	\$ 26,916,355.11
Increased by:		
Golf and Recreation Operating Budget:		
Serial Bonds		\$ 380,000.00
Open Space Trust Budget:		
Serial Bonds		<u>250,000.00</u>
		<u>630,000.00</u>
Balance December 31, 2021	F	<u>\$ 27,546,355.11</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS  
GOLF AND RECREATION UTILITY CAPITAL FUND  
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance Dec. 31, 2020</u>	<u>Balance Dec. 31, 2021</u>
<u>General Improvements:</u>				
10-16	Various Improvements and Equipment	07/20/10	\$ 31,820.00	\$ 31,820.00
12-27	Golf Course and Recreation Utility Improvements	06/19/12	15,828.00	15,828.00
15-20	Golf Course and Recreation Utility Improvements	09/15/15	150,320.00	150,320.00
16-19	Golf Course and Recreation Utility Improvements	07/19/16	5,959.00	5,959.00
20-03	Other Expenses to the Knoll West Clubhouse Building	02/04/20	<u>18,838.50</u>	<u>18,838.50</u>
			<u>\$ 222,765.50</u>	<u>\$ 222,765.50</u>
		<u>Ref.</u>	F	F

TOWNSHIP OF PARSIPPANY-TROY HILLS  
GOLF AND RECREATION UTILITY CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

Ord. No.	Improvement Description	Date of			Interest Rate	Issued	Balance Dec. 31, 2021
		Original Issue	Issue	Maturity			
21-19	Golf Course and Recreation Utility Improvements	11/10/21	11/10/21	11/09/22	1.00%	\$ 520,700.00	\$ 520,700.00
						\$ 520,700.00	\$ 520,700.00

Ref. F



TOWNSHIP OF PARSIPPANY-TROY HILLS  
GOLF AND RECREATION UTILITY CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ord. No.	Improvement Description	Balance Dec.31, 2020	2021 Authorizations	Bond Anticipation Notes Issued	Balance Dec.31, 2021
<u>General Improvements:</u>					
17-14	Golf Course and Recreation Utility Improvements	\$ 593.00			\$ 593.00
19-12	Golf Course and Recreation Utility Improvements	391.00			391.00
21-19	Golf Course and Recreation Utility Improvements		\$ 520,700.00	\$ 520,700.00	
		<u>\$ 984.00</u>	<u>\$ 520,700.00</u>	<u>\$ 520,700.00</u>	<u>\$ 984.00</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS  
COUNTY OF MORRIS  
2021  
PUBLIC ASSISTANCE FUND

TOWNSHIP OF PARSIPPANY-TROY HILLS  
PUBLIC ASSISTANCE FUND  
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	
Balance December 31, 2020	G	\$ 87,668.62
Increased by Receipts:		
Interest on Investments		<u>219.44</u>
Balance December 31, 2021	G	<u>\$ 87,888.06</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2021

TOWNSHIP OF PARSIPPANY-TROY HILLS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2021

Name of Federal Agency or Department, Pass Through Grantor, and Cluster Title	Name of Program	Assistance Listing Number	Project Number or State Account Number	Grant Period		Grant Award Amount	Amount Received	Amount of Expenditures	Cumulative Expenditures	Amount Provided to Subrecipients
				From	To					
U.S. Department of Housing and Urban Development: CDBG - Entitlement Grants Cluster (Passed through Morris County Office of Community Development)	Community Development Block Grant- Housing Rehabilitation	14.218	B15-MC34-0113	07/01/15	06/30/21	\$ 216,500.00	\$ 58,071.42	\$ 58,071.42	\$ 216,560.00	
	Housing Rehabilitation	14.218	B18-MC34-0114	07/01/18	06/30/22	241,311.00	31.99	31.99	168,941.39	
	Housing Rehabilitation	14.218	B19-MC34-0113	07/01/19	06/30/22	223,600.00	33,459.98	33,459.98	188,715.78	
	Housing Rehabilitation	14.218	B20-MC34-0114	07/01/20	06/30/22	216,090.00	28,084.19	28,084.19	28,084.19	
	COVID-19 Housing Rehabilitation	14.218	B20-MC34-0114	07/01/20	06/30/22	550,782.00	3,077.34	3,077.34	3,077.34	
Total U.S. Department of Housing and Urban Development/ CDBG Entitlement Grants Cluster										
U.S. Department of Justice: (Passed through New Jersey Department of Law and Public Safety)	Bulletproof Vest Partnership Program	16.607	N/A	01/01/20	12/31/21	12,804.75	12,804.75	12,804.75	12,804.75	
		16.607	N/A	01/01/21	12/31/22	16,977.70	5,402.60			
							5,402.60	12,804.75	12,804.75	
Total U.S. Department of Justice										
U.S. Department of Homeland Security (Passed through New Jersey Department of Law and Public Safety)	Disaster Grants - Public Assistance - F.E.M.A. Winter Storm Quinn	97.036	100-066-1200-C27-063430	01/01/18	12/31/18	943,981.01	3,953.88	3,953.88 *	943,981.01	
	Winter Storm Orlena	97.036	100-066-1200-C80-066290	01/01/21	12/31/21	10,132.35	10,132.35	10,132.35	10,132.35	
	Severe Winter Storm & Snow Storm	97.036	100-066-1200-B80-068460	01/01/16	12/31/16	194,551.30	5,017.84	5,017.84 *	194,551.30	
Total U.S. Department of Homeland Security										
U.S. Department of Transportation Highway Safety Cluster (Passed through New Jersey Department of Law and Public Safety)	Drive Sober or Get Pulled Over	20.601	100-066-1160-157-031020	01/01/20	12/31/21	5,500.00		280.00	5,500.00	
	Click-It or Ticket	20.616	100-066-1160-167-031230	01/01/21	12/31/21	6,000.00	4,680.00	6,000.00	6,000.00	
	Highway Traffic Safety	20.616	100-066-1160-167-030350	01/01/21	12/31/22	6,000.00	4,920.00	4,920.00	4,920.00	
	Distracted Driving Crackdown	20.616	100-066-1160-158-031030	01/01/21	12/31/22	9,000.00	7,500.00	8,460.00	8,460.00	
Total U.S. Department of Transportation/Highway Safety Cluster										
U.S. Department of Treasury	COVID-19 - American Rescue Plan Coronavirus State & Local Fiscal Recovery Funds	21.027	N/A	03/03/21	12/31/24	5,527,528.00	2,763,764.00	2,763,764.00	686,649.00	
							2,763,764.00	2,763,764.00	686,649.00	
Total US Department of Treasury										
TOTAL FEDERAL AWARDS							\$2,930,135.59	\$2,938,057.74	\$ 2,465,572.36	\$ -0-

\* - Expended in prior years.  
N/A - Not Applicable/Available

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

TOWNSHIP OF PARSIPPANY-TROY HILLS  
 SCHEDULE OF EXPENDITURES OF STATE AWARDS  
 YEAR ENDED DECEMBER 31, 2021

Name of State Agency or Department	Name of Program	Name of Project	Grant I.D. No.	Grant Period		Grant Award Amount	Amount Received	Amount of Expenditures	Cumulative Expenditures
				From	To				
Department of Law and Public Safety	Drunk Driving Enforcement Fund	Drunk Driving Enforcement Fund	100-078-6400-260-YYYY	01/01/19	12/31/22	\$ 24,293.96	\$ 4,033.55	\$ 15,729.51	
	NJ Statewide Body Worn Camera Program	NJ Statewide Body Worn Camera Program	100-066-1020-495-092120	01/01/21	12/31/22	224,180.00	168,010.08	168,010.08	
	Body Armor Replacement Program	Body Armor Replacement Program	718-066-1020-001-090160	01/01/20 01/01/21	12/31/22 12/31/22	9,229.19 6,699.66	8,668.45 8,668.45	8,668.45 192,408.04	
Department of Community Affairs	Total Department of Law and Public Safety								
	Handicapped Person's Recreational Opportunities Act	Recreation Opportunities for Individuals with Disabilities	100-022-8050-035-051570	01/01/19	12/31/22	20,000.00	10,821.49	19,946.86	
	Total Department of Community Affairs								
Department of Environmental Protection	Clean Communities Program	Clean Communities Program	765-042-4900-004-178910	01/01/20 01/01/21	12/31/21 12/31/22	104,354.54 111,066.43	105,521.95 126,118.79	104,354.54 209,876.49	
	Recycling Tonnage Grant	Recycling Tonnage Grant	100-042-4910-224-238490	01/01/20 01/01/19	12/31/21 12/31/22	179,992.86 188,816.00	179,992.86 321,147.42	179,992.86 321,147.42	
	Performance Partnership Grant	Radon Program	100-042-4820-047-017200	01/01/21	12/31/22	111,066.43	1,999.15		
New Jersey Highlands Council	Total Department of Environmental Protection								
	Highlands Water Protection and Planning Council	Highlands Water Protection and Planning Council	100-082-2078-033-290220	01/01/21	12/31/22	207,000.00	24,468.00	10,587.50	
	Total New Jersey Highlands Council						447,266.21	531,023.91	
Department of the State - (Passed Through the County of Morris - Department of Planning, Development & Technology)	Smith-Baldwin House Rehabilitation	Smith-Baldwin House Rehabilitation	13-290-56-580560-888	09/22/19	12/31/20	39,800.00	24,469.00	39,800.00	
	Smith-Baldwin House Phase 2 Rehabilitation	Smith-Baldwin House Phase 2 Rehabilitation	13-290-56-580560-888	09/23/18	12/31/20	258,064.00	1,338.00	258,064.00	
	Smith-Baldwin House Archeological Investment	Smith-Baldwin House Archeological Investment	13-290-56-580560-888	09/28/16	12/31/21	55,760.00	38,380.00	55,760.00	
	Smith-Baldwin House Renovation	Smith-Baldwin House Renovation	13-290-56-580560-888	01/01/21	12/31/22	250,000.00	26,184.85	26,184.85	
	Smith-Baldwin House Shutters	Smith-Baldwin House Shutters	13-290-56-580560-888	01/01/21	12/31/21	42,372.00	42,372.00	42,372.00	
	Smith-Baldwin House ADA Compliance	Smith-Baldwin House ADA Compliance	13-290-56-580560-888	01/01/21	12/31/22	11,388.00	11,388.00	11,388.00	
Total Department of State						64,187.00	79,944.85	433,568.85	

TOWNSHIP OF PARSIPPANY-TROY HILLS  
 SCHEDULE OF EXPENDITURES OF STATE AWARDS  
 YEAR ENDED DECEMBER 31, 2021  
 (Continued)

Name of State Agency or Department	Name of Program	Name of Project	Grant I.D. No.	Grant Period		Award Amount	Amount Received	Amount of Expenditures	Cumulative Expenditures
				From	To				
Department of the Treasury - Passed Through the County of Morris Governor's Council on Alcoholism and Drug Abuse	Municipal Alliance Program	Municipal Alliance Program	100-082-001-044	07/01/21	06/30/22	\$ 18,587.00	\$ 17,840.59	\$ 17,840.59	
Total Department of the Treasury							17,840.59	17,840.59	
<b>TOTAL STATE AWARDS</b>							<b>\$ 650,078.32</b>	<b>\$ 747,172.72</b>	<b>\$ 1,187,535.16</b>

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
YEAR ENDED DECEMBER 31, 2021

Note A. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards (the "Schedules") includes the federal and state grant activity of the Township of Parsippany-Troy Hills under programs of the federal and state governments for the year ended December 31, 2021. The information in these schedules is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the Township, they are not intended to and do not present the financial position, changes in fund balance or cash flows of the Township.

Note B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through identifying numbers are presented where available. The Township has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note C. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

Note D. STATE LOANS OUTSTANDING

The Township of Parsippany-Troy Hills has the following loans outstanding as of December 31, 2021:

NJ Environmental Infrastructure	
Loan Payable:	
Sewer Utility Capital Fund	<u>\$ 8,412,513</u>

The projects which relates to the above loans are complete and there were no current year receipts or expenditures on the loans.

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 auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements - *regulatory basis* - of the various funds of the Township of Parsippany-Troy Hills, in the County of Morris (the "Township") as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements and have issued our report thereon dated August 8, 2022. These financial statements have been prepared in accordance with accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

**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.

The Honorable Mayor and Members  
of the Township Council  
Township of Parsippany-Troy Hills  
Page 2

Our consideration of the 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 have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as Finding 2021-001, 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 of 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*.

### **The Township's Response to the Finding**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Township's response to the finding identified in our audit and described in the accompanying Schedule of Findings and Responses. The Township's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **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 result 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.

Mount Arlington, NJ  
August 8, 2022

*Nisivoccia LLP*  
NISIVOCCIA LLP

*Valerie A. Dolan*

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Valerie A. Dolan  
Certified Public Accountant  
Registered Municipal Accountant No. 548

Report on Compliance For Each Major Federal Program;  
Report on Internal Control Over Compliance Required by the Uniform Guidance

Independent Auditors' Report

The Honorable Mayor and Members  
of the Township Council  
Township of Parsippany-Troy Hills  
Parsippany, New Jersey

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the Township of Parsippany's (the "Township's") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Township's major federal program for the year ended December 31, 2021. The Township's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Township complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2021.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*) and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Township and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Township's compliance with the compliance requirements referred to above.

The Honorable Mayor and Members  
Of the Township Council  
Township of Parsippany-Troy Hills  
Parsippany, New Jersey  
Page 2

### ***Responsibilities of Management for Compliance***

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

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Township's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Township's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Township's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Township's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey's OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over compliance. Accordingly, no such opinion is expressed.

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

The Honorable Mayor and Members  
of the Township Council  
Township of Parsippany-Troy Hills  
Parsippany, New Jersey  
Page 3

### **Report on Internal Control Over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance or NJOMB 15-08. Accordingly, this report is not suitable for any other purpose.

Mt Arlington, New Jersey  
August 8, 2022

*Nisivoccia LLP*  
NISIVOCCIA LLP

*Valerie A. Dolan*

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Valerie A. Dolan  
Certified Public Accountant  
Registered Municipal Accountant No. 548

TOWNSHIP OF PARSIPPANY-TROY HILLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2021

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the Township prepared in accordance with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey.
- A significant deficiency disclosed during the audit of the financial statements is reported in the *Independent Auditors' 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*. No material weaknesses are reported.
- No instances of noncompliance material to the financial statements of the Township which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no significant deficiencies or material weaknesses in internal control over the major federal program disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance Required by the Uniform Guidance*.
- The auditor's report on compliance for its major federal program for the Township expresses an unmodified opinion on its major federal program.
- The audit did not disclose any audit finding which are required to be reported in accordance with 2 CFR 200.516(a) of the Uniform Guidance.
- The threshold for distinguishing between Type A and B federal programs was \$750,000.
- The Township was not determined to be a "low-risk" auditee for federal programs.
- The Township's program tested as a major federal program for the current fiscal year consisted of the following award:

<u>Federal</u>	<u>Assistance Listing No.</u>	<u>Grant Expenditures</u>
U.S. Department of Treasury:		
COVID-19 - American Rescue Plan		
Coronavirus State & Local Fiscal Recovery Funds	21.027	\$ 2,763,764

TOWNSHIP OF PARSIPPANY-TROY HILLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit disclosed the following significant deficiency required to be reported under Generally Accepted Government Auditing Standards:

Finding 2021-001

Segregation of Duties

Criteria

Concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view.

Condition

The Township does not maintain an adequate segregation of duties with respect to the recording and treasury functions. The various departments/offices of the Township are responsible for the issuance of permits and licenses; collections of taxes and permit and license fees; and recording of collections. Also, the reconciliation of bank accounts, the preparation of the general ledger for the various funds as well as the preparation of payroll are performed by one person, the Chief Financial Officer.

Cause

This is due, in part, to the limited number of personnel of the Township and the decentralized nature of governmental collection procedures.

Effect or Potential Effect

Segregation of duties refers to separating those functions that place too much control over a transaction or class of transactions that would enable a person to perpetuate errors and prevent detection within a reasonable period of time.

Recommendation

It is recommended that an adequate segregation of duties be maintained with respect to the recording and treasury functions.

Management's Response

The finding was evaluated, however, due to budgetary constraints, no resolution can be made at this time.

Findings and Questioned Costs for Federal Awards:

- The audit did not disclose any findings or questioned costs for federal awards as defined in 2 CFR 200.516(a) of the Uniform Guidance.

Findings and Questioned Costs for State Awards:

- Not applicable since state expenditures were below the single audit threshold.

TOWNSHIP OF PARSIPPANY-TROY HILLS  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2021

Status of Prior Year Findings:

The prior year finding 2020-001 regarding controls be implemented to ensure that adequate documentation is maintained on file with the Township to support the force account labor, force account equipment and other eligible costs reimbursed by all FEMA Disaster Grants has been resolved and is not included in the current year report.

TOWNSHIP OF PARSIPPANY-TROY HILLS

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2021

TOWNSHIP OF PARSIPPANY-TROY HILLS  
COMMENTS AND RECOMMENDATIONS

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

N.J.S. 40A:11-3 states:

a. " When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1971, c.198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

b. Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to subparagraph (i) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, c.198 (C.40A: 11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.

c. The Governor, in consultation with the Department of the Treasury, shall, no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L.1999, c.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L.1971, c.198 (C.40A11-2), and shall round the adjustment to the nearest \$1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. The adjustment shall become effective on July 1 of the year in which it is made."

N.J.S. 40A: 11-4 states: "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder."

Effective July 1, 2020 and thereafter, the bid thresholds in accordance with N.J.S.A. 40A:11-3 are \$17,500 for a contracting unit without a qualified purchasing agent and \$44,000 for a contracting unit with a qualified purchasing agent.

The governing body of the Township of Parsippany-Troy Hills has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the year and where question arises as to whether any contract or agreement might result in violation of the statute, the Township Attorney's opinion should be sought before a commitment is made.

TOWNSHIP OF PARSIPPANY-TROY HILLS  
COMMENTS AND RECOMMENDATIONS  
 (Continued)

Contracts and Agreements Required to be Advertised for N.J.S.A. 40A:11-4 (Cont'd)

The minutes indicated that bids were requested by public advertising per N.J.S. 40A:11-4. The minutes also indicated that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" in accordance with N.J.S. 40A:11-5.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed. None were noted.

Collection of Interest on Delinquent Taxes, Utility Charges and Assessments

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

On January 5, 2021, the governing body adopted the following resolution authorizing interest to be charged on delinquent tax, assessment and utility charges:

BE IT RESOLVED by the Township Council of the Township of Parsippany-Troy Hills, Morris County, New Jersey, that, in accordance with R.S. 54:4-67 as amended, the rate of interest to be charged for the nonpayment of taxes, utilities or assessments on or before the date when they would become delinquent be and the same is hereby fixed as follows:

1. No interest shall be charged if payment of tax, utility or assessment installment, as the case may be, is made within ten (10) days after the date upon which the same became payable.
2. The rate of interest to be charged for the nonpayment of taxes, utilities or assessment installments on or before the date when they become delinquent shall be eight percent (8%) per annum on the first \$1,500 of the delinquency and eighteen percent (18%) on any delinquency over \$1,500, to be calculated from the date the tax was payable until the date of actual payment. The interest to be charged a delinquent taxpayer for nonpayment of real property taxes shall be an additional penalty of 6% if the amount of delinquency is in excess of \$10,000 at the end of the calendar year.

It appears from an examination of the Collector's records that interest was generally collected in accordance with the foregoing resolution.

Delinquent Taxes and Tax Title Liens

The last tax sale was held on October 21, 2021.

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
2021	23
2020	20
2019	23

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.

TOWNSHIP OF PARSIPPANY-TROY HILLS  
COMMENTS AND RECOMMENDATIONS  
(Continued)

Verification of Delinquent Taxes and Other Charges

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services, consisting of verification notices as follows:

<u>Type</u>	<u>Number Mailed</u>
Payment of 2021 Taxes	20
Payment of 2022 Taxes	20
Delinquent Taxes	15
Tax Title Liens	2
Payment of 2021 and 2022 Water/Sewer Utility Charges	20
Delinquent Sewer Utility Charges	10
Delinquent Water Utility Charges	10
Delinquent Sludge Charges	7

Accounting Requirements under New Jersey Administrative Code

The Division of Local Government Services has established three (3) accounting requirements which are prescribed in the New Jersey Administrative Code. They are as follows:

1. Maintenance of an encumbrance accounting system.
2. Fixed asset accounting and reporting system.
3. General ledger accounting system.

The Township maintains an encumbrance accounting system and a general ledger accounting system. The Township's fixed asset accounting and reporting system was implemented in prior years which was not updated during the current year, also, the Township should consider having a reappraisal of all Township assets completed to ensure that all assets of the Township are accurately included and reported.

Fixed Assets:

The Township engaged an appraisal company to complete the fixed assets reporting of the Township for the current year. However, the appraisal company did not complete the report and have it available to the Township as of the date of this report. As a result, the annual update to the fixed assets records was not available.

It is recommended that the fixed asset accounting and reporting system be updated annually.

Management's Response

The Township is in the process of contracting with a new independent appraisal company to ensure that the fixed asset reporting is available for the year ended December 31, 2022 audit report.

TOWNSHIP OF PARSIPPANY-TROY HILLS  
COMMENTS AND RECOMMENDATIONS  
(Continued)

Municipal Court

The report of the Municipal Court has been forwarded to the Division of Local Government Services and the Township's Magistrate under separate cover. Reflected below is a summary of receipts and disbursements for the year ended December 31, 2021.

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

	Balance Dec. 31, 2020	Receipts	Disbursements	Balance Dec. 31, 2021
Municipal Treasurer:				
Fines and Costs	\$ 9,768.91	\$ 193,513.03	\$ 192,991.48	\$ 10,290.46
Animal		100.00	100.00	
Restitution	525.00	1,368.00	1,893.00	
POAA FTA	2.00	114.00	110.00	6.00
Public Defender	244.50	9,939.40	9,983.90	200.00
Weights and Measures	3,800.00	90,064.00	91,514.00	2,350.00
County:				
Fines	2,154.25	47,932.37	47,356.62	2,730.00
State:				
Fines and Costs	24,447.92	346,361.88	354,620.56	16,189.24
Conditional Discharge	75.00	108.00	171.00	12.00
Conditional Dismissal		620.00	620.00	
Collections	260.56	2,676.77	2,553.86	383.47
Bail	12,938.00	22,294.00	27,509.00	7,723.00
<b>TOTAL</b>	<b>\$ 54,216.14</b>	<b>\$ 715,091.45</b>	<b>\$ 729,423.42</b>	<b>\$ 39,884.17</b>

Inherent internal control problems exist throughout the State for the municipal court system. Throughout the State there is the possibility that court employees can recall warrants, postpone court cases, set bail and lift suspensions of licenses. However, our review of the records of the Municipal Court did not appear to reveal any internal control deficiencies.

Payroll

During our review of payroll, it was noted that the Township does not fully reconcile the payroll account and maintain a complete and accurate analysis of the balance on a monthly basis.

It is recommended that the Township maintain a complete and accurate reconciliation and analysis of balance in the payroll account on a monthly basis.

Management's Response

The Township will ensure that a complete and accurate reconciliation and analysis of balance for the payroll account is maintained.

TOWNSHIP OF PARSIPPANY-TROY HILLS  
COMMENTS AND RECOMMENDATIONS  
(Continued)

Financial Records

1. The Current Fund 2021 budget appropriations were overexpended. Additionally, the Township had an overall operating deficit in the Current Fund. Overexpenditures are violations of State statute and result in a restriction of the utilization of fund balance.

It is recommended that the budget revenues and appropriations be monitored to prevent overexpenditures and deficits in operations.

Management's Response

The Chief Financial Officer will review the budget revenues and appropriations to ensure that funds are available for purchase orders requisitioned and make appropriate line item transfers and cancelations to avoid overexpenditures and operating deficits.

2. There were interfund receivables due from the Other Trust Funds, Golf and Recreation Utility Operating Fund, Golf and Recreation Utility Capital Fund and Payroll Fund of \$1,918,267.15, \$2,541,330.39, \$343,940.52 and \$168,378.32, respectively, on the Current Fund balance sheet at December 31, 2021. These interfund receivables place a restriction on the cash flow and place a restriction on fund balance of the Current Fund. Additionally, there is a large amount of interfund activity throughout the year and several interfund balances at year end on the various balance sheets of the Other Trust, General Capital, Water Utility, Sewer Utility, Golf and Recreation Utility Funds.

It is recommended that all interfund balances be liquidated on a timely basis and that every effort be made to limit interfund activity, especially those due to the Current Fund, in the future.

Management's Response

The Township will liquidate the interfund receivables especially in the Current Fund and make every effort to ensure that, in the future, interfund activity is limited and interfund balances are liquidated on a timely basis.

3. During our review of general ledgers of the various funds it was noted that the prior year audit journal entries were never posted. In addition, there were several mis-postings and several Chapter 159 resolutions, emergency appropriations and capital ordinances that were never recorded. Lastly, it was noted that the general ledgers for the various funds were not always reconciled with the supporting subsidiary ledgers, such as revenue and expenditure reports.

It is recommended that the prior year audit journal entries be posted, and that the general ledger properly reflects all activity for the year and that the general ledgers be reconciled with all subsidiary ledgers in the future.

Management's Response

Audit journal entries will be posted, and the general ledger will properly reflect all activity and reconcile with subsidiary ledgers in the future.

TOWNSHIP OF PARSIPPANY-TROY HILLS  
COMMENTS AND RECOMMENDATIONS  
(Continued)

Financial Records (Cont'd)

4. During our review of the bank reconciliations, it was noted that the Payroll and Claims bank reconciliations were not prepared timely.

It is recommended that bank reconciliations for the Payroll and Claims accounts be prepared in a timely manner.

Management's Response

Bank reconciliations for the Payroll and Claims monthly bank reconciliations will be prepared in a timely manner.

Trust Funds

1. During our review of the Trust Fund records it was noted that the tax sale premium and outside lien analysis per the Tax Collector were not in agreement with the general ledger balance.

It is recommended that a reconciliation of the tax sale premiums and outside lien analysis between the Finance Department and the Tax Collector be prepared.

Management's Response

A reconciliation of the tax sale premiums and outside lien analysis between the Finance Department and the Tax Collector be prepared.

2. During our review of the Trust Fund records it was noted that Self Insurance Committee meetings were not held during the year.

It is recommended that Self Insurance Committee meetings be held in the future.

Management's Response

Self-Insurance Committee meetings will be held in the future.

3. During our review of the Trust Fund records it was noted that a Dedication by Rider was not obtained for all Other Trust Fund reserves.

It is recommended that a Dedication by Rider be obtained for all Other Trust Fund reserves.

Management's Response

A Dedication by Rider will be obtained for all Other Trust Fund reserves.

TOWNSHIP OF PARSIPPANY-TROY HILLS  
COMMENTS AND RECOMMENDATIONS  
(Continued)

Trust Funds (Cont'd)

4. During our review of the Trust Fund records it was noted that escrow trust deposits were not being properly posted, therefore the subsidiary ledger was not in agreement with the general ledger.

It is recommended that greater care be taken when posting escrow trust deposits.

Management's Response

Greater care will be taken when posting escrow trust deposits in the future.

Federal and State Grant Fund

During our review of the federal and state grants, we noted that a number of grants receivable and reserve balances are several years old and are not being accounted for properly to ensure adequate posting.

It is recommended that a review of the federal and state grants receivable and appropriated grant reserves be conducted to identify those grants which will be collected and disbursed, which grants should be cancelled and be accounted for properly to ensure adequate posting.

Management's Response

A review of all federal and state grants receivable and appropriated reserves will be performed to ensure that only active receivables and reserve balances are being carried forward and are accounted for properly to ensure adequate posting.

Single Audit

COVID-19 – American Rescue Plan

The compliance report that the Township filed in March 2022 stated the Township elected to use the standard allowance for revenue replacement, however the report also stated there no obligations or expenditures.

It is recommended that greater care be taken to ensure accuracy of expenditure reporting when filing required grant reports for the American Rescue Plan.

Management's Response

Greater care will be taken when completing the required expenditure reports.

Management Suggestions

Governmental Accounting Standards Board (GASB) Statements

GASB Statement No. 87, *Leases*, is effective for the year ended December 31, 2022. Previously leases were either categorized as capital leases or operating leases. This statement will likely affect most leases formerly classified as operating leases. There will be required disclosures for leases for which the Township is either a lessee or a lessor although there will be no impact on the actual financial statements. It is likely that a lease software or similar spreadsheets will need to be utilized to perform the various calculations necessary to implement this standard.

TOWNSHIP OF PARSIPPANY-TROY HILLS  
COMMENTS AND RECOMMENDATIONS  
(Continued)

Management Suggestions (Cont'd)

COVID-19 Federal Funding

It is possible that the Township will undergo some review of its COVID-19 funding by the federal government. We strongly suggest that the Township ensures that these funds are utilized in accordance with the applicable federal requirements especially with respect to procurement. Additionally, we strongly suggest that the Township ensures that these funds are separately accounted for in the Township's accounting records and that any applicable Township policies are current with respect to federal grant requirements.

Because of the nature of these funds, being new programs, generally of a significant dollar amount, and some of which may be expended over a period of years, they may be subject to federal or state audit several years from now. It is important that the grant files maintained by local governments be complete, self-explanatory, and fully document the program(s) undertaken as part of the funding.

General, Water, Sewer and Golf and Recreation Utility Capital Funds

There are several ordinances, which are more than five years old. Additionally, some have a deficit cash balance at December 31, 2021. This situation arises when expenditures are made from an ordinance without funding. It is suggested that all capital ordinances be reviewed in 2022 and either be canceled and/or funded.

Status of Prior Year Recommendations

The Township initiated a corrective action plan to resolve the comments and recommendations from the 2020 audit report. The recommendations regarding an analysis of accumulated sick and vacation days payable being updated, purchase orders, Golf and Recreation Utility Fund record keeping, expenditures without appropriations, police outside duty, animal control monthly reports, the Building Inspector's cashbook, the Tax Collector surety bond coverage and the implementation of controls over FEMA Disaster Grants were resolved in the current year. The recommendations regarding payroll, budget appropriations, interfund balances, general ledger maintenance, bank reconciliations, Self Insurance Committee meetings and federal and state grants receivable and appropriated grant reserves have not been resolved and are included in the current year audit report.

TOWNSHIP OF PARSIPPANY-TROY HILLS  
SUMMARY OF RECOMMENDATIONS

It is recommended that:

1. Consideration is given to providing for a more adequate segregation of duties with respect to the recording and treasury functions.
2. The fixed asset accounting and reporting system be updated annually.
3. The Township maintain a complete and accurate reconciliation and analysis of balance in the payroll account on a monthly basis.
4. Finance:
  - a) Revenues and appropriations be monitored to prevent overexpenditures and deficits in operations.
  - b) All interfund balances be liquidated on a timely basis and that every effort be made to limit interfund activity, especially those due to the Current Fund, in the future.
  - c) Prior year audit journal entries be posted, and that the general ledger properly reflects all activity for the year and that the general ledgers be reconciled with all subsidiary ledgers in the future.
  - d) Bank reconciliations for the Payroll and Claims accounts be prepared in a timely manner.
5. Trust Funds:
  - a) A reconciliation of the tax sale premiums and outside lien analysis between the Finance Department and the Tax Collector be prepared.
  - b) Self Insurance Committee meetings be held in the future.
  - c) A Dedication by Rider be obtained for all Other Trust Fund reserves.
  - d) Greater care be taken when posting escrow trust deposits.
6. A review of the federal and state grants receivable and appropriated grant reserves be conducted to identify those grants which will be collected and disbursed, which grants should be cancelled and be accounted for properly to ensure adequate posting.
7. Greater care be taken to ensure accuracy of expenditure reporting when filing required grant reports for the American Rescue Plan.