

*TOWNSHIP OF
PARSIPPANY-TROY HILLS*

COUNTY OF MORRIS

REPORT OF AUDIT

2015

*NISIVOCCIA LLP
CERTIFIED PUBLIC ACCOUNTANTS*

TOWNSHIP OF PARSIPPANY-TROY HILLS

COUNTY OF MORRIS

REPORT OF AUDIT

2015

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TOWNSHIP OF PARSIPPANY-TROY HILLS

PART I

FINANCIAL STATEMENTS AND

SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2015



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Independent Auditors' Report

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

Report on the Financial Statements

We have audited 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, 2015 and 2014, and the related notes to the financial statements, as listed in the foregoing table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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, the financial statements are prepared by the Township on the basis of 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. 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.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for the Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the 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, 2015 and 2014, or the changes in financial position or where applicable, cash flows thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the various funds and account group of the Township of Parsippany-Troy Hills as of December 31, 2015 and 2014, and the results of operations and changes in fund balance, where applicable, of such funds, thereof for the years then ended on the basis of the 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, as described in Note 1.

Emphasis of Matter

As discussed in Note 4 to the financial statements, the Township implemented Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment to GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* during the year ended December 31, 2015. Our opinions are not modified with respect to this matter.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements of the various funds that collectively comprise the Township's financial statements. The supplementary data schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying 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.

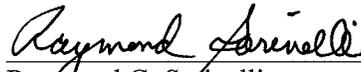
Honorable Mayor and Members
of the Township Council
Township of Parsippany-Troy Hills
Page 3

The supplementary data schedules and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the various fund 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 financial statements or to the various fund 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 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 May 18, 2016 on our consideration of the Township of Parsippany-Troy Hills' 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 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 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 of Parsippany-Troy Hills' internal control over financial reporting and compliance.

Mt Arlington, NJ
May 18, 2016



Raymond G. Safinelli
Registered Municipal Accountant No. 383
Certified Public Accountant

TOWNSHIP OF PARSIPPANY-TROY HILLS
COUNTY OF MORRIS
2015
CURRENT FUND

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

	Ref.	December 31,	
		2015	2014
<u>ASSETS</u>			
Regular Fund:			
Cash and Cash Equivalents		\$ 7,151,419.17	\$ 12,497,790.57
Investments		5,000,000.00	6,056,329.52
	A-4	<u>12,151,419.17</u>	<u>18,554,120.09</u>
Change Funds		815.00	815.00
Due from State of N.J. for Veterans' and Senior Citizens' Deductions		57,648.35	35,708.61
		<u>12,209,882.52</u>	<u>18,590,643.70</u>
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-7	1,216,094.09	1,264,731.50
Tax Title Liens Receivable	A-8	119,775.78	113,879.45
Property Acquired for Taxes at Assessed Valuation		1,428,800.00	1,428,800.00
Revenue Accounts Receivable	A-9	278,744.11	175,823.12
Other Liens Receivable	A-10	191,926.95	191,926.95
Due from:			
Federal and State Grant Fund	A	41,177.46	48,187.09
Other Trust Fund	B	258,302.78	
Water Utility Operating Fund	D	387,783.17	45,937.75
Sewer Utility Operating Fund	E	587,777.01	
Golf and Recreation Utility Operating Fund	F	14,075.34	63,515.34
Public Assistance Trust Fund	G		3.06
Payroll		58,092.39	53,272.50
Total Receivables and Other Assets With Full Reserves		<u>4,582,549.08</u>	<u>3,386,076.76</u>
Deferred Charges:			
Special Emergency Authorization		3,132,859.00	2,735,429.00
Overexpenditure of Appropriation Reserve			20,140.70
Total Deferred Charges		<u>3,132,859.00</u>	<u>2,755,569.70</u>
Total Regular Fund		<u>19,925,290.60</u>	<u>24,732,290.16</u>
Federal and State Grant Fund:			
Due from General Capital Fund	C	290,325.55	
Federal and State Grants Receivable	A-14	56,584.56	409,129.59
Total Federal and State Grant Fund		<u>346,910.11</u>	<u>409,129.59</u>
<u>TOTAL ASSETS</u>		<u>\$ 20,272,200.71</u>	<u>\$ 25,141,419.75</u>

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

	Ref.	December 31	
		2015	2014
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Regular Fund:			
Appropriation Reserves:			
Encumbered	A-3;A-11	\$ 1,041,410.71	\$ 963,921.77
Unencumbered	A-3;A-11	4,621,367.01	6,610,047.08
		<u>5,662,777.72</u>	<u>7,573,968.85</u>
Accounts Payable - Vendors		31,190.35	52,107.79
County Taxes Payable		101,907.22	56,179.60
School Taxes Payable	A-12		3,490,205.00
Special Emergency Notes Payable	A-13	1,769,275.00	
Prepaid Taxes		1,130,582.27	1,170,269.63
Tax Overpayments		44,639.87	194,445.96
Reserve for Tax Appeals		1,155,761.18	1,001,911.81
Prepaid Revenue		55,839.81	83,608.53
Due to State of New Jersey:			
Construction Code Fees		35,134.00	31,804.00
Marriage License Fees		1,575.00	1,300.00
Burial Fees		30.00	5.00
Due to:			
Animal Control Fund	B	58,489.81	67,888.55
Other Trust Fund	B		1,586,417.12
General Capital Fund	C	446,289.97	4,358.14
Sewer Utility Operating Fund	E		116,562.98
Golf and Recreation Utility Capital Fund	F	26,943.36	
Reserve for:			
Accumulated Revenue Unappropriated		80,178.00	55,178.00
		<u>10,600,613.56</u>	<u>15,486,210.96</u>
Reserve for Receivables and Other Assets	A	4,582,549.08	3,386,076.76
Fund Balance	A-1	4,742,127.96	5,860,002.44
		<u>19,925,290.60</u>	<u>24,732,290.16</u>
Federal and State Grant Fund:			
Due to Current Fund	A	41,177.46	48,187.09
Unappropriated Reserves	A-15	8,098.96	104,388.03
Appropriated Reserves	A-16	297,633.69	256,554.47
		<u>346,910.11</u>	<u>409,129.59</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 20,272,200.71</u>	<u>\$ 25,141,419.75</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,	
		2015	2014
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 3,234,126.27	\$ 3,580,000.00
Fund Balance Anticipated with Prior Written Consent of Director of Local Government Services		483,321.88	
		<u>3,717,448.15</u>	<u>3,580,000.00</u>
Miscellaneous Revenue Anticipated		16,924,473.68	15,334,272.68
Receipts from:			
Delinquent Taxes		1,286,405.14	1,237,601.54
Current Taxes		196,138,496.80	193,110,200.02
Nonbudget Revenue		892,363.56	1,174,110.73
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		1,092,537.63	632,310.22
Tax Overpayments Cancelled		41,052.93	
Special District Taxes Cancelled		9,183.50	31,890.02
Federal and State Grants Appropriated Reserves Canceled		6,704.86	
Interfunds Returned		210,915.74	353,876.15
		<u>220,319,581.99</u>	<u>215,454,261.36</u>
<u>Expenditures</u>			
Budget and Emergency Appropriations:			
Municipal Purposes		64,472,432.25	63,470,203.87
County Taxes		21,430,683.55	21,618,328.19
Local School District Taxes		126,663,553.00	124,231,081.00
Open Space Taxes		1,438,970.28	1,437,200.73
Special District Taxes		3,197,824.50	3,073,254.02
Reserve for Pending Tax Appeals		500,000.00	240,000.00
Prior Year Senior Citizens Deductions Disallowed		24,354.11	24,543.83
Overexpenditure of Appropriation Reserve			20,140.70
Interfunds and Other Receivables Advanced		1,347,208.15	210,915.74
Refund of Prior Year Revenue		8,567.48	23,729.50
		<u>219,083,593.32</u>	<u>214,349,397.58</u>
Excess in Revenue		1,235,988.67	1,104,863.78
Adjustments to Excess Before Fund Balance:			
Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Year		1,363,585.00	1,885,420.70
Statutory Excess to Fund Balance		2,599,573.67	2,990,284.48
<u>Fund Balance</u>			
Balance January 1		5,860,002.44	6,449,717.96
		<u>8,459,576.11</u>	<u>9,440,002.44</u>
Decreased by:			
Utilized as Anticipated Revenue		3,717,448.15	3,580,000.00
Balance December 31	A	<u>\$ 4,742,127.96</u>	<u>\$ 5,860,002.44</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, 2015

	<u>Budget</u>	<u>Added by NJSA 40A:4-87</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Fund Balance Anticipated	\$ 3,234,126.27		\$ 3,234,126.27	
Fund Balance Anticipated with Prior Written Consent of Director of Local Government Services	483,321.88		483,321.88	
	<u>3,717,448.15</u>		<u>3,717,448.15</u>	
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	88,000.00		89,394.00	\$ 1,394.00
Other	200,000.00		223,489.00	23,489.00
Fees and Permits	1,050,000.00		1,052,660.05	2,660.05
Fines and Costs:				
Municipal Court	540,000.00		570,148.33	30,148.33
Interest and Costs on Taxes	340,000.00		388,736.58	48,736.58
Interest of Investments and Deposits	60,000.00		68,600.19	8,600.19
Garbage and Trash Removal	1,600,000.00		1,564,006.07	35,993.93 *
Community Center Revenue - Concession Rents	195,000.00		207,310.00	12,310.00
Hotel Tax	2,000,000.00		2,360,507.02	360,507.02
Ambulance Service Billing	750,000.00		815,084.02	65,084.02
Consolidated Municipal Property Tax Relief Aid	404,651.00		404,651.00	
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	4,090,372.00		4,090,372.00	
Watershed Moratorium	55,178.00		55,178.00	
Uniform Construction Code Fees	2,100,000.00		2,239,934.25	139,934.25
Shared Services - Animal Control	31,000.00		42,535.00	11,535.00
Uniform Fire Safety Act - Ch. 383, P.L. 1985	147,821.00		165,953.35	18,132.35
General Capital Fund Balance	216,576.86		216,576.86	
Reserve for Debt Service	7,217.39		7,217.39	
Sewer Utility Operating Surplus of Prior Year	1,550,000.00		1,550,000.00	
Water Utility Operating Surplus of Prior Year	200,000.00		200,000.00	
Cablevision Franchise Fees	305,858.85		305,858.85	

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015
(Continued)

	<u>Budget</u>	<u>Added by NJSA 40A:4-87</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Miscellaneous Revenue (Cont'd):				
State of New Jersey:				
Recycling Tonnage Grant	\$ 85,203.04		\$ 85,203.04	
ROID Grant		\$ 20,000.00	20,000.00	
Municipal Alliance Grant 2013 Extended	2,000.00		2,000.00	
Municipal Alliance Grant 2014-2015	28,143.00		28,143.00	
Emergency Mgt Assistance	5,000.00		5,000.00	
State Click it or Ticket Grant	4,000.00		4,000.00	
NJ Body Armor Grant	8,766.43	8,330.08	17,096.51	
JALP Grant	5,005.00		5,005.00	
Clean Communities Grant	111,553.38		111,553.38	
Municipal Alcohol Education/Rehabilitation Program	413.56		413.56	
State of NJ DMV Drunk Driving Grant	19,499.82		19,499.82	
Highway Safety - Aggressive Driving Grant	8,347.41		8,347.41	
Total Miscellaneous Revenue	<u>16,209,606.74</u>	<u>28,330.08</u>	<u>16,924,473.68</u>	<u>\$ 686,536.86</u>
Receipts from Delinquent Taxes	<u>1,260,000.00</u>		<u>1,286,405.14</u>	<u>26,405.14</u>
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	40,939,682.55		42,453,685.70	1,514,003.15
Minimum Library Tax	2,830,040.49		2,830,040.49	
	<u>43,769,723.04</u>		<u>45,283,726.19</u>	<u>1,514,003.15</u>
Budget Totals	64,956,777.93	28,330.08	67,212,053.16	<u>\$ 2,226,945.15</u>
Nonbudget Revenue			<u>892,363.56</u>	
	<u>\$ 64,956,777.93</u>	<u>\$ 28,330.08</u>	<u>\$ 68,104,416.72</u>	

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015
(Continued)

Allocation of Current Tax Collections:		
Collection of Current Taxes		\$ 196,138,496.80
Allocated to:		
School, Open Space, Special District and County Taxes		152,731,031.33
		43,407,465.47
Add: Appropriation "Reserve for Uncollected Taxes"		1,876,260.72
		\$ 45,283,726.19
Realized for Support of Municipal Budget		\$ 45,283,726.19
 <u>Receipts from Delinquent Taxes:</u>		
Delinquent Tax Collections		\$ 1,285,860.13
Tax Title Lien Collections		545.01
		\$ 1,286,405.14
 <u>Miscellaneous Revenue Not Anticipated:</u>		
Reimbursements	\$ 40,356.56	
Prior Year Refunds	96,849.04	
Insurance Claims	8,457.68	
Sale of Township Assets	4,212.99	
Miscellaneous Receipts	54,924.58	
Restitution	4,428.83	
Administrative Fee - Senior Citizens and Veterans Deductions	6,236.88	
Donations	21,025.00	
Lease of Township Assets	602,208.05	
	\$ 838,699.61	
Prepaid Revenue Applied - Lease of Township Assets		35,133.53
Prior Year Revenue Realized - Lease of Township Assets		18,530.42
		\$ 892,363.56

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015
(Continued)

Analysis of Other Fees and Permits:

Registrar	\$ 8,163.00
Health	7,050.00
Board of Adjustment	36,474.10
Zoning	61,025.68
Engineering	39,261.09
Fire Prevention	182,981.00
Police	8,721.60
Planning Board	12,066.35
Off Duty Police	189,445.37
Recreation	319,861.86
Board of Housing	157,020.00
Department of Public Works	22,140.00
Mayor	1,780.00
Purchasing	5,850.00
Tax Collector	820.00
	\$ 1,052,660.05

Analysis of Other Licenses:

Clerk	\$ 20,439.00
Health	154,575.00
Prepaid Licenses Applied	48,475.00
	\$ 223,489.00

Analysis of Interest on Investments and Deposits:

Deposited into Current Fund	\$ 57,581.65
Deposited into Other Trust Fund	4,270.89
Deposited into General Capital Fund	6,670.13
Deposited into Public Assistance Fund	77.52
	\$ 68,600.19

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS":					
GENERAL GOVERNMENT:					
General Administration:					
Salaries and Wages	\$ 556,609.00	\$ 582,609.00	\$ 573,116.38	\$ 9,492.62	
Other Expenses	66,500.00	66,500.00	50,516.84	15,983.16	
Township Council:					
Salaries and Wages	45,767.00	45,767.00	39,679.71	6,087.29	
Other Expenses	2,500.00	2,500.00		2,500.00	
Municipal Clerk:					
Salaries and Wages	128,234.00	128,234.00	106,033.15	22,200.85	
Other Expenses	80,100.00	80,100.00	44,630.81	35,469.19	
Treasury:					
Salaries and Wages	177,099.00	147,099.00	105,482.70	41,616.30	
Other Expenses	32,700.00	32,700.00	16,990.44	15,709.56	
Audit	74,500.00	74,500.00	62,900.00	11,600.00	
Tax Collection:					
Salaries and Wages	100,475.00	70,475.00	64,460.25	6,014.75	
Other Expenses	30,450.00	30,450.00	21,945.31	8,504.69	
Tax Assessment Administration:					
Salaries and Wages	256,781.00	260,781.00	256,464.74	4,316.26	
Other Expenses	56,900.00	56,900.00	48,178.94	8,721.06	
Legal Services and Costs:					
Other Expenses	702,900.00	702,900.00	624,747.10	78,152.90	
Engineering Services and Costs:					
Salaries and Wages	464,178.00	465,178.00	455,338.40	9,839.60	
Other Expenses	59,335.00	59,335.00	40,883.42	18,451.58	

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operations Within "CAPS" (Continued):					
GENERAL GOVERNMENT (continued):					
Department of Planning:					
Salaries and Wages	\$ 45,925.00	\$ 46,925.00	\$ 45,239.40	\$ 1,685.60	
Other Expenses	67,400.00	78,400.00	60,710.86	17,689.14	
Board of Adjustment:					
Salaries and Wages	62,084.00	62,084.00	61,077.61	1,006.39	
Other Expenses	20,590.00	17,590.00	15,502.98	2,087.02	
Housing and Zoning Code Enforcement:					
Salaries and Wages	412,255.00	412,255.00	393,274.24	18,980.76	
Other Expenses	25,700.00	25,700.00	24,003.06	1,696.94	
Insurance:					
Unemployment Insurance	48,000.00	48,000.00	48,000.00		
Liability Insurance	598,357.00	598,357.00	543,857.85	54,499.15	
Worker Compensation	746,000.00	746,000.00	678,534.63	67,465.37	
Employee Group Health	9,336,874.00	9,336,874.00	7,077,027.29	2,259,846.71	
Police Department:					
Salaries and Wages	13,700,331.00	13,825,331.00	13,443,875.02	381,455.98	
Other Expenses	713,811.00	713,811.00	709,427.03	4,383.97	
Office of Emergency Management:					
Salaries and Wages	23,260.00	23,260.00	23,009.98	250.02	
Other Expenses	28,675.00	28,675.00	25,578.84	3,096.16	
Aid to First Aid Organization	220,000.00	220,000.00	218,752.80	1,247.20	

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operations Within "CAPS" (Continued):					
PUBLIC SAFETY (Cont'd):					
Fire Prevention Bureau:					
Salaries and Wages	\$ 327,889.00	\$ 327,889.00	\$ 316,538.26	\$ 11,350.74	
Other Expenses	67,548.00	64,548.00	38,248.80	26,299.20	
Municipal Court:					
Salary and Wages	465,441.00	421,091.00	379,465.02	41,625.98	
Other Expenses	22,822.00	22,822.00	13,114.48	9,707.52	
Prosecutor:					
Other Expenses	45,500.00	45,500.00	41,804.00	3,696.00	
Streets and Road Maintenance:					
Salaries and Wages	1,809,367.47	1,924,367.47	1,888,170.94	36,196.53	
Other Expenses	752,250.00	752,250.00	733,957.43	18,292.57	
Garbage and Trash Removal:					
Salary and Wages	1,825,396.00	1,825,396.00	1,703,874.30	121,521.70	
Other Expenses	361,247.00	361,247.00	306,565.32	54,681.68	
Buildings and Grounds:					
Salary and Wages	350,732.00	334,153.00	304,026.69	30,126.31	
Other Expenses	214,500.00	212,500.00	197,190.53	15,309.47	

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
Vehicle Maintenance:					
Other Expenses	\$ 690,600.00	\$ 687,600.00	\$ 674,993.76	\$ 12,606.24	
Condominium Costs	250,000.00	250,000.00		250,000.00	
Public Health Services:					
Salaries and Wages	892,460.00	927,460.00	840,141.57	87,318.43	
Other Expenses	169,800.00	169,800.00	141,229.12	28,570.88	
Senior Citizen Center:					
Salaries and Wages	185,386.00	185,386.00	181,355.63	4,030.37	
Other Expenses	48,400.00	48,400.00	40,409.48	7,990.52	
Animal Control:					
Other Expenses	139,000.00	139,000.00	139,000.00		
Contribution to Day Care Center	50,000.00	50,000.00	50,000.00		
Recreation Services:					
Salaries and Wages	516,310.00	516,310.00	470,905.66	45,404.34	
Other Expenses	172,150.00	172,150.00	171,542.29	607.71	
Maintenance of Parks:					
Salaries and Wages	1,583,833.00	1,607,412.00	1,577,363.26	30,048.74	
Other Expenses	228,000.00	228,000.00	225,745.00	2,255.00	

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
Utilities and Gasoline	\$ 1,944,100.00	\$ 1,944,100.00	\$ 1,485,950.31	\$ 458,149.69	
Solid Waste Disposal Costs	1,750,000.00	1,750,000.00	1,729,208.54	20,791.46	
Department of Buildings and Inspections:					
Salaries and Wages	1,101,206.00	1,021,206.00	998,376.71	22,829.29	
Other Expenses	124,700.00	204,700.00	169,887.28	34,812.72	
Salary Adjustment	265,000.00				
Retirement Payout (Special Emergency + \$1,363,585.00)		1,363,585.00	1,363,585.00		
Total Operations Within "CAPS"	45,237,927.47	46,546,162.47	42,061,889.16	4,484,273.31	
Contingent	15,000.00	15,000.00		15,000.00	
Total Operations Including Contingent Within "CAPS"	45,252,927.47	46,561,162.47	42,061,889.16	4,499,273.31	
Detail:					
Salaries and Wages	25,296,018.47	25,160,668.47	24,227,269.62	933,398.85	
Other Expenses (Including Contingent)	19,956,909.00	21,400,494.00	17,834,619.54	3,565,874.46	

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Deferred Charges and Statutory Expenditures- Municipal within "CAPS":					
Deferred Charges:					
2014 Appropriation Reserves Over Expenditure	\$ 20,140.70	\$ 20,140.70	\$ 20,140.70		
Statutory Expenditures:					
Contributions to:					
Social Security System (O.A.S.I.)	1,130,924.40	1,150,924.40	1,140,771.41	\$ 10,152.99	
Public Employees' Retirement System	1,241,327.00	1,266,327.00	1,266,162.03	164.97	
Police and Firemen's Retirement System of N.J.	2,520,598.00	2,520,598.00	2,520,598.00		
Defined Contribution Retirement Program	10,000.00	10,000.00	7,574.74	2,425.26	
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	<u>4,922,990.10</u>	<u>4,967,990.10</u>	<u>4,955,246.88</u>	<u>12,743.22</u>	
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>50,175,917.57</u>	<u>51,529,152.57</u>	<u>47,017,136.04</u>	<u>4,512,016.53</u>	
Operations Excluded from "CAPS":					
Maintenance of Free Public Library	2,869,040.00	2,869,040.00	2,830,040.00	39,000.00	
LOSAP:					
Other Expenses	60,000.00	70,350.00		70,350.00	
Shared Service Agreements:					
Shared Services Agreement - Health Office	67,653.00	67,653.00	67,652.52	0.48	
Shared Services Agreement - Animal Control	31,000.00	31,000.00	31,000.00		

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operations Excluded from "CAPS" (Continued):					
Public and Private Programs Offset by Revenues:					
Recycling Tonnage Grant	\$ 85,203.04	\$ 85,203.04	\$ 85,203.04		
Clean Communities Grant	111,553.38	111,553.38	111,553.38		
Body Armor Replacement Fund (N.J.S.A. 40A:4-87 + \$8,330.08)	8,766.43	17,096.51	17,096.51		
JALP Grant	5,005.00	5,005.00	5,005.00		
Municipal Alcohol Education/Rehabilitation Program	413.56	413.56	413.56		
Municipal Alliance Grant -2014-2015	28,143.00	28,143.00	28,143.00		
Municipal Alliance Grant - Match	8,500.00	8,500.00	8,500.00		
Municipal Alliance Grant - Match	4,250.00	4,250.00	4,250.00		
Municipal Alliance Grant -2014-2015 Extension	2,000.00	2,000.00	2,000.00		
Municipal Alliance Grant - Extension Match	1,000.00	1,000.00	1,000.00		
Emergency Mgt Assistance	5,000.00	5,000.00	5,000.00		
State Click it or Ticket	4,000.00	4,000.00	4,000.00		
State of NJ DMV Drunk Driving Grant	19,499.82	19,499.82	19,499.82		
Highway Safety - Aggressive Driving Grant	8,347.41	8,347.41	8,347.41		
ROID Grant (N.J.S.A. 40A:4-87 + \$20,000.00)		20,000.00	20,000.00		
Total Operations Excluded from "CAPS"	<u>3,319,374.64</u>	<u>3,358,054.72</u>	<u>\$ 3,248,704.24</u>	<u>\$ 109,350.48</u>	
Detail:					
Other Expenses	<u>3,319,374.64</u>	<u>3,358,054.72</u>	<u>3,248,704.24</u>	<u>109,350.48</u>	
Capital Improvements Excluded from "CAPS":					
Capital Improvement Fund	<u>489,170.00</u>	<u>489,170.00</u>	<u>489,170.00</u>		
Total Capital Improvements Excluded from "CAPS"	<u>489,170.00</u>	<u>489,170.00</u>	<u>489,170.00</u>		

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Municipal Debt Service Excluded from "CAPS":					
Payment of Bond Principal	\$ 5,800,000.00	\$ 5,800,000.00	\$ 5,800,000.00		
Payment of Bond Anticipation Notes and Capital Notes	650,000.00	650,000.00	650,000.00		
Interest on Bonds	1,427,425.00	1,427,425.00	1,427,425.00		
Interest on Notes	252,475.00	252,475.00	252,474.96		\$ 0.04
Total Municipal Debt Service Excluded from "CAPS"	<u>8,129,900.00</u>	<u>8,129,900.00</u>	<u>8,129,899.96</u>		<u>0.04</u>
Deferred Charges - Municipal - Excluded from "CAPS"					
Special Emergency Authorizations - 5 Years (N.J.S.A.40A:4-55) - Retirement Payout 2011	179,189.00	179,189.00	179,189.00		
Special Emergency Authorizations - 5 Years (N.J.S.A.40A:4-55) - Retirement Payout 2012	177,610.00	177,610.00	177,610.00		
Special Emergency Authorizations - 5 Years (N.J.S.A.40A:4-55) - Retirement Payout 2013	236,300.00	236,300.00	236,300.00		
Special Emergency Authorizations - 5 Years (N.J.S.A.40A:4-55) - Retirement Payout 2014	373,056.00	373,056.00	373,056.00		
Total Deferred Charges - Municipal - Excluded from "CAPS"	<u>966,155.00</u>	<u>966,155.00</u>	<u>966,155.00</u>		
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>12,904,599.64</u>	<u>12,943,279.72</u>	<u>12,833,929.20</u>	\$ 109,350.48	0.04
Subtotal General Appropriations	63,080,517.21	64,472,432.29	59,851,065.24	4,621,367.01	0.04
Reserve for Uncollected Taxes	1,876,260.72	1,876,260.72	1,876,260.72		
Total General Appropriations	<u>\$ 64,956,777.93</u>	<u>\$ 66,348,693.01</u>	<u>\$ 61,727,325.96</u>	<u>\$ 4,621,367.01</u>	<u>\$ 0.04</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015
(Continued)

		Analysis of	
	<u>Ref.</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>
Adopted Budget		\$ 64,956,777.93	
Special Emergency		1,363,585.00	
Added by NJSA 40A:4-87		28,330.08	
		<u>\$ 66,348,693.01</u>	
Cash Disbursed			\$ 57,503,347.11
Due to Federal and State Grant Fund			320,011.72
Deferred Charges			986,295.70
Encumbrances	A		1,041,410.71
Reserve for Uncollected Taxes			1,876,260.72
			<u>\$ 61,727,325.96</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
COUNTY OF MORRIS
2015
TRUST FUNDS

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

	Ref.	December 31,	
		2015	2014
<u>ASSETS</u>			
Animal Control Fund:			
Change Fund		\$ 50.00	\$ 50.00
Due from Current Fund	A	58,489.81	67,888.55
Due from Municipal Court			525.00
		<u>58,539.81</u>	<u>68,463.55</u>
Other Trust Funds:			
Cash and Cash Equivalents	B-4	15,049,450.99	12,521,396.02
Assets in the Hands of Plan Administrator:			
Workers' Compensation Plan		105,899.32	95,494.93
Due from Municipal Court		1,849.00	1,520.00
Due from Current Fund	A		1,586,417.12
Due from Sewer Utility Operating Fund	E		262,000.00
Due Payroll		2,178.12	2,178.12
Off Duty Police Receivable		69,324.00	
Federal Grants Receivable		435,611.38	316,139.69
		<u>15,664,312.81</u>	<u>14,785,145.88</u>
<u>TOTAL ASSETS</u>		<u>\$ 15,722,852.62</u>	<u>\$ 14,853,609.43</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Fund:			
Reserve for Animal Control Expenditures	B-5	\$ 35,359.33	\$ 46,471.29
Reserve for Donations		18,431.48	16,124.26
Due to State of NJ		498.60	462.00
Prepaid Licenses		4,250.40	5,406.00
		<u>58,539.81</u>	<u>68,463.55</u>
General Trust Funds:			
Due to Current Fund	A	258,302.78	
Due to General Capital	C	80,000.00	
Reserve for:			
Special Deposits		6,119,405.84	6,152,062.77
Premiums on Tax Sale		685,364.90	1,031,400.00
Security Deposits		17,026.76	17,009.66
Off Duty Police		30,792.50	21,703.36
Municipal Open Space Preservation Trust Fund		7,051,221.02	6,226,446.16
Workers' Compensation		105,899.32	95,494.93
State Unemployment Insurance Fund		167,274.47	113,403.25
Employee Health Benefit Fund		1,413.84	99,486.06
Snow Removal		400,000.00	400,000.00
Accumulated Sick and Vacation Compensation		312,000.00	312,000.00
Grant Trust Fund Expenditures		435,611.38	316,139.69
		<u>15,664,312.81</u>	<u>14,785,145.88</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 15,722,852.62</u>	<u>\$ 14,853,609.43</u>

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, 2015

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, 2015

NOT APPLICABLE

ASSESSMENT TRUST FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

NOT APPLICABLE

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
COUNTY OF MORRIS
2015
GENERAL CAPITAL FUND

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

	Ref.	December 31,	
		2015	2014
<u>ASSETS</u>			
Cash and Cash Equivalents	C-2	\$ 6,531,906.34	\$ 3,360,202.54
Due from Current Fund	A	446,289.97	4,358.14
Due from Open Space Trust Fund	B	80,000.00	
Federal Emergency Management Agency Grant Receivable		4,520,990.19	7,220,206.00
New Jersey Department of Transportation Grant Receivable		225,000.00	460,000.00
County of Morris Open Space Grant Receivable		1,593,415.50	1,593,415.50
Deferred Charges to Future Taxation:			
Funded		33,326,935.83	39,257,430.85
Unfunded	C-4	44,639,439.69	35,995,228.69
<u>TOTAL ASSETS</u>		<u>\$ 91,363,977.52</u>	<u>\$ 87,890,841.72</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds Payable	C-8	\$ 16,500,000.00	\$ 19,465,000.00
Refunding Bonds	C-8A	16,720,000.00	19,555,000.00
Green Acres Trust Acquisition Loan Payable	C-9	106,935.83	237,430.85
Bond Anticipation Notes Payable	C-7	29,932,000.00	20,198,000.00
Improvement Authorizations:			
Funded	C-5	4,647,572.57	6,683,892.29
Unfunded	C-5	21,995,839.02	21,152,894.46
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		15,000.00	7,219.39
Due to Federal and State Grant Fund	A	290,325.55	
Capital Improvement Fund	C-6	33,757.00	33,757.00
Fund Balance	C-1	781,474.68	216,576.86
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 91,363,977.52</u>	<u>\$ 87,890,843.72</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, 2014	C	\$ 216,576.86
Increased by:		
Premium on Note Sale		<u>781,474.68</u>
		998,051.54
Decreased by:		
Utilized as Anticipated Revenue in the Current Fund		<u>216,576.86</u>
Balance December 31, 2015	C	<u><u>\$ 781,474.68</u></u>

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
COUNTY OF MORRIS
2015
WATER UTILITY FUND

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

	Ref.	December 31,	
		2015	2014
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents	D-4	\$ 7,393,805.08	\$ 6,299,712.67
Due from Water Utility Capital Fund	D	2,944.67	
Receivables and Inventory with Full Reserves:			
Consumer Accounts Receivable	D-6	232,590.72	213,775.78
Water Utility Liens Receivable	D-6A	252.57	252.57
Inventory	D-6B	98,400.00	127,410.00
Total Receivables and Inventory with Full Reserves		<u>331,243.29</u>	<u>341,438.35</u>
Deferred Charges:			
Overexpenditure of Appropriation Reserves			25,898.10
Total Deferred Charges			<u>25,898.10</u>
Total Operating Fund		<u>7,727,993.04</u>	<u>6,667,049.12</u>
Capital Fund:			
Cash and Cash Equivalents	D-4	1,730,953.12	1,672,008.33
Fixed Capital	D-7	35,983,448.10	34,648,448.10
Fixed Capital Authorized and Uncompleted	D-8	5,920,000.00	5,135,000.00
Total Capital Fund		<u>43,634,401.22</u>	<u>41,455,456.43</u>
<u>TOTAL ASSETS</u>		<u>\$ 51,362,394.26</u>	<u>\$ 48,122,505.55</u>

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

	Ref.	December 31,	
		2015	2014
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Appropriation Reserves:			
Encumbered	D-3;D-9	\$ 136,912.74	\$ 195,370.85
Unencumbered	D-3;D-9	623,309.95	654,032.09
		<u>760,222.69</u>	<u>849,402.94</u>
Reserve for Water Master Plan		24,250.03	24,250.03
Accrued Interest on Bonds		31,591.67	38,814.58
Accrued Interest on Loans		2,041.67	2,354.17
Accrued Interest on Notes		11,994.67	7,422.19
Water Rent Overpayments		36,096.18	18,382.62
Due to Current Fund	A	387,783.17	45,937.75
		<u>1,253,980.08</u>	<u>986,564.28</u>
Reserve for Receivables and Inventory	D	331,243.29	341,438.35
Fund Balance	D-1	6,142,769.67	5,339,046.49
		<u>7,727,993.04</u>	<u>6,667,049.12</u>
Total Operating Fund			
Capital Fund:			
Bond Anticipation Notes Payable	D-13	2,249,000.00	2,250,000.00
Serial Bonds Payable	D-14	2,190,000.00	2,555,000.00
Refunding Bonds Payable	D-14A	1,030,000.00	1,475,000.00
N.J. Environmental Infrastructure Loans Payable	D-15	175,983.18	204,285.84
Improvement Authorizations:			
Funded	D-10	958,121.83	913,094.84
Unfunded	D-10	2,168,418.42	506,445.29
Capital Improvement Fund	D-11	314,498.22	14,498.22
Due to Water Utility Operating Fund	D	2,944.67	
Reserve for:			
Debt Service		192,749.21	204,438.21
Amortization	D-12	32,491,714.92	31,504,662.26
Deferred Amortization	D-12A	1,771,689.00	1,738,750.00
Fund Balance	D-1a	89,281.77	89,281.77
		<u>43,634,401.22</u>	<u>41,455,456.43</u>
Total Capital Fund			
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 51,362,394.26</u>	<u>\$ 48,122,505.55</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,	
		2015	2014
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 700,000.00	\$ 700,000.00
Rents		8,343,669.36	7,812,442.83
Interest on Investments		33,155.92	15,964.21
Water Utility Capital Fund Balance			23,557.00
Miscellaneous Revenue		21,683.35	116,247.10
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		173,183.95	231,520.22
		<u>9,271,692.58</u>	<u>8,899,731.36</u>
Total Income			
<u>Expenditures</u>			
Budget Expenditures:			
Operating		5,699,870.00	5,408,699.00
Capital Improvements		425,000.00	880,000.00
Debt Service		1,048,506.20	1,000,579.95
Deferred Charges		25,900.00	
Statutory Expenditures		358,418.00	367,193.00
Prior Year Revenue Refunds		10,275.20	896.19
		<u>7,567,969.40</u>	<u>7,657,368.14</u>
Total Expenditures			
Excess in Revenue		1,703,723.18	1,242,363.22
<u>Fund Balance</u>			
Balance January 1	D	5,339,046.49	4,796,683.27
		<u>7,042,769.67</u>	<u>6,039,046.49</u>
Decreased by:			
Utilized as Anticipated Revenue		700,000.00	700,000.00
Prior Year Fund Balance Appropriated as Revenue - Current Fund		200,000.00	
		<u>900,000.00</u>	
Balance December 31	D	<u>\$ 6,142,769.67</u>	<u>\$ 5,339,046.49</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, 2014	D	<u>\$ 89,281.77</u>
Balance December 31, 2015	D	<u><u>\$ 89,281.77</u></u>

D-2

WATER UTILITY OPERATING FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Operating Fund Balance Anticipated	\$ 700,000.00	\$ 700,000.00	
Water Rents	6,852,142.00	8,343,669.36	\$ 1,491,527.36
Interest on Investments	15,000.00	33,155.92	18,155.92
	<u>7,567,142.00</u>	<u>9,076,825.28</u>	<u>1,509,683.28</u>
Nonbudget Revenue		21,683.35	21,683.35
	<u><u>\$ 7,567,142.00</u></u>	<u><u>\$ 9,098,508.63</u></u>	<u><u>\$ 1,531,366.63</u></u>

Analysis of Water Rents

Collections	\$ 8,334,646.39
Overpayments Applied	18,382.62
	<u>8,353,029.01</u>
Less: Refunds	(9,359.65)
	<u><u>\$ 8,343,669.36</u></u>

Analysis of Miscellaneous Revenue

Interest on Water Rents	<u><u>\$ 21,683.35</u></u>
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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, 2015

	Appropriations		Expended by		Unexpended Balance Cancelled
	Budget	Budget After Modi- fication	Paid or Charged	Reserved	
Operating:					
Salaries and Wages	\$ 2,120,530.00	\$ 2,260,530.00	\$ 2,213,079.30	\$ 47,450.70	
Other Expenses	3,579,340.00	3,439,340.00	2,863,482.65	575,857.35	
Capital Improvements:					
Capital Improvement Fund	425,000.00	425,000.00	425,000.00		
Debt Service:					
Payment of Bond Principal	810,000.00	810,000.00	810,000.00		
Payment of Bond Anticipation Notes and Capital Notes	45,000.00	45,000.00	45,000.00		
Interest on Bonds	138,611.00	138,611.00	130,202.09		\$ 8,408.91
Interest on Notes	30,703.00	30,703.00	30,703.00		
Environmental Infrastructure Loan	33,640.00	33,640.00	32,601.11		1,038.89
Deferred Charges:					
Prior Years Bills	25,900.00	25,900.00	25,898.10	1.90	
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	199,072.00	199,072.00	199,072.00		
Social Security (O.A.S.I.)	159,346.00	159,346.00	159,346.00		
	<u>\$ 7,567,142.00</u>	<u>\$ 7,567,142.00</u>	<u>\$ 6,934,384.25</u>	<u>\$ 623,309.95</u>	<u>\$ 9,447.80</u>

Ref.

D

Analysis of Paid or Charged

Cash Disbursed		\$ 6,714,664.05
Encumbrances Payable	D	136,912.74
Accrued Interest on Bonds		130,202.09
Accrued Interest on Loans		5,337.50
Accrued Interest on Notes		32,697.48
Deferred Charges - Prior Years Bills		25,898.10
		<u>7,045,711.96</u>
Refunds		<u>(111,327.71)</u>
		<u>\$ 6,934,384.25</u>

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
COUNTY OF MORRIS
2015
SEWER UTILITY FUND

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

	<u>Ref.</u>	<u>December 31,</u>	
		<u>2015</u>	<u>2014</u>
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents	E-4	\$ 14,632,620.23	\$ 13,533,647.58
Due from Current Fund	A		116,562.98
Due from Sewer Capital Fund	E	26,652.72	
		<u>14,659,272.95</u>	<u>13,650,210.56</u>
Receivables and Inventory With Full Reserves:			
Consumer Accounts Receivable	E-6	1,602,708.94	1,627,063.59
Sewer Utility Liens Receivable	E-6A	721.81	721.81
Inventory	E-6B	45,225.00	96,214.96
Total Receivables and Inventory with Full Reserves		<u>1,648,655.75</u>	<u>1,724,000.36</u>
Total Operating Fund		<u>16,307,928.70</u>	<u>15,374,210.92</u>
Capital Fund:			
Cash and Cash Equivalents	E-4	16,278,918.54	16,866,559.66
NJ Environmental Infrastructure Trust Loan Receivable		989,375.00	1,595,468.00
Fixed Capital	E-7	138,559,724.44	136,659,724.44
Fixed Capital Authorized and Uncompleted	E-8	55,122,653.00	56,442,653.00
Total Capital Fund		<u>210,950,670.98</u>	<u>211,564,405.10</u>
TOTAL ASSETS		<u>\$ 227,258,599.68</u>	<u>\$ 226,938,616.02</u>

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

	Ref.	December 31	
		2015	2014
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves:			
Encumbered	E-3;E-9	\$ 258,238.28	\$ 350,302.00
Unencumbered	E-3;E-9	2,182,533.15	1,857,680.34
		<u>2,440,771.43</u>	<u>2,207,982.34</u>
Accrued Interest on Loans		86,759.41	92,088.16
Accrued Interest on Bonds		35,606.25	41,881.25
Accrued Interest on Notes		73,386.67	45,364.41
Sewer Rent Overpayments		94,144.56	45,753.46
Due to General Trust Fund	B		262,000.00
Due to Current Fund	A	587,777.01	
		<u>3,318,445.33</u>	<u>2,695,069.62</u>
Reserve for Receivables and Inventory	E	1,648,655.75	1,724,000.36
Fund Balance	E-1	11,340,827.62	10,955,140.94
		<u>16,307,928.70</u>	<u>15,374,210.92</u>
Total Operating Fund			
Capital Fund:			
Bond Anticipation Notes Payable	E-13	13,760,000.00	13,752,000.00
Serial Bonds Payable	E-14	3,115,000.00	3,490,000.00
Refunding Bonds Payable	E-14A	1,590,000.00	2,205,000.00
NJ Environmental Infrastructure Trust Loans Payable #1	E-15	127,659.95	136,274.58
NJ Environmental Infrastructure Trust Loans Payable #2	E-15A	14,991,946.18	15,959,228.03
Improvement Authorizations:			
Funded	E-10	6,314,054.99	6,724,051.97
Unfunded	E-10	18,815,157.94	20,028,547.80
Due to Sewer Utility Operating Fund	E	26,652.72	
Capital Improvement Fund	E-11	1,123,750.00	1,023,750.00
Reserve for:			
Amortization		135,479,404.94	134,219,959.94
Deferred Amortization	E-12	15,314,808.37	13,733,356.89
Fund Balance	E-1a	292,235.89	292,235.89
		<u>210,950,670.98</u>	<u>211,564,405.10</u>
Total Capital Fund			
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 227,258,599.68</u>	<u>\$ 226,938,616.02</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	
		2015	2014
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 1,000,000.00	\$ 1,000,000.00
Sewer and Other Rents		14,926,606.58	13,779,790.46
Septage Removal		625,879.34	737,064.71
Interest on Investments		103,391.73	47,824.80
Capacity and Connection Fees			144,145.22
Sewer Utility Capital Fund Balance			110,196.00
Nonbudget Revenue		45,777.10	109,228.96
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		919,139.77	122,459.24
Total Income		<u>17,620,794.52</u>	<u>16,050,709.39</u>
<u>Expenditures</u>			
Budget Expenditures:			
Operating		10,612,307.00	9,876,234.00
Capital Improvements		680,000.00	2,000,000.00
Debt Service		2,839,790.31	2,605,925.80
Deferred Charges and Statutory Expenditures		546,050.00	630,323.00
Refund of Prior Year Revenue		6,960.53	762.69
Total Expenditures		<u>14,685,107.84</u>	<u>15,113,245.49</u>
Excess in Revenue		2,935,686.68	937,463.90
<u>Fund Balance</u>			
Balance January 1	E	10,955,140.94	11,172,677.04
		<u>13,890,827.62</u>	<u>12,110,140.94</u>
Decreased by:			
Utilization as Anticipated Revenue		1,000,000.00	1,000,000.00
Prior Year Fund Balance Appropriated as Revenue - Current Fund		<u>1,550,000.00</u>	<u>155,000.00</u>
Balance December 31	E	<u>\$ 11,340,827.62</u>	<u>\$ 10,955,140.94</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 FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	
Balance December 31, 2014	E	\$ 292,235.89
Balance December 31, 2015	E	\$ 292,235.89

SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Operating Fund Balance Anticipated	\$ 1,000,000.00	\$ 1,000,000.00	
Sewer Rents	13,015,659.00	14,778,213.83	\$ 1,762,554.83
Interest on Investments	15,000.00	103,391.73	88,391.73
Septage Removal	500,000.00	625,879.34	125,879.34
Other Rents	161,883.00	148,392.75	
	<u>14,692,542.00</u>	<u>16,655,877.65</u>	<u>1,963,335.65</u>
Nonbudget Revenue		45,777.10	45,777.10
	<u>\$ 14,692,542.00</u>	<u>\$ 16,701,654.75</u>	<u>\$ 2,009,112.75</u>

Analysis of Revenue - Rents

Rents	\$ 14,793,640.12
Less: Refunds	<u>(15,426.29)</u>
Collections	<u>\$ 14,778,213.83</u>
Miscellaneous Revenue:	
Interest on Sewer Rents	\$ 32,232.57
Interest on Sludge Rents	5,539.02
Miscellaneous Reimbursements	8,005.51
	<u>\$ 45,777.10</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, 2015

	Appropriations		Expended by		Unexpended Balance Cancelled
	Budget	Budget After Modi- fication	Paid or Charged	Reserved	
Operating:					
Salaries and Wages	\$ 3,712,689.00	\$ 3,712,689.00	\$ 3,216,068.81	\$ 496,620.19	
Other Expenses	6,899,618.00	6,899,618.00	5,213,705.04	1,685,912.96	
Capital Improvements:					
Capital Improvement Fund	680,000.00	680,000.00	680,000.00		
Debt Service:					
Payment of Bond Principal	990,000.00	990,000.00	990,000.00		
Payment of Bond Anticipation Notes and Capital Notes	295,000.00	295,000.00	295,000.00		
Interest on Bonds	191,069.00	191,069.00	176,675.00		\$ 14,394.00
Interest on Notes	186,536.00	186,536.00	186,536.00		
Environmental Infrastructure Loan	1,191,580.00	1,191,580.00	1,191,579.31		0.69
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	265,119.00	265,119.00	265,119.00		
Social Security System (O.A.S.I.)	280,931.00	280,931.00	280,931.00		
	<u>\$ 14,692,542.00</u>	<u>\$ 14,692,542.00</u>	<u>\$ 12,495,614.16</u>	<u>\$ 2,182,533.15</u>	<u>\$ 14,394.69</u>

Ref.

E

Analysis Paid or Charged

Cash Disbursed		\$ 11,811,116.16
Encumbered	E	258,238.28
Accrued Interest on Loans		215,682.83
Accrued Interest on Bonds		176,675.00
Accrued Interest on Notes		199,922.26
		<u>12,661,634.53</u>
Refunded		(166,020.37)
		<u>\$ 12,495,614.16</u>

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
COUNTY OF MORRIS
2015
GOLF AND RECREATION UTILITY FUND

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

	Ref.	December 31,	
		2015	2014
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents		\$ 1,046,887.73	\$ 670,640.45
Investments			277,481.84
	F-4	1,046,887.73	948,122.29
Due from Golf and Recreation Utility Capital Fund	F	29,069.04	
Receivables with Full Reserves:			
Revenue Accounts Receivable	F-6	81,678.47	45,502.88
Total Receivables with Full Receivables		81,678.47	45,502.88
Total Operating Fund		1,157,635.24	993,625.17
Capital Fund:			
Cash and Cash Equivalents	F-4	847,827.65	495,290.11
Due from Current Fund	A	26,943.36	
Fixed Capital	F-7	24,253,276.61	24,253,276.61
Fixed Capital Authorized and Uncompleted	F-8	5,054,080.00	2,047,677.00
Total Capital Fund		30,182,127.62	26,796,243.72
<u>TOTAL ASSETS</u>		<u>\$ 31,339,762.86</u>	<u>\$ 27,789,868.89</u>

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

	Ref.	December 31,	
		2015	2014
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Appropriation Reserves:			
Encumbered	F-3;F-9	\$ 54,414.32	\$ 50,577.41
Unencumbered	F-3;F-9	136,262.79	419,159.14
		<u>190,677.11</u>	<u>469,736.55</u>
Sales Tax Payable			44.40
Accrued Interest on Bonds		15,477.08	18,466.25
Accrued Interest on Notes		4,852.12	2,579.62
Membership Overpayments		2,596.95	1,573.49
Prepaid Revenue		1,500.00	1,500.00
Due to Current Fund	A	14,075.34	63,515.34
Security Deposit		220,000.00	220,000.00
		<u>449,178.60</u>	<u>777,415.65</u>
Reserve for Receivables	F	81,678.47	45,502.88
Fund Balance	F-1	626,778.17	170,706.64
		<u>626,778.17</u>	<u>170,706.64</u>
Total Operating Fund		<u>1,157,635.24</u>	<u>993,625.17</u>
Capital Fund:			
Bond Anticipation Notes Payable	F-13	910,000.00	782,000.00
Serial Bonds Payable	F-14	1,215,000.00	1,418,000.00
Improvement Authorizations:			
Funded	F-10	160,836.29	13,026.79
Unfunded	F-10	3,314,577.93	558,892.57
Capital Improvement Fund	F-11	181,593.05	31,593.05
Due to Golf and Recreation Utility Operating Fund	F	29,069.04	
Reserve for:			
Amortization	F-12	23,858,776.61	23,645,776.61
Deferred Amortization	F-12A	467,204.00	301,884.00
Fund Balance	F-1a	45,070.70	45,070.70
		<u>45,070.70</u>	<u>45,070.70</u>
Total Capital Fund		<u>30,182,127.62</u>	<u>26,796,243.72</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 31,339,762.86</u>	<u>\$ 27,789,868.89</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

	<u>Ref.</u>	<u>Year Ended December 31,</u>	
		<u>2015</u>	<u>2014</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized			\$ 149,000.00
Golf Fees		\$ 3,098,236.48	3,018,325.74
Room Rentals		7,172.00	15,770.00
Interest on Investments		8,159.11	10,852.49
Concessions:			
Utilities		22,733.43	21,467.39
Rent		662,750.00	660,000.00
Golf and Recreation Capital Fund Balance			5,758.00
Miscellaneous Revenue		11,210.20	971.75
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		187,728.64	141,495.87
Total Income		<u>3,997,989.86</u>	<u>4,023,641.24</u>
<u>Expenditures</u>			
Budget Expenditures:			
Operating		2,963,624.00	3,547,772.00
Capital Improvements		300,320.00	3,250.00
Debt Service		79,804.33	64,136.70
Deferred Charges and Statutory Expenditures		198,090.00	275,361.00
Prior Year Revenue Refunds		80.00	
Total Expenditures		<u>3,541,918.33</u>	<u>3,890,519.70</u>
Excess in Revenue		456,071.53	133,121.54
<u>Fund Balance</u>			
Balance January 1	F	<u>170,706.64</u>	<u>186,585.10</u>
		626,778.17	319,706.64
Decreased by:			
Utilized as Anticipated Revenue			<u>149,000.00</u>
Balance December 31	F	<u>\$ 626,778.17</u>	<u>\$ 170,706.64</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

Balance December 31, 2014	<u>Ref.</u> F	<u>\$ 45,070.70</u>
Balance December 31, 2015	F	<u><u>\$ 45,070.70</u></u>

GOLF AND RECREATION UTILITY CAPITAL FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Golf Fees	\$ 2,851,362.00	\$ 3,098,236.48	\$ 246,874.48
Room Rentals	15,000.00	7,172.00	7,828.00 *
Interest on Investments	5,000.00	8,159.11	3,159.11
Concessions:			
Utilities	15,000.00	22,733.43	7,733.43
Rent	660,000.00	662,750.00	2,750.00
	<u>3,546,362.00</u>	<u>3,799,051.02</u>	<u>252,689.02</u>
Nonbudget Revenue		11,210.20	11,210.20
	<u><u>\$ 3,546,362.00</u></u>	<u><u>\$ 3,810,261.22</u></u>	<u><u>\$ 263,899.22</u></u>

Analysis of Golf Fees

Collections - Golf Fees	\$ 3,095,162.99
Prepaid Revenue Applied	1,500.00
Membership Overpayments Applied	1,573.49
	<u><u>\$ 3,098,236.48</u></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, 2015

	<u>Appropriations</u>		<u>Expended by</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modi- fication</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operating:					
Salaries and Wages	\$ 1,536,884.00	\$ 1,536,884.00	\$ 1,527,750.44	\$ 9,133.56	
Other Expenses	1,426,740.00	1,426,740.00	1,323,851.55	102,888.45	
Capital Improvements:					
Capital Improvement Fund	300,320.00	300,320.00	300,320.00		
Debt Service:					
Payment of Bond Anticipation Notes	25,000.00	25,000.00	25,000.00		
Interest on Bonds	49,132.00	49,132.00	44,608.33		\$ 4,523.67
Interest on Notes	10,196.00	10,196.00	10,196.00		
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	83,024.00	83,024.00	83,024.00		
Social Security (O.A.S.I.)	115,066.00	115,066.00	90,825.22	24,240.78	
	<u>\$ 3,546,362.00</u>	<u>\$ 3,546,362.00</u>	<u>\$ 3,405,575.54</u>	<u>\$ 136,262.79</u>	<u>\$ 4,523.67</u>

Ref.

F

Analysis of Paid or Charged

Cash Disbursed		\$ 3,296,356.89
Encumbrances Payable	F	54,414.32
Accrued Interest on Bonds		44,608.33
Accrued Interest on Notes		10,196.00
		<u>\$ 3,405,575.54</u>

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
COUNTY OF MORRIS
2015
PUBLIC ASSISTANCE FUND

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

		December 31,	
<u>ASSETS</u>	<u>Ref.</u>	2015	2014
Cash and Cash Equivalents	G-1	\$ 75,064.17	\$ 19,705.23
<u>TOTAL ASSETS</u>		<u>\$ 75,064.17</u>	<u>\$ 19,705.23</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Due to Current Fund	A		\$ 3.06
Reserve for Public Assistance		75,064.17	19,702.17
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 75,064.17</u>	<u>\$ 19,705.23</u>

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
COUNTY OF MORRIS
2015
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,	
	2015	2014
Land	\$ 104,259,502.00	\$ 104,227,400.00
Buildings	33,042,260.00	32,248,892.00
Furniture and Equipment	36,353.00	36,353.00
Vehicles and Road Equipment	18,700,897.00	17,136,904.00
Other Equipment	2,701,055.00	2,331,155.00
<u>TOTAL ASSETS</u>	\$ 158,740,067.00	\$ 155,980,704.00
<u>RESERVE</u>		
Reserve for Fixed Assets	\$ 158,740,067.00	\$ 155,980,704.00
<u>TOTAL RESERVE</u>	\$ 158,740,067.00	\$ 155,980,704.00

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, 2015

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.

Governmental Accounting Standards Board ("GASB") *Codification of Government Accounting and Financial Reporting Standards*, Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency and a resulting financial benefit or burden relationship, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e., benefit of economic resources, access/entitlement to resources, and significance) should be included in the financial reporting entities. 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.

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.

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
 (Continued)

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

B. Description of Funds (Cont'd)

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.

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.

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Continued)

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

C. Basis of Accounting (Cont'd)

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 awarded; inventories would not be reflected as expenditures at the time of purchase and fixed assets purchased by the Utility Capital Funds would be depreciated and the Township's 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 or amortized cost, which approximates market.

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.

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
 (Continued)

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

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

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 and Sewer Utility, is recorded as expenditures at the time individual items are purchased. The cost of the Water and Sewer Utility Operating Fund inventory is included on its 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, which is 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, 2015
(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,		
	2015	2014	2013
<u>Issued</u>			
General:			
Bonds, Loans and Notes	\$ 63,258,936	\$ 59,455,431	\$ 61,725,355
Water Utility:			
Bonds, Loans and Notes	5,644,983	6,484,286	7,296,072
Sewer Utility:			
Bonds, Loans and Notes	33,584,606	35,542,503	34,244,668
Golf and Recreation Utility:			
Bonds and Notes	2,125,000	2,200,000	2,158,700
Total Issued	<u>104,613,525</u>	<u>103,682,220</u>	<u>105,424,795</u>
Less:			
Funds Temporarily Held to Pay Bonds and Notes:			
General	94,653	86,870	86,870
Water Utility	192,749	204,438	204,438
Total Deductions	<u>287,402</u>	<u>291,308</u>	<u>291,308</u>
Net Debt Issued	<u>104,326,123</u>	<u>103,390,912</u>	<u>105,133,487</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Continued)

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

Summary of Municipal Debt (Cont'd)

	December 31,		
	2015	2014	2013
<u>Authorized but not Issued:</u>			
General:			
Bonds, Loans and Notes	\$ 14,707,440	\$ 15,797,229	\$ 11,524,229
Water Utility:			
Bonds, Loans and Notes	1,995,061	55,750	55,750
Sewer Utility:			
Bonds, Loans and Notes	9,303,558	9,606,558	11,778,905
Golf and Recreation Utility:			
Bonds and Notes	2,856,376	153,293	390,793
Total Authorized but not Issued	<u>28,862,435</u>	<u>25,612,830</u>	<u>23,749,677</u>
Net Bonds and Notes Issued and Authorized but not Issued	<u>\$ 133,188,558</u>	<u>\$ 129,003,742</u>	<u>\$ 128,883,164</u>

Summary of Municipal Debt Issued and Outstanding – Prior Year

	Balance 12/31/13	Additions	Retirements	Balance 12/31/14
Serial Bonds:				
General Capital Fund	\$ 44,685,000		\$ 5,665,000	\$ 39,020,000
Water Utility Capital Fund	4,813,000		783,000	4,030,000
Sewer Utility Capital Fund	6,658,300		963,300	5,695,000
Golf and Recreation Utility Capital Fund	1,608,700		190,700	1,418,000
Bond Anticipation Notes:				
General Capital Fund	16,675,000	\$ 20,198,000	16,675,000	20,198,000
Water Utility Capital Fund	2,250,000	2,250,000	2,250,000	2,250,000
Sewer Utility Capital Fund	10,525,000	13,752,000	10,525,000	13,752,000
Golf and Recreation Utility Capital Fund	550,000	782,000	550,000	782,000
Loans Payable:				
General Capital Fund:				
Green Trust Loans	365,355		127,924	237,431
Water Utility Capital Fund:				
NJ Environmental Infrastructure Loan	233,072		28,786	204,286
Sewer Utility Capital Fund:				
NJ Environmental Infrastructure Loan	17,061,368		965,865	16,095,503
Total	<u>\$ 105,424,795</u>	<u>\$ 36,982,000</u>	<u>\$38,724,575</u>	<u>\$ 103,682,220</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Continued)

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

Summary of Municipal Debt Issued and Outstanding – Current Year

	Balance 12/31/14	Additions	Retirements	Balance 12/31/15
Serial Bonds:				
General Capital Fund	\$ 39,020,000		\$ 5,800,000	\$ 33,220,000
Water Utility Capital Fund	4,030,000		810,000	3,220,000
Sewer Utility Capital Fund	5,695,000		990,000	4,705,000
Golf and Recreation Utility Capital Fund	1,418,000		203,000	1,215,000
Bond Anticipation Notes:				
General Capital Fund	20,198,000	\$ 29,932,000	20,198,000	29,932,000
Water Utility Capital Fund	2,250,000	2,249,000	2,250,000	2,249,000
Sewer Utility Capital Fund	13,752,000	13,760,000	13,752,000	13,760,000
Golf and Recreation Utility Capital Fund	782,000	910,000	782,000	910,000
Loans Payable:				
General Capital Fund:				
Green Trust Loans	237,431		130,495	106,936
Water Utility Capital Fund:				
NJ Environmental Infrastructure Loan	204,286		28,303	175,983
Sewer Utility Capital Fund:				
NJ Environmental Infrastructure Loan	16,095,503		975,897	15,119,606
Total	<u>\$ 103,682,220</u>	<u>\$ 46,851,000</u>	<u>\$45,919,695</u>	<u>\$ 104,613,525</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 Annual Debt Statement and indicates a statutory net debt of .92%.

	Gross Debt	Deductions	Net Debt
Local School District Debt	\$ 33,470,000	\$ 33,470,000	
Water Utility Debt	7,640,044	7,640,044	
Sewer Utility Debt	42,888,164	42,888,164	
Golf and Recreation Utility Debt	4,981,376	4,981,376	
General Debt	77,966,376	94,653	\$ 77,871,723
	<u>\$ 166,945,960</u>	<u>\$ 89,074,237</u>	<u>\$ 77,871,723</u>

Net Debt: \$77,871,723 divided by Equalized Valuation basis per N.J.S. 40A:2-2, as amended, of \$8,481,965,064 = .92%.

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

3-1/2% Average Equalized Valuation of Real Property	\$ 296,868,777
Net Debt	<u>77,871,723</u>
Remaining Borrowing Power	<u>\$ 218,997,054</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Continued)

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

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

Cash Receipts from Fees, Rents or Other Charges for Year		\$ 9,098,509
Deductions:		
Operating and Maintenance Cost	\$ 6,058,288	
Debt Service	1,048,506	
		7,106,794
Excess in Revenue		\$ 1,991,715

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

Cash Receipts from Fees, Rents or Other Charges for Year		\$ 16,701,655
Deductions:		
Operating and Maintenance Cost	\$ 11,158,357	
Debt Service	2,839,790	
		13,998,147
Excess in Revenue		\$ 2,703,508

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		\$ 3,810,261
Deductions:		
Operating and Maintenance Cost	\$ 3,161,714	
Debt Service	79,804	
		3,241,518
Excess in Revenue		\$ 568,743

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

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

Year Ended	General		Water Utility		Sewer Utility		Golf and Recreation Utility		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
December 31,										
2016	\$ 5,776,481	\$ 1,252,927	\$ 852,820	\$ 115,775	\$ 2,010,935	\$ 360,247	\$ 215,000	\$ 40,913	\$ 6,844,301	\$ 1,409,615
2017	5,945,455	1,043,700	867,336	87,013	2,035,982	315,164	225,000	33,813	7,037,791	1,164,526
2018	4,335,000	813,075	436,853	53,786	1,541,036	262,822	230,000	26,200	5,001,853	893,061
2019	4,365,000	668,775	436,370	39,613	1,586,095	232,889	230,000	17,900	5,031,370	726,288
2020	2,420,000	498,200	244,108	24,300	1,501,160	201,548	75,000	9,450	2,739,108	531,950
2021-2025	10,485,000	1,140,200	558,496	32,450	6,536,994	625,146	240,000	14,400	11,283,496	1,187,050
2026-2029					4,612,404	174,780			4,612,404	174,780
	\$ 33,326,936	\$ 5,416,877	\$ 3,395,983	\$ 352,937	\$ 19,824,606	\$ 2,172,596	\$ 1,215,000	\$ 142,675	\$ 42,550,323	\$ 6,087,269

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Continued)

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

Analysis of Debt Issued and Outstanding at December 31, 2015

General Capital Fund

Serial Bonds

<u>Purpose</u>	<u>Maturities of Bonds</u>		<u>Interest</u>	<u>Balance</u>
	<u>Outstanding Dec. 31, 2015</u>			
	<u>Date</u>	<u>Amount</u>	<u>Rate</u>	<u>Dec. 31, 2015</u>
Refunding Bonds	10/1/2016	\$ 445,000	3.00%	
	10/1/2016	240,000	4.00%	
	10/1/2016	1,160,000	5.00%	
	10/1/2017	70,000	3.00%	
	10/1/2017	1,870,000	5.00%	\$ 3,785,000
Refunding Bonds	7/15/2016	1,095,000	4.00%	
	7/15/2017	1,135,000	4.00%	
	7/15/2018	1,185,000	3.00%	
	7/15/2019	180,000	4.00%	
	7/15/2019	1,035,000	5.00%	
	7/15/2020	1,270,000	4.00%	
	7/15/2021	1,300,000	4.00%	
	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%	12,935,000	
General Improvements	7/1/2016	1,600,000	3.75%	
	7/1/2017	1,700,000	3.75%	
	7/1/18-19	2,000,000	4.00%	7,300,000
General Improvements	11/1/2016	1,150,000	2.00%	
	11/1/2017	1,150,000	2.25%	
	11/1/2018	1,150,000	2.50%	
	11/1/2019	1,150,000	2.75%	
	11/1/20-23	1,150,000	3.00%	9,200,000
				<u>\$ 33,220,000</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Continued)

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

General Capital New Jersey Green Acres Trust Loans

The Township entered into two loan agreements with the State of New Jersey, Department of Environmental Protection and Energy under the Green Acres Trust Loan program. A loan for the acquisition of land in the amount of \$1,500,000 principal and interest payments commencing effective 1996 and continuing on a semiannual basis through April 2016. A loan for the acquisition of land in the amount of \$664,482, which represents the loan proceeds drawn down and bearing 2% interest, was effective 1997 with principal and interest payments commencing and continuing on a semiannual basis through May 2017.

The balances of the loans at December 31, 2015 were as follows:

<u>Purpose</u>	<u>Final Maturity Date of Green Trust Loan Payable</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2015</u>
Acquisition of Land	4/12/2016	2.00%	\$ 46,176
Acquisition of Land	5/19/2017	2.00%	<u>60,760</u>
			<u>\$ 106,936</u>

<u>Bond Anticipation Notes</u>	<u>Maturities of Notes Outstanding Dec. 31, 2015</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2015</u>
<u>Purpose</u>	<u>Date</u>	<u>Amount</u>	<u>Rate</u>	<u>Dec. 31, 2015</u>
Various Capital Improvements	9/23/2016	\$ 29,932,000	2.00%	<u>\$ 29,932,000</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Continued)

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

Water Utility Capital Fund

Serial Bonds

<u>Purpose</u>	<u>Maturities of Bonds</u> <u>Outstanding Dec. 31, 2015</u>		<u>Interest</u> <u>Rate</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
	<u>Date</u>	<u>Amount</u>		
Water Improvements	7/1/2016	\$ 200,000	3.75%	
	7/1/2017	200,000	3.75%	
	7/1/2018	200,000	4.00%	
	7/1/2019	200,000	4.00%	\$ 800,000
Water Improvements	11/1/2016	165,000	2.00%	
	11/1/2017	175,000	2.25%	
	11/1/2018	175,000	2.50%	
	11/1/2019	175,000	2.75%	
	11/1/2020	175,000	3.00%	
	11/1/2021	175,000	3.00%	
	11/1/2022	175,000	3.00%	
	11/1/2023	175,000	3.00%	1,390,000
Refunding Bonds	12/1/2016	190,000	2.88%	
	12/1/2017	190,000	4.13%	380,000
Refunding Bonds	10/1/2016	55,000	3.00%	
	10/1/2016	30,000	4.00%	
	10/1/2016	150,000	5.00%	
	10/1/2017	10,000	3.00%	
	10/1/2017	230,000	5.00%	475,000
Refunding Bonds	7/15/2016	35,000	4.00%	
	7/15/2017	35,000	4.00%	
	7/15/2018	35,000	3.00%	
	7/15/2019	35,000	5.00%	
	7/15/2020	35,000	4.00%	175,000
				<u>\$ 3,220,000</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Continued)

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

Water Utility Capital Fund

<u>Loan Payable</u>	Final Maturity Date of NJ Environmental Infrastructure Loan Payable	Interest Rate	Balance Dec. 31, 2015
<u>Purpose</u>			
Improvement of Water Supply and Distribution System	8/1/2021	4.75% to 5.00%	<u>\$ 175,983</u>

Bond Anticipation Notes

<u>Purpose</u>	Maturities of Notes Outstanding Dec. 31, 2015		Interest Rate	Balance Dec. 31, 2015
	<u>Date</u>	<u>Amount</u>		
Improvement of Water System	9/23/2016	\$ 2,249,000	2.00%	<u>\$ 2,249,000</u>

Sewer Utility Capital Fund

Serial Bonds

<u>Purpose</u>	Maturities of Bonds Outstanding Dec. 31, 2015		Interest Rate	Balance Dec. 31, 2015
	<u>Date</u>	<u>Amount</u>		
Sewer Improvements	7/1/2016	\$ 80,000	3.75%	
	7/1/2017	80,000	3.75%	
	7/1/2018	100,000	4.00%	
	7/1/2019	100,000	4.00%	
Sewer Improvements	11/1/2016	310,000	2.00%	
	11/1/2017	310,000	2.25%	
	11/1/2018	325,000	2.50%	
	11/1/2019	350,000	2.75%	
	11/1/2020	350,000	3.00%	
	11/1/2021	370,000	3.00%	
	11/1/2022	370,000	3.00%	
	11/1/2023	370,000	3.00%	
Refunding Bonds	12/1/2016	330,000	2.875%	
	12/1/2017	330,000	4.125%	
				2,755,000
				660,000

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Continued)

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

Sewer Utility Capital Fund

Serial Bonds

<u>Purpose</u>	<u>Maturities of Bonds</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2015</u>
	<u>Outstanding Dec. 31, 2015</u>	<u>Outstanding Dec. 31, 2015</u>		
	<u>Date</u>	<u>Amount</u>		
Refunding Bonds	10/1/2016	\$ 50,000	3.00%	
	10/1/2016	25,000	4.00%	
	10/1/2016	135,000	5.00%	
	10/1/2017	5,000	3.00%	
	10/1/2017	215,000	5.00%	\$ 430,000
Refunding Bonds	7/15/2016	90,000	4.00%	
	7/15/2017	95,000	4.00%	
	7/15/2018	100,000	3.00%	
	7/15/2019	105,000	5.00%	
	7/15/2020	110,000	4.00%	500,000
				<u>\$ 4,705,000</u>

<u>Loan Payable</u>	<u>Final Maturity Date of NJ Environmental Infrastructure Loan Payable</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2015</u>
Sewer Improvements	8/1/2029	3.50% to 5.00%	<u>\$ 15,119,606</u>

<u>Bond Anticipation Notes</u>	<u>Maturities of Notes</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2015</u>
	<u>Outstanding Dec. 31, 2015</u>	<u>Outstanding Dec. 31, 2015</u>		
<u>Purpose</u>	<u>Date</u>	<u>Amount</u>		
Various Sewer Utility Improvements	9/23/2016	\$ 13,760,000	2.00%	<u>\$ 13,760,000</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Continued)

Note 2: Long-Term Debt (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, 2015</u>
	<u>Outstanding Dec. 31, 2015</u>	<u>Date</u>		
General Improvements	7/1/2016	\$ 160,000	3.75%	\$ 670,000
	7/1/2017	170,000	3.75%	
	7/1/2018	170,000	4.00%	
	7/1/2019	170,000	4.00%	
General Improvements	11/1/2016	55,000	2.00%	545,000
	11/1/2017	55,000	2.25%	
	11/1/2018	60,000	2.50%	
	11/1/2019	60,000	2.75%	
	11/1/2020	75,000	3.00%	
	11/1/2021	80,000	3.00%	
	11/1/2022	80,000	3.00%	
	11/1/2023	80,000	3.00%	
				<u>\$ 1,215,000</u>

Bond Anticipation Notes

<u>Purpose</u>	<u>Maturities of Notes</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2015</u>
	<u>Outstanding Dec. 31, 2015</u>	<u>Date</u>		
Various Improvements and Equipment	9/23/2016	\$ 910,000	2.00%	<u>\$ 910,000</u>

Total Debt Issued and Outstanding

\$ 104,613,525

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 water system in 2001 at an interest rate of 4.75% to 5.50% and for the purpose of improvements to the waste water treatment plant in 2010 at an interest rate of 1.15% to 5.00%. Loans payable at December 31, 2015 for the Water Utility Capital Fund and Sewer Utility Capital Fund were \$175,983 and \$15,119,606, respectively.

Refunding Bonds:

On July 15, 2012, the Township issued \$16,115,000 refunding bonds with interest rates ranging from 1.50% to 4.00% to refund \$2,320,284 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.

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Continued)

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

Refunding Bonds (Cont'd)

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).

Net Pension Liability

The State of New Jersey Public Employees' Retirement System's (PERS) net pension liability was calculated to be \$52,516,159 at June 30, 2015. The State of New Jersey Police and Firemen's Retirement System's (PFRS) net pension liability was calculated to be \$50,714,520 at June 30, 2015. See Note 4 for further information on the PERS and PFRS.

Note 3: Fund Balances Appropriated

Fund balances at December 31, 2015, which are appropriated and included as anticipated revenue in their own respective funds in the introduced budget for the year ending December 31, 2016 has not been determined as of the date of these financial statements.

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 Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

Benefits Provided

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Continued)

Note 4: Pension Plans (Cont'd)

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

Benefits Provided (Cont'd)

Service retirement benefits of 1/55th 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 1/60th 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. 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. 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 will be adjusted by the rate of return on the actuarial value of assets. Township contributions to PERS amounted to \$1,938,998 for 2015.

The employee contribution rate was 6.92% effective July 1, 2014 and increased to 7.06% effective July 1, 2015. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

Pension Liabilities and Pension Expense

At June 30, 2015, the Township's liability was \$52,516,159 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014 which was rolled forward to June 30, 2015. 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, 2015, the Township's proportion was 0.0023%, which was a decrease of 0.0010% from its proportion measured as of June 30, 2014.

For the year ended December 31, 2015, the Township recognized actual pension expense in the amount of \$1,938,998.

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Continued)

Note 4: Pension Plans (Cont'd)

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

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014 which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions:

Inflation Rate	3.04%
Salary Increases:	
2012-2021	2.15 – 4.40% based on age
Thereafter	3.15 – 5.40% based on age
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback one year for females) are used to value disabled retirees.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.90% at June 30, 2015) 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 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, 2015 are summarized in the following table:

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Continued)

Note 4: Pension Plans (Cont'd)

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

Long Term Expected Rate of Return (Cont'd)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad U.S. Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex. U.S.	3.50%	-0.40%
REIT	4.25%	5.12%

Discount Rate

The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9% and a municipal bond rate of 3.80% as of June 30, 2015 based on 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. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon the average of the last five years of contributions made in relation to the last five years of actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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, 2015 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:

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(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 (Cont'd)

	June 30, 2015		
	1% Decrease (3.90%)	Current Discount Rate (4.90%)	1% Increase (5.90%)
Township's proportionate share of the Net Pension Liability	\$ 65,271,159	\$ 52,516,159	\$ 41,822,458

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, 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 Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Continued)

Note 4: Pension Plans (Cont'd)

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

Benefits Provided (Cont'd)

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 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 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.

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. The June 30, 2015 State special funding situation net pension liability amount is the accumulated difference between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The fiscal year ending June 30, 2015 State special funding situation pension expense is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2015. The pension expense is deemed to be a State administrative expense due to the special funding situation. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific funded 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 OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Continued)

Note 4: Pension Plans (Cont'd)

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

Township contributions to PFRS amounted to \$2,520,598 for the year ended December 31, 2015. During the fiscal year ended June 30, 2015, the State of New Jersey contributed \$231,515 to the PFRS for normal pension benefits on behalf of the Township, which is less than the contractually required contribution of \$554,760.

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

Pension Liabilities and Pension Expense

At June 30, 2015, the Township's liability for its proportionate share of the net pension liability was \$50,714,520. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014 which was rolled forward to June 30, 2015. 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, 2015, the Township's proportion was 0.304%, which was an increase of 0.024% from its proportion measured as of June 30, 2014.

Additionally, the State's proportionate share of the net pension liability attributable to the Township is \$4,447,493 as of June 30, 2015. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014 which was rolled forward to June 30, 2015. 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, 2015, the State's proportion was 0.304%, which was an increase of 0.024% from its proportion measured as of June 30, 2014 which is the same proportion as the Township's.

Township's Proportionate Share of the Net Pension Liability	\$ 50,714,520
State's Proportionate Share of the Net Pension Liability Associated with the Township	<u>4,447,493</u>
Total Net Pension Liability	<u>\$ 55,162,013</u>

For the year ended December 31, 2015, the Town recognized total pension expense of \$2,520,598.

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Continued)

Note 4: Pension Plans (Cont'd)

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

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014 which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions:

Inflation Rate	3.04%
Salary Increases:	
2012-2021	2.60% - 9.48% based on age
Thereafter	3.60% - 10.48% based on age
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and one year using Projection Scale BB for male service retirements with adjustments for mortality improvements from the base year based on Projection Scale BB. Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected fourteen years using Projection Scale BB for female service retirements and beneficiaries with adjustments for mortality improvements from the base year of 2014 based on Projection Scale BB.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.90% at June 30, 2015) 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 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, 2015 are summarized in the following table:

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Continued)

Note 4: Pension Plans (Cont'd)

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

Long Term Expected Rate of Return (Cont'd)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad U.S. Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex. U.S.	3.50%	-0.40%
REIT	4.25%	5.12%

Discount Rate – PFRS

The discount rate used to measure the total pension liability was 5.79% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.90% and a municipal bond rate of 3.80% as of June 30, 2015 based on 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. 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 made based on the average of the last five years of contributions. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2045. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2045, and the municipal bond rate was applied to projected benefit payments after that date in determining 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, 2015 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:

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Continued)

Note 4: Pension Plans (Cont'd)

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

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 (Cont'd)

	June 30, 2015		
	1% Decrease (4.79%)	Current Discount Rate (5.79%)	1% Increase (6.79%)
Town's proportionate share of the NPL and the State's proportionate share of the Net Pension Liability associated with the Town	\$ 72,721,046	\$ 55,162,013	\$ 40,844,191

Pension

Plan Fiduciary Net Position – PFRS

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

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 \$9,059 for the year ended December 31, 2015. Employee contributions to DCRP amounted to \$16,803 for the year ended December 31, 2015.

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Continued)

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 \$5,641,612 at December 31, 2015. 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 reserves for accumulated sick and vacation time of \$312,000 reflected on the Other Trust Funds' balance sheet as of December 31, 2015 represent partial funding of the total estimated amount.

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>2015</u>	<u>2014</u>	<u>2013</u>
<u>Tax Rate</u>	\$ 2.699	\$ 2.663	\$ 2.601
<u>Apportionment of Tax Rate</u>			
Municipal	0.632	0.628	0.614
County	0.298	0.301	0.296
Local School	1.769	1.734	1.691
<u>Assessed Valuations</u>			
2015	<u>\$ 7,160,580,050</u>		
2014		<u>\$ 7,166,584,900</u>	
2013			<u>\$ 7,207,261,819</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Continued)

Note 7: Selected Tax Information (Cont'd)

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>
2015	\$ 197,396,005	\$ 196,138,497	99.36%
2014	194,423,879	193,110,200	99.32%
2013	191,137,372	189,762,822	99.28%

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

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, which approximates market. 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 Statement No. 40 *Governmental Accounting Standards Board Deposit and Investment Risk Disclosures*, 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 page.

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Continued)

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

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.

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%.

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, approved by the Division of Investment of the Department of the Treasury for investment by local units;

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Continued)

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

Investments (Cont'd)

- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund; or
- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in statute; and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

As of December 31, 2015, cash and cash equivalents of the Township of Parsippany-Troy Hills consisted of the following:

<u>Fund</u>	<u>Cash on Hand</u>	<u>Checking Accounts</u>	<u>Investments</u>	<u>Total</u>
Current Fund	\$ 815	\$ 7,151,419	\$ 5,000,000	\$ 12,152,234
Animal Control Trust Fund	50			50
Other Trust Fund		15,049,451		15,049,451
General Capital Fund		6,531,906		6,531,906
Water Utility Operating Fund		7,393,805		7,393,805
Water Utility Capital Fund		1,730,953		1,730,953
Sewer Utility Operating Fund		14,632,620		14,632,620
Sewer Utility Capital Fund		16,278,919		16,278,919
Golf and Recreation Utility Operating Fund		1,046,888		1,046,888
Golf and Recreation Utility Capital Fund		847,828		847,828
Public Assistance Fund		75,064		75,064
	<u>\$ 865</u>	<u>\$ 70,738,853</u>	<u>\$ 5,000,000</u>	<u>\$ 75,739,718</u>

The carrying amount of the Township's cash and cash equivalents and investments at December 31, 2015, was \$75,739,718 and the bank balance was \$77,678,762.

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(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, 2015 audit report of the Garden State Municipal Joint Insurance Fund is not filed as of the date of this audit. Selected financial information for the Fund as of December 31, 2014 is as follows:

Total Assets	<u>\$ 37,541,477</u>
Net Position	<u>\$ 902,578</u>
Total Revenue	<u>\$ 27,579,116</u>
Total Expenses	<u>\$ 28,568,935</u>
Change in Net Position	<u>\$ (989,819)</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, 2015
(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 the Insurance Design Administrators.

There has been no provision included in the financial statements for claims incurred but not reported as of December 31, 2015, however, sufficient funds are available in the 2015 budget appropriation reserves to cover the incurred but not reported claims.

A summary of activity for this fund is detailed as follows:

	<u>2015</u>	<u>2014</u>
Balance, Beginning of the Year	\$ 99,486	\$ 322,925
Receipts	<u>10,821,135</u>	<u>7,980,275</u>
	10,920,621	8,303,200
Disbursements	<u>10,919,207</u>	<u>8,203,714</u>
Balance, End of the Year	<u>\$ 1,414</u>	<u>\$ 99,486</u>

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.

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Continued)

Note 9: Risk Management (Cont'd)

Workers' Compensation (Cont'd)

There has been no provision included in the financial statements for loss reserves as of December 31, 2015.

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>2015</u>	<u>2014</u>
Balance, Beginning of the Year	\$ 95,495	\$ 90,966
Receipts	<u>851,825</u>	<u>1,091,000</u>
	947,320	1,181,966
Disbursements	<u>841,421</u>	<u>1,086,471</u>
Balance, End of the Year	<u><u>\$ 105,899</u></u>	<u><u>\$ 95,495</u></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, 2015. This estimate is based on the estimated ultimate cost of settling the reported claims considering the historical experience, various other industry statistics, including the effects of inflation and other societal or economic factors. The ultimate cost may be more or less than the estimated liability. The unpaid losses are stated net of any recoveries from excess loss insurance and reinsurance coverages.

Loss reserves, at December 31, 2015 and 2014, respectively, which have been estimated by the Fund's Actuary and Servicing Agents, are as follows:

	<u>2015</u>	<u>2014</u>
Case Reserves	\$ 2,121,758	\$ 1,982,341
Less: Excess Coverage	<u>939,117</u>	<u>970,471</u>
Total Loss Reserves (Expenses)	<u><u>\$ 1,182,641</u></u>	<u><u>\$ 1,011,870</u></u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Continued)

Note 9: Risk Management (Cont'd)

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:

<u>Year</u>	<u>Township Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2015	\$ 140,250	\$ 92,278	\$ 178,657	\$ 167,274
2014	171,000	130,675	308,689	113,403
2013	140,000	129,254	322,132	120,417

Note 10: Post-Retirement Medical Benefits

The Township of Parsippany-Troy Hills provides certain post-retirement benefits to Township employees and their covered eligible dependents which include health insurance, prescription, dental and vision coverage. Eligible employees who retire in the Police and Firemen's Retirement System also receive life insurance coverage.

Upon retirement, to be eligible, employees in the Public Employees' Retirement System must have a minimum of twenty-five (25) years of pension service and twenty-five (25) years of service with the Township. Employees in the Police and Firemen's Retirement System must have a minimum of twenty-five (25) years of pension service and fifteen (15) years of service with the Township.

Eligible retirees under the Public Employees' Retirement System will receive post-retirement benefits until they reach the age of 65. Eligible retirees under the Police and Firemen's Retirement System will receive post-retirement benefits for life.

Funding Policy

The Township is not required to nor does it contribute the annual required contribution (ARC) per N.J.S.A. 40A:4-1 et. seq. There is currently no provision under State statute for the Township to accrue funds, create a trust or issue debt to finance their other post employment benefit ("OPEB") liability.

Currently, there are no contribution requirements of plan members for healthcare benefits.

The Township accounts for certain post-employment health care benefits provided in accordance with Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Employers that participate in *single-employer* or *agent multiple-employer defined benefit* OPEB plans (sole and agent employers) are required to measure and disclose an amount for annual OPEB cost on the accrual basis of accounting. Annual OPEB cost is equal to the employer's annual required contribution to the plan (ARC), with certain adjustments if the employer has a net OPEB obligation for past under- or over contributions.

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Continued)

Note 10: Post-Retirement Medical Benefits (Cont'd)

The ARC is defined as the employer's required contributions for the year, calculated in accordance with certain parameters, and includes (a) the normal cost for the year and (b) a component for amortization of the total unfunded actuarial accrued liabilities (or funding excess) of the plan over a period not to exceed thirty years. If the methods and assumptions used in determining a plan's funding requirements meet the parameters, the same methods and assumptions are required for financial reporting by both a plan and its participating employer(s). However, if a plan's method of financing does not meet the parameters (for example, the plan is financed on a pay-as-you-go basis), the parameters nevertheless apply for financial reporting purposes.

The Township as a sole employer should recognize OPEB expense in an amount equal to annual OPEB cost. Net OPEB obligations, if any, should be displayed as liabilities (or assets) in the financial statements.

Annual OPEB Cost and Net OPEB Obligation

The Township's annual OPEB cost is calculated based on the annual required contribution (ARC) of the employer. The Township has engaged an actuary to calculate the ARC and related information per the provisions of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial accrued liabilities over a period not to exceed 30 years, with an assumption that payroll increases by 4% per year.

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include economic assumptions; benefit assumptions and demographic assumptions. Economic assumptions include the discount and health care cost trend rates. Benefit assumptions encompass the initial per capita costs rates for medical coverage. Finally, demographic assumptions include probabilities concerning retirement, mortality, termination without being eligible for benefits, disability, participation rates and coverage levels. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and included the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the 2013, 2014 and 2015 actuarial valuations, the projected unit credit cost method was used. Under this method, the present value of benefits is allocated uniformly over an employee's expected working lifetime. For medical benefits, the initial rate utilized is 8.0% and decreases to a 5.0% long-term trend rate for all medical benefits in 2021.

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Continued)

Note 10: Post-Retirement Medical Benefits (Cont'd)

Annual OPEB Cost per Actuarial Valuation

The following table shows the components of the Township's annual OPEB cost for the year, the amount actually contribution to the plan and the Township's obligation to the Plan at December 31, 2013, 2014 and 2015.

Benefit Obligations and Normal Cost

	Valuation December 31,		
	2013	2014	2015
Actuarial accrued liability (AAL):			
Retired employees	\$ 53,144,381	\$ 51,143,732	\$ 48,734,536
Active employees	33,316,480	37,493,648	41,951,683
Unfunded actuarial accrued liability (UAAL)	<u>\$ 86,460,861</u>	<u>\$ 88,637,380</u>	<u>\$ 90,686,219</u>
Normal cost at beginning of year	\$ 1,823,682	\$ 2,844,509	\$ 2,958,289
Amortization factor based on 30 years	\$ 2,878,546	\$ 2,997,310	\$ 3,072,762
Annual covered payroll	N/A	N/A	N/A
UAAL as a percentage of covered payroll	N/A	N/A	N/A

Level Dollar Amortization

Calculation of ARC under Projected Unit Credit Cost Method

ARC normal cost with interest to end of year	\$ 1,823,682	\$ 2,844,509	\$ 2,958,289
Amortization of unfunded actuarial accrued liability (UAAL) over 30 years with interest at year end	<u>2,878,546</u>	<u>2,997,310</u>	<u>3,072,762</u>
Annual Required Contribution (ARC)	4,702,228	5,841,819	6,031,051
Interest on net OPEB obligation	360,900	383,369	480,751
Adjustment to ARC		<u>254,879</u>	<u>254,879</u>
Annual OPEB cost (expense)	<u>5,063,128</u>	<u>6,480,067</u>	<u>6,766,681</u>
Pay as you go benefits	<u>(3,498,900)</u>	<u>(4,045,514)</u>	<u>(4,367,593)</u>
Net OPEB expense at December 31,:			
2013, 2014 and 2015, respectively	1,564,228	2,434,553	2,399,088
Prior year	<u>8,020,000</u>	<u>9,584,228</u>	<u>12,018,781</u>
Net OPEB obligation December 31,:			
2013, 2014 and 2015, respectively	<u>\$ 9,584,228</u>	<u>\$ 12,018,781</u>	<u>\$ 14,417,869</u>
Projected unfunded actuarial accrued liability (December 31, 2013)			<u>\$ 86,460,861</u>
Projected unfunded actuarial accrued liability (December 31, 2014)			<u>\$ 88,637,380</u>
Projected unfunded actuarial accrued liability (December 31, 2015)			<u>\$ 90,686,219</u>

N/A - Not Available

Funding Status and Funding Progress

As of December 31, 2015 based on the 2015 valuation the actuarial accrued liability for benefits was \$90,686,219, all of which is unfunded.

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Continued)

Note 11: Deferred Compensation Plan

The Township of Parsippany-Troy Hills offers its employees two deferred compensation plans (the "Plan") created in accordance with Section 457 of the Internal Revenue Code. The Plans, which are administered by American United Life Insurance Company and Metropolitan 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.

Note 12: Interfund Receivables and Payables

The following interfund balances remain on the balance sheet at December 31, 2015:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 1,289,115	\$ 531,723
Federal and State Grand Fund	290,326	41,177
Animal Control Fund	58,490	
Other Trust Funds		338,303
General Capital Fund	526,290	290,326
Water Utility Operating Fund	2,945	387,783
Water Utility Capital Fund		2,945
Sewer Utility Operating Fund		587,777
Golf and Recreation Utility Operating Fund	29,069	14,075
Golf and Recreation Utility Capital Fund	26,943	29,069
	<u>\$ 2,223,178</u>	<u>\$ 2,223,178</u>

The Township utilizes the Current Fund as a clearing account for receipts and disbursements of the other funds. The Chief Financial Officer monitors all interfunds for these accounts and liquidates them on a monthly basis.

Note 13: 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, 2015.

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.

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
 (Continued)

Note 13: Commitments and Contingencies (Cont'd)

Various tax appeals on assessed valuations have been filed against the Township and are awaiting tax court decisions. The ultimate outcome and effect of such appeals have not been determined; however, the Township Tax Assessor will aggressively defend the Township's assessments. The Township has established a reserve for this contingency in the amount of \$1,155,761.

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, and possibly one other municipality owes Parsippany-Troy Hills. The amount recorded as receivable on the Sewer Utility Fund balance sheet at December 31, 2015 is fully reserved, therefore the possible cancellation of part of the receivable will not impact operations, but would reduce the receivable and offsetting reserve.

Note 14: Deferred Charges to be Raised in Succeeding Years

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2015, the Township had the following deferred charges:

	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>2016 Budget</u> <u>Appropriation</u>	<u>To Be</u> <u>Raised in</u> <u>Subsequent</u> <u>Budget</u>
Current Fund:			
Special Emergency Appropriation	\$ 3,132,859	\$ 1,059,683	\$ 2,073,176

The appropriation in the 2016 budget is not less than that required by statute.

Note 15: 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.

TOWNSHIP OF PARSIPPANY-TROY HILLS

SUPPLEMENTARY DATA

TOWNSHIP OF PARSIPPANY-TROY HILLS
ROSTER OF OFFICIALS
YEAR ENDED DECEMBER 31, 2015

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

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Name of Corporate or Personal Surety</u>
James R. Barberio	Mayor		
Paul Carifi, Jr.	Council President		
Robert Peluso	Council VicePresident		
Brian Stanton	Councilman		
Louis Valori	Councilman		
Michael J. dePierro	Councilman		
Ellen Sandman	Administrator; Clerk (from 10/15/15)	*	
Yancy Wazirmas	Clerk (to 10/14/15)	*	
Ann Cucci	Chief Financial Officer	\$1,000,000	Garden State Municipal Joint Insurance Fund
Terrence Whalen	Tax Collector	\$1,000,000	Garden State Municipal Joint Insurance Fund
Daniel Cassese	Tax Assessor	*	
Michael Hardie	Director of Purchasing	*	
Justin Lizza	Engineer		
John P. Inglesino	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
2015
CURRENT FUND

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2014	A	\$ 18,554,120.09
Increased by Receipts:		
Tax Collector	\$ 197,436,062.24	
Revenue Accounts Receivable	16,075,752.61	
Miscellaneous Revenue Not Anticipated	838,699.61	
Due from / to State of New Jersey:		
Veterans and Senior Citizens' Deductions	311,843.98	
Construction Code Fees Payable	133,597.00	
Marriage License Fees Payable	6,525.00	
Burial Fees Payable	45.00	
Interest on Investments	57,581.65	
Watershed Moratorium	55,178.00	
Special Emergency Notes Payable	1,769,275.00	
Due to/from:		
Federal and State Grant Fund:		
Federal and State Grants Receivable	252,984.07	
Unappropriated Reserves	8,098.96	
General Capital Fund	448,601.96	
Golf and Recreation Utility Operating Fund	49,440.00	
Golf and Recreation Utility Capital Fund	26,943.36	
Public Assistance Trust Fund	80.58	
Prepaid Revenue:		
Licenses	44,950.00	
Miscellaneous Revenue Not Anticipated - Lease Rentals	10,889.81	
	<hr/>	217,551,548.83
		<hr/>
		236,105,668.92
Decreased by Disbursements:		
2015 Appropriation Expenditures	57,503,347.11	
2014 Appropriation Reserves	6,481,431.22	
Accounts Payable	20,917.44	
Tax Overpayment Refunds	129,002.07	
Local School District Taxes	130,153,758.00	
County Taxes	21,384,955.93	
Fire District Taxes	3,188,641.00	
Due State of New Jersey:		
Marriage License Fees Payable	6,250.00	
Construction Code Fees Payable	130,267.00	
Burial Fees Payable	20.00	
Reserve for Tax Appeals	346,150.63	
Refund of Prior Year Revenue	8,567.48	
Due to / from:		
Federal and State Grant Fund:		
Appropriated Reserves	261,118.54	
Animal Control Fund	9,398.74	
Other Trust Fund	1,840,449.01	
Open Space Trust Fund - Open Space Tax Levy	1,438,970.28	
Water Utility Operating Fund	341,845.42	
Sewer Utility Operating Fund	704,339.99	
Payroll	4,819.89	
	<hr/>	223,954,249.75
		<hr/>
		\$ 12,151,419.17
		<hr/>
Balance December 31, 2015	A	<hr/>

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2015

Increased by Receipts:

Taxes Receivable	\$ 195,895,949.47	
Tax Title Liens Receivable	545.01	
2016 Prepaid Taxes	1,130,582.27	
Interest and Costs on Taxes	388,736.58	
Tax Overpayments	20,248.91	
		\$ 197,436,062.24

Decreased by:

Payments to Treasurer		<u>\$ 197,436,062.24</u>
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TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
SCHEDULE OF CASH - GRANT FUNDS
YEAR ENDED DECEMBER 31, 2015

NOT APPLICABLE

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

Year	Balance	2015 Levy	Collections		State of NJ Veterans' and Senior Citizens' Deductions	Cancelled	Trans- ferred to Tax Title Liens	Balance
	Dec 31, 2014		2014	2015				Dec 31, 2015
2013	\$ 750.01			\$ 250.01	\$ 250.00	\$ 250.00		
2014	1,263,981.49			1,285,610.12	(24,604.11)		\$ 117.68	\$ 2,857.80
	1,264,731.50			1,285,860.13	(24,354.11)	250.00	117.68	2,857.80
2015		\$ 197,396,005.24	\$ 1,170,269.63	194,610,089.34	358,137.83	38,090.43	6,181.72	1,213,236.29
	<u>\$ 1,264,731.50</u>	<u>\$ 197,396,005.24</u>	<u>\$ 1,170,269.63</u>	<u>\$ 195,895,949.47</u>	<u>\$ 333,783.72</u>	<u>\$ 38,340.43</u>	<u>\$ 6,299.40</u>	<u>\$ 1,216,094.09</u>

Ref. A

A

Analysis of 2015 Property Tax Levy

Tax Yield:

General Purpose Tax	\$ 193,252,664.42
Business Personal Property Taxes	11,391.13
Special District Taxes	3,197,824.50
Added and Omitted Taxes	934,125.19
	<u>\$ 197,396,005.24</u>

Tax Levy:

Local School District Taxes	\$ 126,663,553.00
Open Space Taxes	1,438,970.28
Special District Taxes	3,197,824.50
County Taxes	\$ 21,328,776.33
Due County for Added and Omitted Taxes	101,907.22
	<u>21,430,683.55</u>
	152,731,031.33
Local Tax for Municipal Purposes Levied	40,939,682.55
Minimum Library Tax Levied	2,830,040.49
Add: Additional Tax Levied	895,250.87
	<u>44,664,973.91</u>
	<u>\$ 197,396,005.24</u>

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

	<u>Ref.</u>	
Balance December 31, 2014	A	\$ 113,879.45
Increased by:		
Transfer from Taxes Receivable		\$ 6,299.40
Interest and Costs Accrued at Sale		<u>141.94</u>
		<u>6,441.34</u>
		<u>120,320.79</u>
Decreased by:		
Collections		<u>545.01</u>
Balance December 31, 2015	A	<u><u>\$ 119,775.78</u></u>

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

	<u>Balance</u> <u>Dec 31, 2014</u>	<u>Accrued</u> <u>in 2015</u>	<u>Received</u> <u>in 2015</u>	<u>Balance</u> <u>Dec 31, 2015</u>
Clerk:				
Alcoholic Beverages Licenses		\$ 89,394.00	\$ 89,394.00	
Other Licenses		20,439.00	20,439.00	
Registrar:				
Fees and Permits		8,163.00	8,163.00	
Health:				
Other Licenses		154,575.00	154,575.00	
Fees and Permits		7,050.00	7,050.00	
Board of Adjustment:				
Fees and Permits		36,474.10	36,474.10	
Zoning:				
Fees and Permits		61,025.68	61,025.68	
Engineering:				
Fees and Permits		39,261.09	39,261.09	
Fire Prevention:				
Fees and Permits		182,981.00	182,981.00	
Planning Board:				
Fees and Permits		12,066.35	12,066.35	
Off Duty Police:				
Fees and Permits		189,445.37	189,445.37	
Recreation:				
Fees and Permits		319,861.86	319,861.86	
Board of Housing:				
Fees and Permits		157,020.00	157,020.00	
Department of Public Works:				
Fees and Permits		22,140.00	22,140.00	
Mayor:				
Fees and Permits		1,780.00	1,780.00	
Purchasing:				
Fees and Permits		5,850.00	5,850.00	
Tax Collector:				
Fees and Permits		820.00	820.00	
Police:				
Fees and Permits		8,721.60	8,721.60	

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

	<u>Ref.</u>	
Balance December 31, 2014	A	<u>\$ 191,926.95</u>
Balance December 31, 2015	A	<u><u>\$ 191,926.95</u></u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
SCHEDULE OF 2014 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2015

	Balance Dec 31, 2014	Balance After Modi- fication	Paid or Charged	Balance Lapsed
General Government:				
General Administration:				
Salaries and Wages	\$ 87,183.49	\$ 37,183.49	\$ 27,007.87	\$ 10,175.62
Other Expenses	30,033.71	30,033.71	2,027.28	28,006.43
Township Council:				
Salaries and Wages	1,921.41	1,921.41	1,010.00	911.41
Other Expenses	2,500.00	2,500.00		2,500.00
Municipal Clerk:				
Salaries and Wages	9,743.13	9,743.13	5,664.39	4,078.74
Other Expenses	54,258.69	54,258.69	4,730.54	49,528.15
Treasury:				
Salaries and Wages	12,494.19	12,494.19	2,200.92	10,293.27
Other Expenses	30,134.58	30,134.58	4,025.86	26,108.72
Audit	7,910.25	7,910.25	5,725.00	2,185.25
Tax Collection:				
Salaries and Wages	31,119.32	31,119.32	2,403.25	28,716.07
Other Expenses	17,841.21	17,841.21	11,105.07	6,736.14
Tax Assessing:				
Salaries and Wages	14,434.00	14,434.00	12,479.37	1,954.63
Other Expenses	24,002.68	24,002.68	1,302.76	22,699.92
Legal Services and Costs:				
Other Expenses	69,504.57	137,448.57	137,150.04	298.53
Engineering Services and Costs:				
Salaries and Wages	27,852.50	27,852.50	21,775.61	6,076.89
Other Expenses	44,128.51	44,128.51	7,358.80	36,769.71
Department of Planning:				
Salaries and Wages	2,235.07	2,235.07	2,235.07	
Other Expenses	10,159.05	10,159.05	9,129.32	1,029.73
Board of Adjustment:				
Salaries and Wages	3,005.72	3,005.72	2,979.55	26.17
Other Expenses	3,119.67	3,119.67	2,427.82	691.85
Housing and Zoning Code Enforcement:				
Salaries and Wages	41,863.48	41,863.48	17,999.23	23,864.25
Other Expenses	6,427.58	6,427.58	3,006.04	3,421.54
Insurance:				
Liability Insurance	47,022.65	47,022.65	8,357.26	38,665.39
Worker Compensation	45,290.09	45,290.09	45,290.09	
Employee Health and Group Life	3,574,761.72	3,574,761.72	3,574,761.72	

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
SCHEDULE OF 2014 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2015

	<u>Balance</u> <u>Dec 31, 2014</u>	<u>Balance</u> <u>After Modi-</u> <u>fication</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Public Safety:				
Police Department:				
Salaries and Wages	\$ 364,621.09	\$ 364,621.09	\$ 364,621.09	
Other Expenses	86,034.62	86,034.62	64,954.66	\$ 21,079.96
Office of Emergency Management:				
Salaries and Wages	1,812.71	1,812.71		1,812.71
Other Expenses	17,194.37	17,194.37	14,739.83	2,454.54
Fire Prevention Bureau:				
Salaries and Wages	20,072.60	20,072.60	12,911.71	7,160.89
Other Expenses	33,314.44	33,314.44	8,328.70	24,985.74
Municipal Court:				
Salaries and Wages	53,264.85	23,264.85	15,946.31	7,318.54
Other Expenses	11,017.93	11,017.93	1,522.50	9,495.43
Prosecutor:				
Other Expenses	2,589.00	2,589.00	2,589.00	
Street and Road Maintenance:				
Salaries and Wages	48,864.76	88,864.76	73,251.65	15,613.11
Other Expenses	273,016.99	450,072.99	201,574.56	248,498.43
Garbage and Trash Removal:				
Salaries and Wages	144,227.68	104,227.68	83,977.65	20,250.03
Other Expenses	92,391.05	92,391.05	85,362.72	7,028.33
Buildings and Grounds:				
Salaries and Wages	64,693.11	14,693.11	14,381.28	311.83
Other Expenses	75,363.38	75,363.38	74,009.47	1,353.91
Vehicle Maintenance:				
Other Expenses	143,540.41	143,540.41	103,101.02	40,439.39
Condominium Cost	350,000.00	350,000.00	220,149.34	129,850.66
Public Health Services:				
Salaries and Wages	43,564.94	42,664.94	33,075.66	9,589.28
Other Expenses	79,274.07	79,274.07	70,198.49	9,075.58
Senior Citizen Center:				
Salaries and Wages	16,994.95	16,994.95	7,476.96	9,517.99
Other Expenses	2,821.49	2,821.49	588.50	2,232.99

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
SCHEDULE OF 2014 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2015

	Balance Dec 31, 2014	Balance After Modi- fication	Paid or Charged	Balance Lapsed
Recreation Services:				
Salaries and Wages	\$ 23,569.66	\$ 23,569.66	\$ 10,769.31	\$ 12,800.35
Other Expenses	15,895.26	15,895.26	10,890.81	5,004.45
Maintenance of Parks:				
Salaries and Wages	82,650.12	52,650.12	52,650.12	
Other Expenses	74,802.75	74,802.75	74,429.43	373.32
Unclassified Expenditures:				
Electricity	88,233.27	43,233.27	36,788.43	6,444.84
Street Lighting	57,430.27	57,430.27	52,110.00	5,320.27
Telephone	31,874.56	31,874.56	23,115.42	8,759.14
Gas (Natural or Propane)	29,231.38	29,231.38	20,286.30	8,945.08
Gasoline	207,992.63	57,992.63	36,445.55	21,547.08
Solid Waste Disposal Costs	323,505.98	323,505.98	274,727.70	48,778.28
Department of Buildings and Inspections:				
Salaries and Wages	51,670.82	51,670.82	45,244.47	6,426.35
Other Expenses	39,320.28	39,320.28	29,619.75	9,700.53
Salary Adjustment	275,000.00	348,853.00	275,000.00	73,853.00
Contingent	180.00	180.00		180.00
Contribution to :				
Public Employees' Retirement System	5,015.93	5,015.93		5,015.93
Social Security System (O.A.S.I)	43,393.74	79,540.74	79,539.97	0.77
DCRP Pension	1,579.63	1,579.63		1,579.63
Police and Firemen's Retirement System of	0.78	0.78		0.78
Contribution to LOSAP	57,000.00	57,900.00	57,900.00	
Maintenance of Free Public Library	42,000.08	42,000.08	37,000.00	5,000.08
	<u>\$ 7,573,968.85</u>	<u>\$ 7,573,968.85</u>	<u>\$ 6,481,431.22</u>	<u>\$ 1,092,537.63</u>

Analysis of Balance December 31, 2014

	<u>Ref.</u>
Encumbered	A \$ 963,921.77
Unencumbered	A <u>6,610,047.08</u>
	<u>\$ 7,573,968.85</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2015

	<u>Ref.</u>	
Balance December 31, 2014	A	\$ 3,490,205.00
Increased by:		
Levy - Calendar Year 2015		126,663,553.00
		<u>130,153,758.00</u>
Decreased by:		
Payments to Local School District		<u>130,153,758.00</u>
Balance December 31, 2015	A	<u><u>\$ -0-</u></u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
SCHEDULE OF SPECIAL EMERGENCY NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2015

Date Authorized	Purpose	Date of		Interest Rate	Issued	Balance Dec. 31, 2015
		Issue	Maturity			
12/15/2015	Accrued Vacation and Sick Time Liabilities	12/23/2015	12/21/2016	1.15%	\$ 1,769,275.00	\$ 1,769,275.00
					<u>\$ 1,769,275.00</u>	<u>\$ 1,769,275.00</u>
				<u>Ref.</u>		A

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

Grant	Balance Dec 31, 2014	2015 Realized Revenue	2015 Receipts	Transferred from Unappropriated Reserves	Cancelled	Balance Dec 31, 2015
Clean Communities		\$ 111,553.38	\$ 111,553.38			
Juvenile Accountability Incentive (JAIBG) unappropriated		5,005.00		\$ 5,005.00		
Body Armor Grant (Unappropriated)		17,096.51	8,330.08	8,766.43		
Emergency Management Grant		5,000.00		5,000.00		
Drunk Driving Enforcement		19,499.82	19,499.82			
Recycling Grant (Unappropriated)		85,203.04		85,203.04		
State of NJ Pedestrian Grant FY 2011	\$ 8,000.00					\$ 8,000.00
State of NJ Pedestrian Grant FY 2013	9,900.00					9,900.00
Hazard Mitigation Grant (FEMA)	290,325.55		290,325.55			
County of Morris - Municipal Alliance Grant 2012	11,009.10				\$ 11,009.10	
County of Morris - Municipal Alliance Grant 2014/2015		28,143.00	27,253.38			889.62
County of Morris - Municipal Alliance Grant 2015 Extension	11,737.27	2,000.00				13,737.27
Click It or Ticket	100.00	4,000.00	4,000.00		100.00	
Highway Safety - Aggressive Driving Grant		8,347.41	8,347.41			
Highlands Initial Assessment	24,057.67					24,057.67
ROID Grant		20,000.00	20,000.00			
Alcohol Education Rehabilitation and Enforcement		413.56		413.56		
No Net Loss Grant	54,000.00		54,000.00			
	<u>\$ 409,129.59</u>	<u>\$ 306,261.72</u>	<u>\$ 543,309.62</u>	<u>\$ 104,388.03</u>	<u>\$ 11,109.10</u>	<u>\$ 56,584.56</u>
Ref.	A					A
Original Budget		\$ 277,931.64				
Added by NJSA 40A:4-87		<u>28,330.08</u>				
		<u>\$ 306,261.72</u>				
Received by Current Fund			\$ 252,984.07			
Due from General Capital Fund			<u>290,325.55</u>			
			<u>\$ 252,984.07</u>			

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

Grant	Balance Dec 31, 2014	Cash Received	Budget Revenue Realized	Balance Dec 31, 2015
Recycling Tonnage Grant	\$ 85,203.04		\$ 85,203.04	
Emergency Mgt Assistance	5,000.00		5,000.00	
Municipal Alcohol and Rehabilitation	413.56		413.56	
Body Armor Grant	8,766.43		8,766.43	
Juvenile Accountability Incentive (JAIBG) FY 2014	5,005.00		5,005.00	
DMV Drunk Driving		\$ 8,098.96		\$ 8,098.96
	<u>\$ 104,388.03</u>	<u>\$ 8,098.96</u>	<u>\$ 104,388.03</u>	<u>\$ 8,098.96</u>

Ref.

A

A

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

Grant	Balance Dec 31, 2014	Transferred From 2015 Budget Appropriations	Paid or Charged	Cancelled	Balance Dec 31, 2015
Drunk Driving Enforcement Fund - FY 2012	\$ 878.74			\$ 878.74	
Drunk Driving Enforcement Fund - FY 2015		\$ 19,499.82	\$ 11,988.14		\$ 7,511.68
Clean Communities Program - FY 2014	10,078.67		10,078.67		
Clean Communities Program - FY 2015		111,553.38	94,952.73		16,600.65
Pedestrian Safety Grant - FY 2013	10,800.00				10,800.00
Highway Safety - Aggressive Driving Grant		8,347.41			8,347.41
Tobacco Age of Sale Enforcement - Grant (TASE) 2005	354.00			354.00	
Tobacco Age of Sale Enforcement - Grant (TASE) 2009	12.72			12.72	
Body Armor Grant - FY 2013	648.68		648.68		
Body Armor Grant - FY 2015		8,766.43	6,820.32		1,946.11
Body Armor Grant - FY 2016		8,330.08			8,330.08
No Net Loss Grant - PF14-07	54,000.00		3,046.00		50,954.00
Tonnage Grant - FY 2005	1,108.00				1,108.00
Tonnage Grant - FY 2006	288.00				288.00
Tonnage Grant - FY 2013	1,022.73		1,022.73		
Tonnage Grant - FY 2014	67,184.50		67,184.50		
Tonnage Grant - FY 2015		85,203.04			85,203.04
Hazardous Discharge Site Remediation	3,940.00				3,940.00
State of NJ 9-1-1 Grant - FY 2007	2,279.00			2,279.00	
Emergency Assistance FY 2010	527.77				527.77
Emergency Assistance FY 2011	5,000.00				5,000.00
Emergency Assistance FY 2012	5,000.00				5,000.00
Emergency Assistance		5,000.00			5,000.00
Hang Up and Just Drive	200.00			200.00	
Click It or Ticket 2013 Seat Belt Mobilization	700.00			100.00	600.00
Click It or Ticket 2015 Seat Belt Mobilization		4,000.00	4,000.00		
Historical Preservation Trust - Bowsby - DeGelleke	16,000.00		16,000.00		
Civil Defense Donation - Radiation Detection	1,401.62				1,401.62

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

Grant	Balance Dec 31, 2014	Transferred From 2015 Budget Appropriations	Paid or Charged	Cancelled	Balance Dec 31, 2015
County of Morris - Municipal Alliance 2011	\$ 1,849.83		\$ 1,849.83		
County of Morris - Municipal Alliance 2012	11,168.70		159.60	\$ 11,009.10	
County of Morris - Municipal Alliance 2013	14,989.49		14,989.49		
County of Morris - Municipal Alliance 2014/2015		\$ 28,143.00	7,388.18		\$ 20,754.82
County of Morris - Municipal Alliance Match	2,309.62				2,309.62
County of Morris - Municipal Alliance 2013 Extension		2,000.00	2,000.00		
County of Morris - Municipal Alliance Match		13,750.00	13,750.00		
Alcohol Education Rehabilitation and Enforcement - 2014		413.56			413.56
Alcohol Education Rehabilitation and Enforcement - 2013	2,638.73				2,638.73
Highlands Initial Assessment Grant	25,258.57				25,258.57
Juvenile Acct Leadership (JAG) - 2012	234.67		234.67		
Juvenile Acct Leadership (JAG) - 2014		5,005.00	5,005.00		
Storm Regulation	10,310.00				10,310.00
Safe Corridors - 2012 Grant	2,070.39			2,070.39	
Safe Corridors - 2013 Grant	910.01			910.01	
Donation - Community Partnership	890.03				890.03
Donation - Senior Activities FY 2013	1,000.00				1,000.00
Donation - Volunteer Ambulance	1,500.00				1,500.00
ROID Grant		20,000.00			20,000.00
	<u>\$ 256,554.47</u>	<u>\$ 320,011.72</u>	<u>\$ 261,118.54</u>	<u>\$ 17,813.96</u>	<u>\$ 297,633.69</u>
	Ref. A				A
Grant Funds		\$ 306,261.72			
Matching Share		13,750.00			
		<u>\$ 320,011.72</u>			
Cancelled to Grants Receivable				\$ 11,109.10	
Cancelled to Current Fund Balance				6,704.86	
				<u>\$ 17,813.96</u>	

TOWNSHIP OF PARSIPPANY-TROY HILLS
COUNTY OF MORRIS
2015
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, 2014	B	\$ -0-	\$ 12,521,396.02
Increased by Receipts:			
Animal Control Fees		\$ 31,210.00	
Due to State of New Jersey		4,187.40	
Miscellaneous		14,909.00	
Prepaid Licenses		4,250.40	
Reserve for Donations		2,307.22	
Due from Current Fund - Budget Appropriation		170,000.00	
Due from Current Fund - Interfund		9,398.74	
Special Deposits			\$ 2,843,262.46
Premiums on Tax Sale			735,400.00
Security Deposits			17.10
Off Duty Police Deposits			773,041.25
Open Space Trust Fund Deposits and Interest			25,720.27
Worker's Compensation			841,420.47
Unemployment Insurance Trust Fund Deposits			232,528.43
Employee Health Benefit Fund Deposits			10,821,134.45
Federal Grants Receivable			97,088.31
Due from Municipal Court			1,520.00
Due from Sewer Utility Operating Fund			262,000.00
Due from Current Fund:			
Open Space Tax Levy			1,438,970.28
Interest			4,270.89
Interfund		525.00	1,840,449.01
		<u>236,787.76</u>	<u>19,916,822.92</u>
		236,787.76	32,438,218.94
Decreased by Disbursements:			
Due to State of New Jersey		4,150.80	
Expenditures Under R.S. 4:19-15.11		232,636.96	
Due to Municipal Court			1,849.00
Off Duty Police			833,276.11
Special Deposits			2,875,919.39
Premiums on Tax Sale			1,081,435.10
Municipal Open Space Preservation Trust Fund			559,915.69
Worker's Compensation			841,420.47
Unemployment Insurance Trust Fund Expenditures			178,657.21
Employee Health Benefit Fund Expenditures			10,919,206.67
Federal Grant Fund Expenditures			97,088.31
		<u>236,787.76</u>	<u>17,388,767.95</u>
Balance December 31, 2015	B	<u>\$ -0-</u>	<u>\$ 15,049,450.99</u>

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

	<u>Ref.</u>	
Balance December 31, 2014	B	\$ 46,471.29
Increased by:		
Animal License Fees Collected		\$ 31,210.00
Late Fees		315.00
Miscellaneous Fees		14,594.00
Budget Appropriation		170,000.00
Prepaid Licenses Applied		5,406.00
		221,525.00
		267,996.29
Decreased by:		
Animal Control Fund Expenditures Under R.S. 4:19-15.11		232,636.96
Balance December 31, 2015	B	\$ 35,359.33

License Fees Collected

<u>Year</u>	<u>Amount</u>
2013	\$ 35,341.80
2014	35,664.20
Maximum Allowable Reserve	\$ 71,006.00

TOWNSHIP OF PARSIPPANY-TROY HILLS
COUNTY OF MORRIS
2015
GENERAL CAPITAL FUND

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

	<u>Ref.</u>	
Balance December 31, 2014	C	\$ 3,360,202.54
Increased by Receipts:		
Received from Current Fund Budget Appropriation:		
Capital Improvement Fund		\$ 489,170.00
Payment of Bond Anticipation Notes		650,000.00
Due to/from Current Fund;		
Interest Earned		6,670.13
New Jersey Department of Transportation Grant Receivable		235,000.00
Reserve to Pay Debt Service		15,000.00
Due to Federal and State Grant Fund - Hazard Mitigation Grant (FEMA)		290,325.55
FEMA Grant Receivable		2,699,215.81
Premium on Note Sale		781,474.68
Bond Anticipation Notes Issued		29,932,000.00
		35,098,856.17
		38,459,058.71
Decreased by Disbursements:		
Improvement Authorization Expenditures		11,056,756.16
Bond Anticipation Notes Matured		20,198,000.00
Due to Current Fund as Anticipated Revenue:		
Interfund Returned		448,601.96
Reserve for Debt Service		7,217.39
Fund Balance		216,576.86
		31,927,152.37
Balance December 31, 2015	C	\$ 6,531,906.34

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

	Balance (Deficit) Dec. 31, 2014	Receipts			Disbursements			Transfers		Balance (Deficit) Dec. 31, 2015
		Other	Bond Anticipation Notes	Improvement Authorizations	Other	Bond Anticipation Notes	From	To		
Fund Balance	\$ 216,576.86	\$ 781,474.68			\$ 216,576.86				\$ 781,474.68	
Capital Improvement Fund	33,757.00	489,170.00				\$ 489,170.00			33,757.00	
Due from Current Fund	(4,358.14)	656,670.13			448,601.96	650,000.00			(446,289.97)	
Due to Federal and State Grant Fund		290,325.55							290,325.55	
Due from General Trust Fund - Open Space Trust						80,000.00			(80,000.00)	
Deposit For Regional Contribution Agreement	261,420.19								261,420.19	
Federal Emergency Management Agency Grant Receivable	(7,220,206.00)	2,699,215.81							(4,520,990.19)	
New Jersey Department of Transportation Grant Receivable	(460,000.00)	235,000.00							(225,000.00)	
County of Morris Open Space Grant Receivable	(1,593,415.50)								(1,593,415.50)	
Reserve for Developer Contributions - Road Improvement	79,652.68								79,652.68	
Reserve to Pay Debt Service	7,217.39	15,000.00			7,217.39				15,000.00	
Ord. No.	Improvement Description									
	<u>General Improvements:</u>									
02-23	Various Capital Improvements	1,612.50		\$ 1,612.50						
03-14	Various Capital Improvements	1,375.00		1,375.00						
04-23	Various Capital Improvements	137,252.31		100,701.58					36,550.73	
05-07	Various Capital Improvements	102,210.12		708.43					101,501.69	
06-08	Various Capital Improvements	239,076.85		22,280.53					216,796.32	
07-18	Various Capital Improvements	28,602.37		18,897.95					9,704.42	
08-13	Various Capital Improvements	481,107.08	\$ 278,750.00	94,999.68		\$ 298,750.00	\$ 20,000.00		386,107.40	
09-24	Various Capital Improvements	528,065.51	1,105,750.00	18,510.78		1,165,750.00	60,000.00		509,554.73	
10-13	Various Capital Improvements	1,350,431.75	3,801,340.00	964,302.48		3,840,000.00	150,000.00		497,469.27	
11-07	Various Capital Improvements	695,807.30	4,901,160.00	648,457.15		4,458,910.00	200,000.00		689,600.15	
12-24	Various Capital Improvements	(309,205.87)	6,180,000.00	1,537,803.60		3,877,790.00	220,000.00		675,200.53	
13-14	Various Capital Improvements	5,043,826.31	7,000,000.00	2,710,931.86		5,891,800.00			3,441,094.45	
13-31	Various Capital Improvements	4,210,497.87		202,917.58					4,007,580.29	
14-19	Building Improvements	699,125.00	665,000.00	2,005.00		665,000.00			697,120.00	
14-26	Various Capital Improvements - Renovation of Vail Road	225,000.00		225,000.00						
14-27	Various Capital Improvements	(1,395,226.04)	6,000,000.00	2,854,458.18					1,750,315.78	
15-22	Various Capital Improvements			1,651,793.86				569,170.00	(1,082,623.86)	
		<u>\$ 3,360,202.54</u>	<u>\$ 5,166,856.17</u>	<u>\$29,932,000.00</u>	<u>\$11,056,756.16</u>	<u>\$ 672,396.21</u>	<u>\$20,198,000.00</u>	<u>\$ 1,219,170.00</u>	<u>\$ 1,219,170.00</u>	<u>\$ 6,531,906.34</u>

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

Ord. No.	Improvement Description	Balance Dec. 31, 2014	2015 Improvement Authorizations	Notes Paid by Budget Appropriation	Balance Dec. 31, 2015	Analysis of Balance December 31, 2015		
						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			\$ 453,643.69
06-08	Various Capital Improvements	40,000.00			40,000.00			40,000.00
08-13	Various Capital Improvements	355,750.00		\$ 20,000.00	335,750.00	\$ 278,750.00		57,000.00
09-24	Various Capital Improvements	1,222,750.00		60,000.00	1,162,750.00	1,105,750.00		57,000.00
10-13	Various Capital Improvements	3,952,025.00		150,000.00	3,802,025.00	3,801,340.00		685.00
11-07	Various Capital Improvements	5,101,160.00		200,000.00	4,901,160.00	4,901,160.00		
12-24	Various Capital Improvements	7,307,400.00		220,000.00	7,087,400.00	6,180,000.00		907,400.00
13-14	Various Capital Improvements	9,624,500.00			9,624,500.00	7,000,000.00		2,624,500.00
14-19	Building Improvements	665,000.00			665,000.00	665,000.00		
14-27	Various Capital Improvements	7,273,000.00			7,273,000.00	6,000,000.00		1,273,000.00
15-22	Various Capital Improvements		\$ 9,294,211.00		9,294,211.00		\$ 1,082,623.86	8,211,587.14
		<u>\$ 35,995,228.69</u>	<u>\$ 9,294,211.00</u>	<u>\$ 650,000.00</u>	<u>\$ 44,639,439.69</u>	<u>\$ 29,932,000.00</u>	<u>\$ 1,082,623.86</u>	<u>\$ 13,624,815.83</u>

Ref

C

C

Improvement Authorizations - Unfunded

\$ 21,995,839.02

Less: Unexpended Proceeds of Bond Anticipation Notes Issued:

08-13	\$ (153,527.50)
09-24	(498,815.51)
10-13	(497,469.27)
11-07	(689,600.15)
12-24	(675,200.53)
13-14	(3,441,094.45)
14-19	(665,000.00)
14-27	<u>(1,750,315.78)</u>

(8,371,023.19)

\$ 13,624,815.83

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

Ord. No.	Improvement Description	Ordinance		Balance Dec. 31, 2014		2015 Improvement Authorizations			Balance Dec. 31, 2015		
		Date	Amount	Funded	Unfunded	Capital Improvement Fund	General Trust Fund - Open Space	Deferred Charges to Future Taxation - Unfunded	Paid or Charged	Funded	Unfunded
<u>General Improvements:</u>											
91-27	Regional Contribution Agreement - City of Newark	05/14/91	\$ 5,100,000.00		\$ 453,643.69						\$ 453,643.69
02-23	Various Capital Improvements	06/18/02	3,225,875.00	\$ 1,612.50				\$ 1,612.50			
03-14	Various Capital Improvements	05/13/03	2,304,150.00	1,375.00				1,375.00			
04-23	Various Capital Improvements	07/20/04	2,895,900.00	137,252.31				100,701.58	\$ 36,550.73		
05-07	Various Capital Improvements	05/10/05	4,459,829.00	102,210.12				708.43	101,501.69		
06-08	Various Capital Improvements	05/23/06	3,340,000.00	239,076.85	40,000.00			22,280.53	216,796.32		40,000.00
07-18	Various Capital Improvements	07/24/07	3,901,000.00	28,602.37				18,897.95	9,704.42		
08-13	Various Capital Improvements	05/13/08	3,918,233.00	327,579.58	210,527.50			94,999.68	232,579.90		210,527.50
09-24	Various Capital Improvements	06/16/09	5,617,000.00	29,250.00	555,815.51			18,510.78	10,739.22		555,815.51
10-13	Various Capital Improvements	07/20/10	5,974,500.00		1,462,456.75			964,302.48			498,154.27
11-07	Various Capital Improvements	06/21/11	5,256,800.00		1,338,057.30			648,457.15			689,600.15
12-24	Various Capital Improvements	06/19/12	7,927,000.00		3,120,404.13			1,537,803.60			1,582,600.53
13-14	Various Capital Improvements	06/19/13	11,733,700.00	1,347,310.69	7,429,215.62			2,710,931.86			6,065,594.45
13-31	Acquisition by Purchase and/or Elevation of Properties	12/20/13	9,626,941.00	4,210,497.87				202,917.58	4,007,580.29		
14-19	Building Improvements	07/08/14	700,000.00	34,125.00	665,000.00			2,005.00	32,120.00		665,000.00
14-26	Various Capital Improvements - Renovation of Vail Road	08/21/14	225,000.00	225,000.00				225,000.00			
14-27	Various Capital Improvements	08/21/14	7,840,000.00		5,877,773.96			2,854,458.18			3,023,315.78
15-22	Various Capital Improvements	09/15/15	9,863,381.00			\$ 489,170.00	\$ 80,000.00	\$ 9,294,211.00	1,651,793.86		8,211,587.14
				<u>\$ 6,683,892.29</u>	<u>\$21,152,894.46</u>	<u>\$ 489,170.00</u>	<u>\$ 80,000.00</u>	<u>\$ 9,294,211.00</u>	<u>\$11,056,756.16</u>	<u>\$ 4,647,572.57</u>	<u>\$21,995,839.02</u>
		<u>Ref.</u>		C	C					C	C

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

	<u>Ref.</u>	
Balance December 31, 2014	C	\$ 33,757.00
Increased by:		
Budget Appropriations		489,170.00
		<hr/> 522,927.00
Decreased by:		
Appropriated to Finance Improvement Authorizations		489,170.00
		<hr/> 489,170.00
Balance December 31, 2015	C	<u><u>\$ 33,757.00</u></u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES

Ord. No.	Improvement Description	Date of			Interest Rate	Balance Dec. 31, 2014	Issued	Matured	Balance Dec. 31, 2015
		Original Issue	Issue	Maturity					
08-13	Various Capital Improvements	10/04/12	09/25/14	09/25/15	1.25%	\$ 298,750.00	\$ 278,750.00	\$ 298,750.00	\$ 278,750.00
		10/04/12	09/24/15	09/23/16	2.00%				
09-24	Various Capital Improvements	10/04/12	09/25/14	09/25/15	1.25%	1,165,750.00	1,105,750.00	1,165,750.00	1,105,750.00
		10/04/12	09/24/15	09/23/16	2.00%				
10-13	Various Capital Improvements	10/04/12	09/25/14	09/25/15	1.25%	3,840,000.00	3,690,000.00	3,840,000.00	3,690,000.00
		10/04/12	09/24/15	09/23/16	2.00%				
		09/24/15	09/24/15	09/23/16	2.00%				
11-07	Various Capital Improvements	10/04/12	09/25/14	09/25/15	1.25%	4,215,710.00	4,015,710.00	4,215,710.00	4,015,710.00
		10/01/13	09/25/14	09/25/15	1.25%				
		10/04/12	09/24/15	09/23/16	2.00%				
		10/01/13	09/24/15	09/23/16	2.00%				
12-24	Various Capital Improvements	09/24/15	09/24/15	09/23/16	2.00%	2,687,790.00	2,522,210.00	2,687,790.00	2,522,210.00
		10/04/12	10/01/13	10/01/14	1.25%				
		10/01/13	10/01/13	10/01/14	1.25%				
		10/04/12	09/24/15	09/23/16	2.00%				
		10/01/13	09/24/15	09/23/16	2.00%				
13-14	Various Capital Improvements	10/01/13	10/01/13	10/01/14	1.25%	5,891,800.00	5,891,800.00	5,891,800.00	5,891,800.00
		10/01/13	09/24/15	09/23/16	2.00%				
		09/24/15	09/24/15	09/23/16	2.00%				
14-19	Acquisition of Property and Preliminary Costs Associated with The Renovation of an Existing Building	09/25/14	09/25/14	09/25/15	1.25%	665,000.00	665,000.00	665,000.00	665,000.00
		09/24/15	09/24/15	09/23/16	2.00%				
14-27	Various Capital Improvements	09/24/15	09/24/15	09/23/16	2.00%		6,000,000.00		6,000,000.00
						<u>\$ 20,198,000.00</u>	<u>\$ 29,932,000.00</u>	<u>\$ 20,198,000.00</u>	<u>\$ 29,932,000.00</u>
						<u>Ref.</u>	C		C
							\$ 10,384,000.00		
							19,548,000.00	\$ 19,548,000.00	
								650,000.00	
							<u>\$ 29,932,000.00</u>	<u>\$ 20,198,000.00</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, 2014	Matured	Balance Dec. 31, 2015
			Outstanding Dec.31, 2015 Date	Amount				
General Improvements	7/1/2008	\$ 17,000,000.00	7/1/2016	\$ 1,600,000.00	3.75%	\$ 8,850,000.00	\$ 1,550,000.00	\$ 7,300,000.00
			7/1/2017	1,700,000.00	3.75%			
			7/1/18-19	2,000,000.00	4.00%			
General Improvements	10/26/2010	14,425,000.00	11/1/16	1,150,000.00	2.00%	10,350,000.00	1,150,000.00	9,200,000.00
			11/1/2017	1,150,000.00	2.25%			
			11/1/2018	1,150,000.00	2.50%			
			11/1/2019	1,150,000.00	2.75%			
			11/1/20-23	1,150,000.00	3.00%			
Tax Appeal	10/26/2010	1,325,000.00				265,000.00	265,000.00	
						<u>\$ 19,465,000.00</u>	<u>\$ 2,965,000.00</u>	<u>\$ 16,500,000.00</u>
					<u>Ref.</u>	C		C

TOWNSHIP OF PARSIPPANY-TROY HILLS
GENERAL CAPITAL FUND
SCHEDULE OF GREEN ACRES TRUST ACQUISITION LOAN PAYABLE

Purpose	Ord. No.	Original Issue	Maturities of Loans		Interest Rate	Balance Dec. 31, 2014	Matured	Balance Dec. 31, 2015
			Outstanding Dec.31, 2015 Date	Amount				
Acquisition of Land	91-65	\$ 1,500,000.00	4/12/16	\$ 46,175.64	2.00%	\$ 137,159.89	\$ 90,984.25	\$ 46,175.64
Acquisition of Land	93-35	664,482.00	5/19/16	20,052.20	2.00%	100,270.96	39,510.77	60,760.19
			11/19/16	20,252.73				
			5/19/17	20,455.26				
						<u>\$ 237,430.85</u>	<u>\$ 130,495.02</u>	<u>\$ 106,935.83</u>
					<u>Ref.</u>	C		C

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

Ord. No.	Improvement Description	Balance Dec. 31, 2014	2015 Improvement Authorizations	Bond Anticipation Notes Issued	Balance Dec. 31, 2015
91-27	Regional Contribution Agreement - City of Newark	\$ 453,643.69			\$ 453,643.69
06-08	Various Capital Improvements	40,000.00			40,000.00
08-13	Various Capital Improvements	57,000.00			57,000.00
09-24	Various Capital Improvements	57,000.00			57,000.00
10-13	Various Capital Improvements	112,025.00		\$ 111,340.00	685.00
11-07	Various Capital Improvements	642,250.00		642,250.00	
12-24	Various Capital Improvements	3,429,610.00		2,522,210.00	907,400.00
13-14	Various Capital Improvements	3,732,700.00		1,108,200.00	2,624,500.00
14-27	Various Capital Improvements	7,273,000.00		6,000,000.00	1,273,000.00
15-22	Various Capital Improvements		\$ 9,294,211.00		9,294,211.00
		<u>\$ 15,797,228.69</u>	<u>\$ 9,294,211.00</u>	<u>\$ 10,384,000.00</u>	<u>\$ 14,707,439.69</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
COUNTY OF MORRIS
2015
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, 2014	D	\$ 6,299,712.67		\$ 1,672,008.33
Increased by Receipts:				
Consumer Accounts Receivable		\$ 8,334,646.39		
Water Rent Overpayments		36,096.18		
Interest on Investments		26,547.06	\$ 6,608.86	
Miscellaneous Revenue		21,683.35		
Due to/from Current Fund		341,845.42		
Due from Water Utility Capital Fund		5,658.67		
Received from Water Utility Operating Fund Budget Appropriation:				
Capital Improvement Fund			425,000.00	
Appropriation Reserve Refund		2,730.54		
Appropriation Refund		111,327.71		
Bond Anticipation Notes Issued			2,249,000.00	
		<u>8,880,535.32</u>		<u>2,680,608.86</u>
		15,180,247.99		4,352,617.19
Decreased by Disbursements:				
2015 Appropriation Expenditures		6,714,664.05		
2014 Appropriation Reserves		678,949.53		
Accrued Interest on Bonds		137,425.00		
Accrued Interest on Loans		5,650.00		
Accrued Interest on Notes		28,125.00		
Refund of Water Rents		9,359.65		
Refund of Prior Year Revenue		10,275.20		
Due to Current Fund:				
Fund Balance Utilized as Anticipated Revenue		200,000.00		
Due to Water Utility Operating Fund			5,658.67	
Due Water Utility Capital Fund - Expenditures on Behalf of				
of Water Utility Capital Fund		1,994.48		
Bond Anticipation Notes Matured			2,205,000.00	
Improvement Authorizations			411,005.40	
		<u>7,786,442.91</u>		<u>2,621,664.07</u>
Balance December 31, 2015	D	<u>\$ 7,393,805.08</u>		<u>\$ 1,730,953.12</u>

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

	Balance (Deficit) Dec. 31, 2014	Receipts			Disbursements			Transfers		Balance Dec. 31, 2015	
		Bond Anti- cipation Notes	Budget Appropriation	Miscel- laneous	Bond Anti- cipation Notes	Improvement Authori- zations	Miscel- laneous	From	To		
Fund Balance	\$ 89,281.77									\$ 89,281.77	
Due from Water Utility Operating Fund			\$ 425,000.00	\$ 6,608.86			\$ 5,658.67	\$ 425,000.00	\$ 1,994.48	2,944.67	
Capital Improvement Fund	14,498.22							125,000.00	425,000.00	314,498.22	
Reserve to Pay Debt Service	204,438.21							11,689.00		192,749.21	
Ord. No.											
		<u>General Improvements</u>									
06-15	Acquisition of a Remote Meter Reading System	17,135.57				\$ 17,135.57					
09-25	Improvements to Water Utility System	15,959.27				15,959.27					
10-14	Improvements to Water Utility System	1,397.75	\$ 95,750.00		\$ 95,750.00	1,397.75					
11-08	Improvements to Water Utility System	29,532.76	526,561.00		496,250.00	36,217.48			11,689.00	35,315.28	
12-25	Improvements to Water Utility System	42,937.50	676,689.00		663,000.00	1,839.88				54,786.62	
13-11	Improvements to Water Utility System	376,827.28	950,000.00		950,000.00	291,577.28		1,994.48		83,255.52	
14-25	Improvements to Water Utility System	880,000.00				41,883.17				838,116.83	
15-21	Improvements to Water Utility System					4,995.00			125,000.00	120,005.00	
		<u>\$ 1,672,008.33</u>	<u>\$ 2,249,000.00</u>	<u>\$ 425,000.00</u>	<u>\$ 6,608.86</u>	<u>\$ 2,205,000.00</u>	<u>\$ 411,005.40</u>	<u>\$ 5,658.67</u>	<u>\$ 563,683.48</u>	<u>\$ 563,683.48</u>	<u>\$ 1,730,953.12</u>

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

	<u>Ref.</u>	
Balance December 31, 2014	D	\$ 213,775.78
Increased by:		
Water Rents Levied		8,371,843.95
		<u>8,585,619.73</u>
Decreased by:		
Collections:		
Water Collections	\$ 8,334,646.39	
Overpayments Applied	<u>18,382.62</u>	
		<u>8,353,029.01</u>
Balance December 31, 2015	D	<u><u>\$ 232,590.72</u></u>

WATER UTILITY OPERATING FUND
SCHEDULE OF WATER UTILITY LIENS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2014	D	\$ 252.57
Balance December 31, 2015	D	<u><u>\$ 252.57</u></u>

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

	<u>Ref.</u>	
Balance December 31, 2014	D	\$ 127,410.00
Net Inventory Decrease		<u>(29,010.00)</u>
Balance December 31, 2015	D	<u>\$ 98,400.00</u>

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

	Balance Dec. 31, 2014	Additions by Ordinance	Balance Dec. 31, 2015
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	23,591,177.16	\$ 1,255,000.00	24,846,177.16
Meter Reader System	2,526,000.00	80,000.00	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
	<u>\$ 34,648,448.10</u>	<u>\$ 1,335,000.00</u>	<u>\$ 35,983,448.10</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, 2014	2015 Authorizations		Costs to Fixed Capital	Balance Dec.31, 2015
			Capital Improvement Fund	Deferred Charges to Future Revenue		
Acquisition of a Remote Meter Reading System	06-15	\$ 80,000.00			\$ 80,000.00	
Improvements to Water Utility System	09-25	990,000.00			990,000.00	
Improvements to Water Utility System	10-14	265,000.00			265,000.00	
Improvements to Water Utility System	11-08	595,000.00				\$ 595,000.00
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	15-21		\$ 125,000.00	\$ 1,995,000.00		2,120,000.00
		<u>\$ 5,135,000.00</u>	<u>\$ 125,000.00</u>	<u>\$ 1,995,000.00</u>	<u>\$ 1,335,000.00</u>	<u>\$ 5,920,000.00</u>
<u>Ref.</u>		D				D

TOWNSHIP OF PARSIPPANY-TROY HILLS
WATER UTILITY OPERATING FUND
SCHEDULE OF 2014 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2015

	Balance Dec. 31, 2014	Balance After Modification	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	\$ 71,708.15	\$ 71,708.15	\$ 71,708.15	
Other Expenses	730,284.12	730,284.12	591,752.08	\$ 138,532.04
Statutory Expenditures:				
Contribution to:				
Social Security (O.A.S.I.)	47,410.67	47,410.67	12,758.76	34,651.91
	\$ 849,402.94	\$ 849,402.94	\$ 676,218.99	\$ 173,183.95

Analysis of Balance December 31, 2014

	<u>Ref.</u>				
Unencumbered	D	\$ 654,032.09		Cash Disbursed	\$ 678,949.53
Encumbered	D	195,370.85		Refunded	(2,730.54)
		\$ 849,402.94			\$ 676,218.99

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

Ord. No.	Improvement Description	Ordinance		Balance Dec. 31, 2014		2015 Authorizations		Balance Dec. 31, 2015		
		Date	Amount	Funded	Unfunded	Capital Improvement Fund	Deferred Charges to Future Revenue	Paid or Charged	Funded	Unfunded
06-15	Acquisition of a Remote Meter Reading System	06/20/06	80,000.00	\$ 17,135.57				\$ 17,135.57		
09-25	Improvements to Water Utility System	06/16/09	990,000.00	15,959.27				15,959.27		
10-14	Improvements to Water Utility System	07/20/10	265,000.00		\$ 1,397.75			1,397.75		
11-08	Improvements to Water Utility System	06/21/11	595,000.00		71,532.76			36,217.48	\$ 35,315.28	
12-25	Improvements to Water Utility System	06/19/12	725,000.00		56,687.50			1,839.88		54,847.62
13-11	Improvements to Water Utility System	06/19/13	1,600,000.00		376,827.28			293,571.76		83,255.52
14-25	Improvements to Water Utility System	08/21/14	880,000.00	880,000.00				41,883.17	\$ 838,116.83	
15-21	Improvements to Water Utility System	09/15/15	2,120,000.00			\$ 125,000.00	\$ 1,995,000.00	4,995.00	120,005.00	1,995,000.00
				<u>\$ 913,094.84</u>	<u>\$ 506,445.29</u>	<u>\$ 125,000.00</u>	<u>\$ 1,995,000.00</u>	<u>\$ 412,999.88</u>	<u>\$ 958,121.83</u>	<u>\$ 2,168,418.42</u>
		<u>Ref.</u>		D	D				D	D

Cash Disbursed 411,005.40
 Due Water Operating Fund 1,994.48
412,999.88

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

	<u>Ref.</u>	
Balance December 31, 2014	D	\$ 14,498.22
Increased by:		
Water Operating Fund Budget Appropriation		<u>425,000.00</u>
		439,498.22
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>125,000.00</u>
Balance December 31, 2015	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, 2014	D	\$ 31,504,662.26
Increased by:		
Water Utility Operating Budget:		
Serial Bonds		\$ 810,000.00
Payment of Infrastructure Loans		28,302.66
Transfer from Deferred Reserve for Amortization		<u>148,750.00</u>
		<u>987,052.66</u>
Balance December 31, 2015	D	<u>\$ 32,491,714.92</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, 2014	2015 Authorizations	Funded by Operating Budget	Funded By Reserve to Pay Debt Service	Amortization Fixed Capital	Balance Dec. 31, 2015
06-15	Acquisition of a Remote Meter Reading System	06/20/06	\$ 80,000.00				\$ 80,000.00	
09-25	Improvements to Water Utility System	06/16/09	49,500.00				49,500.00	
10-14	Improvements to Water Utility System	07/20/10	13,250.00		\$ 6,000.00		19,250.00	
11-08	Improvements to Water Utility System	06/21/11	29,750.00		27,000.00	\$ 11,689.00		\$ 68,439.00
12-25	Improvements to Water Utility System	06/19/12	36,250.00		12,000.00			48,250.00
13-11	Improvements to Water Utility System	06/19/13	650,000.00					650,000.00
14-25	Improvements to Water Utility System	08/21/14	880,000.00					880,000.00
15-21	Improvements to Water Utility System	09/15/15		\$ 125,000.00				125,000.00
			<u>\$ 1,738,750.00</u>	<u>\$ 125,000.00</u>	<u>45,000.00</u>	<u>\$ 11,689.00</u>	<u>\$ 148,750.00</u>	<u>\$ 1,771,689.00</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	Date of			Interest Rate	Balance		Balance	
		Original Issue	Issue	Maturity		Dec. 31, 2014	Issued	Matured	Dec. 31, 2015
10-14	Improvements to Water Utility System	10/04/12	09/25/14	09/25/15	1.25%	\$ 101,750.00		\$ 101,750.00	
		10/04/12	09/24/15	09/23/16	2.00%		\$ 95,750.00		\$ 95,750.00
11-08	Improvements to Water Utility System	10/04/12	09/25/14	09/25/15	1.25%	423,250.00		423,250.00	
		10/04/12	09/24/15	09/23/16	2.00%		384,561.00		384,561.00
		10/01/13	09/25/14	09/25/15	1.25%	100,000.00		100,000.00	
		10/01/13	09/24/15	09/23/16	2.00%		142,000.00		142,000.00
12-25	Improvements to Water Utility System	10/04/12	09/25/14	09/25/15	1.25%	675,000.00		675,000.00	
		10/04/12	09/24/15	09/23/16	2.00%		676,689.00		676,689.00
13-11	Improvements to Water Utility System	10/01/13	09/25/14	09/25/15	1.25%	950,000.00		950,000.00	
		10/01/13	09/24/15	09/23/16	2.00%		950,000.00		950,000.00
						<u>\$ 2,250,000.00</u>	<u>\$ 2,249,000.00</u>	<u>\$ 2,250,000.00</u>	<u>\$ 2,249,000.00</u>

Ref.

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D

New Issue	\$ 55,689.00	
Renewals	2,193,311.00	\$ 2,193,311.00
Paid by Operating Budget		45,000.00
Paid by Reserve to Pay Debt Service		11,689.00
	<u>\$ 2,249,000.00</u>	<u>\$ 2,250,000.00</u>

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2014	Matured	Balance Dec. 31, 2015
			Date	Amount				
Water Improvements	4/28/2009	\$ 1,630,000.00	12/1/2016	\$ 190,000.00	2.88%	\$ 565,000.00	\$ 185,000.00	\$ 380,000.00
			12/1/2017	190,000.00	4.13%			
Water Improvements	5/4/2010	1,524,000.00	10/1/2016	55,000.00	3.00%	700,000.00	225,000.00	475,000.00
			10/1/2016	30,000.00	4.00%			
			10/1/2016	150,000.00	5.00%			
			10/1/2017	10,000.00	3.00%			
			10/1/2017	230,000.00	5.00%			
Water Improvements	5/15/2012	245,000.00	7/15/2016	35,000.00	4.00%	210,000.00	35,000.00	175,000.00
			7/15/2017	35,000.00	4.00%			
			7/15/2018	35,000.00	3.00%			
			7/15/2019	35,000.00	5.00%			
			7/15/2020	35,000.00	4.00%			
						<u>\$ 1,475,000.00</u>	<u>\$ 445,000.00</u>	<u>\$ 1,030,000.00</u>

Ref.

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TOWNSHIP OF PARSIPPANY-TROY HILLS
WATER UTILITY CAPITAL FUND
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE LOANS PAYABLE

	<u>Ref.</u>	
Balance December 31, 2014	D	\$ 204,285.84
Less: 2015 Payment of Principal		28,302.66
Balance December 31, 2015	D	\$ 175,983.18

Schedule of Principal and Interest Payments Outstanding December 31, 2015

Trust Loan - 2001 Issue

<u>Due Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Loan Balance</u>
			\$ 100,000.00
2/1/2016	\$ 2,450.00		
8/1/2016	2,450.00	\$ 15,000.00	85,000.00
2/1/2017	2,075.00		
8/1/2017	2,075.00	15,000.00	70,000.00
2/1/2018	1,700.00		
8/1/2018	1,700.00	15,000.00	55,000.00
2/1/2019	1,325.00		
8/1/2019	1,325.00	15,000.00	40,000.00
2/1/2020	950.00		
8/1/2020	950.00	20,000.00	20,000.00
2/1/2021	475.00		
8/1/2021	475.00	20,000.00	
	\$ 23,600.00	\$ 100,000.00	

Schedule of Principal and Interest Payments Outstanding December 31, 2015

Fund Loan - 2001 Issue

<u>Due Date</u>	<u>Principal</u>	<u>Loan Balance</u>
		\$ 75,983.18
2/1/2016	\$ 1,578.28	74,404.90
8/1/2016	11,241.24	63,163.66
2/1/2017	1,336.70	61,826.96
8/1/2017	10,999.66	50,827.30
2/1/2018	1,095.13	49,732.17
8/1/2018	10,758.09	38,974.08
2/1/2019	853.56	38,120.52
8/1/2019	10,516.51	27,604.01
2/1/2020	611.98	26,992.03
8/1/2020	13,495.93	13,496.10
2/1/2021	305.99	13,190.11
8/1/2021	13,190.11	
	\$ 75,983.18	

TOWNSHIP OF PARSIPPANY-TROY HILLS
WATER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2015

Ord. No.	Improvement Description	Balance Dec.31, 2014	2015 Authorizations	Bond Anticipation Notes Issued	Balance Dec.31, 2015
11-08	Improvements to Water Utility System	\$ 42,000.00		\$ 42,000.00	
12-25	Improvements to Water Utility System	13,750.00		13,689.00	\$ 61.00
15-21	Improvements to Water Utility System		\$ 1,995,000.00		1,995,000.00
		<u>\$ 55,750.00</u>	<u>\$ 1,995,000.00</u>	<u>\$ 55,689.00</u>	<u>\$ 1,995,061.00</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
COUNTY OF MORRIS
2015
SEWER UTILITY FUND

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

	<u>Ref.</u>	<u>Operating</u>		<u>Capital</u>
Balance December 31, 2014	E	\$ 13,533,647.58		\$ 16,866,559.66
Increased by Receipts:				
Sewer Rents and Septage Removal Receivable		\$ 15,373,766.00		
Miscellaneous Revenue		45,777.10		
Interest Earned on Investments		54,351.52		
Other Rents		148,392.75		
NJEIT Loans Receivable			\$ 606,093.00	
Due to/from:				
Sewer Utility Operating Fund - Interest Earned			49,040.21	
Current Fund		704,339.99		
Sewer Utility Capital Fund		35,773.75		
Sewer Rent Overpayments		94,144.56		
Received from Sewer Utility Operating Fund Budget Appropriation:				
Capital Improvement Fund			680,000.00	
Appropriation Refunds		166,020.37		
Appropriation Reserve Refunds		1,077.40		
Bond Anticipation Notes Issued			13,760,000.00	
		16,623,643.44		15,095,133.21
		30,157,291.02		31,961,692.87
Decreased by Disbursements:				
2015 Appropriation Expenditures		11,811,116.16		
2014 Appropriation Reserves		1,289,919.97		
Interest on Loans		221,011.58		
Interest on Bonds		182,950.00		
Interest on Notes		171,900.00		
Due to/from:				
Current Fund - Fund Balance Utilized as Anticipated Revenue		1,550,000.00		
Sewer Utility Capital Fund - Payment on Behalf of Sewer Utility Capital Fund		13,386.26		
Sewer Utility Operating Fund			35,773.75	
General Trust Fund		262,000.00		
Sewer Rent Refunds		15,426.29		
Refund of Prior Year Revenue		6,960.53		
Bond Anticipation Notes Matured			13,457,000.00	
Improvement Authorization Expenditures			2,190,000.58	
		15,524,670.79		15,682,774.33
Balance December 31, 2015	E	\$ 14,632,620.23		\$ 16,278,918.54

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

	Balance (Deficit) Dec. 31, 2014	Receipts			Disbursements			Transfers		Balance (Deficit) Dec. 31, 2015	
		Miscel- laneous	Budget Appropriation	Bond Anti- icipation Notes	Improvement Authori- zations	Miscel- laneous	Bond Anti- icipation Notes	From	To		
Sewer Capital Fund Balance	\$ 292,235.89									\$ 292,235.89	
Due Sewer Utility Operating Fund		\$ 49,040.21				\$ 35,773.75		\$ 13,386.26		26,652.72	
Capital Improvement Fund	1,023,750.00		\$ 680,000.00				\$ 580,000.00			1,123,750.00	
NJEIT Loan Receivable	(1,595,468.00)	606,093.00								(989,375.00)	
Improvement Authorizations:											
Ord. No.	General Improvements										
07-20	Various Major Information Technology and Telecommunications Equipment	1,171.90								1,171.90	
08-15a	Various Sewer Utility Improvements and Equipment Acquisitions	631,127.42			\$ 80,587.26					550,540.16	
08-15b	Various Major Information Technology and Telecommunications Equipment	65.18								65.18	
09-26	Various Sewer Utility Improvements	(299,783.42)		\$ 777,000.00	216.58		477,000.00				
09-28	Improvements and Upgrades to the Township's Waste Water Treatment Plant	2,916,842.25			537,835.78					2,379,006.47	
10-15	Various Sewer Utility Improvements	213,920.58		1,778,000.00	23,002.39		1,775,000.00			193,918.19	
11-09	Various Sewer Utility Improvements	2,000,000.00		1,834,000.00			1,834,000.00			2,000,000.00	
12-26	Various Sewer Utility Improvements	5,282,852.64		6,046,000.00	1,124,170.89		6,046,000.00			4,158,681.75	
13-24	Various Sewer Utility Improvements	4,399,845.22		3,325,000.00	233,286.37		3,325,000.00	13,386.26		4,153,172.59	
14-24	Various Sewer Utility Improvements	2,000,000.00			190,401.31					1,809,598.69	
15-23	Various Sewer Utility Improvements				500.00				580,000.00	579,500.00	
		<u>\$ 16,866,559.66</u>	<u>\$ 655,133.21</u>	<u>\$ 680,000.00</u>	<u>\$ 13,760,000.00</u>	<u>\$ 2,190,000.58</u>	<u>\$ 35,773.75</u>	<u>\$ 13,457,000.00</u>	<u>\$ 593,386.26</u>	<u>\$ 593,386.26</u>	<u>\$ 16,278,918.54</u>

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

	Balance Dec.31, 2014	2015 Billings	Cash Receipts	Overpayments Applied	Balance Dec.31, 2015
Sewer Rents:					
Residential and Industrial	\$ 212,952.29	\$ 10,794,383.19	\$ 10,684,361.05	\$ 29,917.77	\$ 293,056.66
Municipalities:					
Township of East Hanover	1,031,436.46	1,747,493.20	1,601,499.88		1,177,429.78
Township of Montville	215,265.64	1,831,147.73	2,046,413.37		
Borough of Mountain Lakes	82,994.70	376,388.40	400,476.00		58,907.10
Township of Denville	6,525.17	24,446.88	30,972.05		
	<u>1,549,174.26</u>	<u>14,773,859.40</u>	<u>14,763,722.35</u>	<u>29,917.77</u>	<u>1,529,393.54</u>
Septage Removal	<u>77,889.33</u>	<u>621,305.41</u>	<u>610,043.65</u>	<u>15,835.69</u>	<u>73,315.40</u>
	<u>\$ 1,627,063.59</u>	<u>\$ 15,395,164.81</u>	<u>\$ 15,373,766.00</u>	<u>\$ 45,753.46</u>	<u>\$ 1,602,708.94</u>

Ref.

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Realized Revenue

Cash Collections	\$ 15,373,766.00
Overpayments Applied	45,753.46
	<u>\$ 15,419,519.46</u>

Analysis of Realized Revenue

Sewer Rents	\$ 14,793,640.12
Septage Removal	625,879.34
	<u>\$ 15,419,519.46</u>

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

	<u>Ref.</u>		
Balance December 31, 2014	E	\$	721.81
Balance December 31, 2015	E	\$	<u>721.81</u>

SEWER UTILITY OPERATING FUND
SCHEDULE OF INVENTORY

	<u>Ref.</u>		
Balance December 31, 2014	E	\$	96,214.96
Net Inventory Decrease			<u>50,989.96</u>
Balance December 31, 2015	E	\$	<u>45,225.00</u>

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

	Balance Dec.31, 2014	Additions by Ordinance	Balance Dec.31, 2015
Sanitary Sewer Facilities	\$ 133,110,188.85	\$ 1,900,000.00	\$ 135,010,188.85
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	106,798.58		106,798.58
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
	<u>\$ 136,659,724.44</u>	<u>\$ 1,900,000.00</u>	<u>\$ 138,559,724.44</u>
<u>Ref.</u>	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, 2014	2015 Authorizations		Balance Dec.31, 2015
			Capital Improvement Fund	Costs to Fixed Capital	
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
Various Major Information Technology and Telecommunications Equipment	08-15b	50,000.00			50,000.00
Various Sewer Utility Improvements	09-26	1,900,000.00		\$ 1,900,000.00	
Improvements and Upgrades to the Township's Waste Water Treatment Plant	09-28	33,200,000.00			33,200,000.00
Various Sewer Utility Improvements	10-15	1,925,000.00			1,925,000.00
Various Sewer Utility Improvements	11-09	2,000,000.00			2,000,000.00
Various Sewer Utility Improvements	12-26	6,635,000.00			6,635,000.00
Various Sewer Utility Improvements	13-24	4,400,000.00			4,400,000.00
Various Sewer Utility Improvements	14-24	3,152,653.00			3,152,653.00
Various Sewer Utility Improvements	15-23		\$ 580,000.00		580,000.00
		<u>\$ 56,442,653.00</u>	<u>\$ 580,000.00</u>	<u>\$ 1,900,000.00</u>	<u>\$ 55,122,653.00</u>
	<u>Ref.</u>	E			E

TOWNSHIP OF PARSIPPANY-TROY HILLS
SEWER UTILITY OPERATING FUND
SCHEDULE OF 2014 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2015

	Balance Dec. 31, 2014	Balance After Modification	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	\$ 418,010.11	\$ 418,010.11	\$ 163,010.83	\$ 254,999.28
Other Expenses	1,701,159.44	1,701,159.44	1,122,574.52	578,584.92
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	88,812.79	88,812.79	3,257.22	85,555.57
	\$ 2,207,982.34	\$ 2,207,982.34	\$ 1,288,842.57	\$ 919,139.77

Analysis of Balance December 31, 2014

	<u>Ref.</u>		
Unencumbered	E	\$	1,857,680.34
Encumbered	E		350,302.00
		\$	2,207,982.34

Analysis of Paid or Charged

Cash Disbursed	\$ 1,289,919.97
Refunds	(1,077.40)
	1,288,842.57

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

Ord. No.	Improvement Description	Ordinance Date	Balance December 31, 2014		2015 Authorizations Capital Improvement Fund	Paid or Charged	Balance December 31, 2015		
			Amount	Funded			Unfunded	Funded	Unfunded
07-20	Various Major Information Technology and Telecommunications Equipment	07/24/07	\$ 50,000.00	\$ 1,171.90	\$ 41,115.00		\$ 1,171.90	\$ 41,115.00	
08-15a	Various Sewer Utility Improvements and Equipment Acquisitions	05/13/08	3,130,000.00	631,127.42		\$ 80,587.26	550,540.16		
08-15b	Various Major Information Technology and Telecommunications Equipment	05/13/08	50,000.00	65.18			65.18		
09-26	Various Sewer Utility Improvements	06/16/09	1,900,000.00		216.58	216.58			
09-28	Improvements and Upgrades to the Township's Waste Water Treatment Plant	06/16/09	33,200,000.00	2,916,842.25	8,011,790.00	537,835.78	2,379,006.47	8,011,790.00	
10-15	Various Sewer Utility Improvements	07/20/10	1,925,000.00		217,670.58	23,002.39		194,668.19	
11-09	Various Sewer Utility Improvements	06/21/11	2,000,000.00	100,000.00	1,900,000.00		166,000.00	1,834,000.00	
12-26	Various Sewer Utility Improvements	06/19/12	6,635,000.00		5,380,102.64	1,124,170.89		4,255,931.75	
13-24	Various Sewer Utility Improvements	09/18/13	4,400,000.00	1,074,845.22	3,325,000.00	246,672.63	828,172.59	3,325,000.00	
14-24	Various Sewer Utility Improvements	08/21/14	3,152,653.00	2,000,000.00	1,152,653.00	190,401.31	1,809,598.69	1,152,653.00	
15-23	Various Sewer Utility Improvements	09/15/15	580,000.00			500.00	579,500.00		
				<u>\$ 6,724,051.97</u>	<u>\$ 20,028,547.80</u>	<u>\$ 580,000.00</u>	<u>\$ 2,203,386.84</u>	<u>\$ 6,314,054.99</u>	<u>\$ 18,815,157.94</u>
		<u>Ref.</u>		E	E		E	E	

Cash Disbursements \$ 2,190,000.58
 Due to Sewer Operating 13,386.26
\$ 2,203,386.84

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

	<u>Ref.</u>	
Balance December 31, 2014	E	\$ 1,023,750.00
Increased by:		
Sewer Operating Fund Budget Appropriation		<u>680,000.00</u>
		1,703,750.00
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>580,000.00</u>
Balance December 31, 2015	E	<u><u>\$ 1,123,750.00</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, 2014	2015 Authorizations	Loan Paydowns	Funded by Budget Appropriation	Transferred to to Fixed Capital	Balance Dec. 31, 2015
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	646,044.92		\$ 8,614.63			654,659.55
08-15b	Various Major Information Technology and Telecommunications Equipment	05/13/08	2,500.00					2,500.00
09-26	Various Sewer Utility Improvements	06/16/09	250,445.00				\$ 250,445.00	
09-28	Improvements and Upgrades to the Township's Waste Water Treatment Plant	06/16/19	9,228,981.97		967,281.85			10,196,263.82
10-15	Various Sewer Utility Improvements	07/20/10	96,250.00			\$ 50,000.00		146,250.00
11-09	Various Sewer Utility Improvements	06/21/11	100,000.00			66,000.00		166,000.00
12-26	Various Sewer Utility Improvements	06/19/12	331,750.00			160,000.00		491,750.00
13-24	Various Sewer Utility Improvements	09/18/13	1,075,000.00					1,075,000.00
14-24	Various Sewer Utility Improvements	08/21/14	2,000,000.00					2,000,000.00
15-23	Various Sewer Utility Improvements	09/15/15		\$ 580,000.00				580,000.00
			<u>\$ 13,733,356.89</u>	<u>\$ 580,000.00</u>	<u>\$ 975,896.48</u>	<u>\$ 276,000.00</u>	<u>\$ 250,445.00</u>	<u>\$ 15,314,808.37</u>

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

Ord. No.	Improvement Description	Date of			Interest Rate	Balance Dec. 31, 2014	Issued	Matured	Balance Dec. 31, 2015
		Original Issue	Issue	Maturity					
09-26	Various Sewer Utility Improvements	10/04/12	09/25/14	09/25/15	1.25%	\$ 496,000.00		\$ 496,000.00	
		10/04/12	09/24/15	09/23/16	2.00%		\$ 777,000.00		\$ 777,000.00
10-15	Various Sewer Utility Improvements	10/04/12	09/25/14	09/25/15	1.25%	1,400,000.00		1,400,000.00	
		10/04/12	09/24/15	09/23/16	2.00%		1,350,000.00		1,350,000.00
		10/01/13	09/25/14	09/25/15	1.25%	425,000.00		425,000.00	
		10/01/13	09/24/15	09/23/16	2.00%		428,000.00		428,000.00
11-09	Various Sewer Utility Improvements	10/04/12	09/25/14	09/25/15	1.25%	1,900,000.00		1,900,000.00	
		10/04/12	09/24/15	09/23/16	2.00%		1,834,000.00		1,834,000.00
12-26	Various Sewer Utility Improvements	10/04/12	09/25/14	09/25/15	1.25%	4,606,000.00		4,606,000.00	
		10/04/12	09/24/15	09/23/16	2.00%		4,446,000.00		4,446,000.00
		10/01/13	09/25/14	09/25/15	1.25%	1,600,000.00		1,600,000.00	
		10/01/13	09/24/15	09/23/16	2.00%		1,600,000.00		1,600,000.00
13-24	Various Sewer Utility Improvements	09/25/14	09/25/14	09/25/15	1.25%	3,325,000.00		3,325,000.00	
		09/25/14	09/24/15	09/23/16	2.00%		3,325,000.00		3,325,000.00
						<u>\$ 13,752,000.00</u>	<u>\$ 13,760,000.00</u>	<u>\$ 13,752,000.00</u>	<u>\$ 13,760,000.00</u>
<u>Ref.</u>						E			E
							\$ 303,000.00		
							13,457,000.00	\$ 13,457,000.00	
								295,000.00	
						<u>\$ 13,760,000.00</u>	<u>\$ 13,752,000.00</u>		

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2014	Matured	Balance Dec. 31, 2015
			Date	Amount				
Sanitary Sewer Collection System	4/28/2009	\$ 2,871,000.00	12/1/2016	\$ 330,000.00	2.875%	\$ 985,000.00	\$ 325,000.00	\$ 660,000.00
			12/1/2017	330,000.00	4.125%			
Sewer Improvements	5/4/2010	1,374,000.00	10/1/2016	50,000.00	3.00%	630,000.00	200,000.00	430,000.00
			10/1/2016	25,000.00	4.00%			
			10/1/2016	135,000.00	5.00%			
			10/1/2017	5,000.00	3.00%			
			10/1/2017	215,000.00	5.00%			
Sewer Improvements	5/15/2012	680,000.00	7/15/2016	90,000.00	4.00%	590,000.00	90,000.00	500,000.00
			7/15/2017	95,000.00	4.00%			
			7/15/2018	100,000.00	3.00%			
			7/15/2019	105,000.00	5.00%			
			7/15/2020	110,000.00	4.00%			
						<u>\$2,205,000.00</u>	<u>\$ 615,000.00</u>	<u>\$1,590,000.00</u>

Ref.

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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, 2014	E	\$ 136,274.58
Less: 2015 Payment of Principal		8,614.63
Balance December 31, 2015	E	\$ 127,659.95

Schedule of Principal and Interest Payments Outstanding December 31, 2015

Trust Loan - February 2010 Issue

<u>Due Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Loan Balance</u>
			\$ 35,205.77
2/1/2016	\$ 611.29		
8/1/2016	611.29	\$ 2,049.78	33,155.99
2/1/2017	587.92		
8/1/2017	587.92	2,096.52	31,059.47
2/1/2018	560.98		
8/1/2018	560.98	2,150.40	28,909.07
2/1/2019	531.41		
8/1/2019	531.41	2,209.54	26,699.53
2/1/2020	498.82		
8/1/2020	498.82	2,274.72	24,424.81
2/1/2021	463.11		
8/1/2021	463.11	2,346.14	22,078.67
2/1/2022	424.75		
8/1/2022	424.75	2,422.86	19,655.81
2/1/2023	382.84		
8/1/2023	382.84	2,506.69	17,149.12
2/1/2024	337.72		
8/1/2024	337.72	2,596.93	14,552.19
2/1/2025	289.80		
8/1/2025	289.80	2,692.76	11,859.43
2/1/2026	238.77		
8/1/2026	238.77	2,794.82	9,064.61
2/1/2027	184.42		
8/1/2027	184.42	2,903.54	6,161.07
2/1/2028	126.63		
8/1/2028	126.63	3,019.10	3,141.97
2/1/2029	65.20		
8/1/2029	65.20	3,141.97	
	\$ 11,868.90	\$ 35,205.77	

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

Schedule of Principal and Interest Payments Outstanding December 31, 2015
Trust Loan - February 2010 Issue

<u>Due Date</u>	<u>Principal</u>	<u>Loan Balance</u>
		\$ 92,454.18
2/1/2016	\$ 2,201.28	90,252.90
8/1/2016	4,402.57	85,850.33
2/1/2017	2,201.28	83,649.05
8/1/2017	4,402.57	79,246.48
2/1/2018	2,201.28	77,045.20
8/1/2018	4,402.57	72,642.63
2/1/2019	2,201.28	70,441.35
8/1/2019	4,402.57	66,038.78
2/1/2020	2,201.28	63,837.50
8/1/2020	4,402.57	59,434.93
2/1/2021	2,201.28	57,233.65
8/1/2021	4,402.57	52,831.08
2/1/2022	2,201.28	50,629.80
8/1/2022	4,402.57	46,227.23
2/1/2023	2,201.28	44,025.95
8/1/2023	4,402.57	39,623.38
2/1/2024	2,201.28	37,422.10
8/1/2024	4,402.57	33,019.53
2/1/2025	2,201.28	30,818.25
8/1/2025	4,402.57	26,415.68
2/1/2026	2,201.28	24,214.40
8/1/2026	4,402.57	19,811.83
2/1/2027	2,201.28	17,610.55
8/1/2027	4,402.57	13,207.98
2/1/2028	2,201.28	11,006.70
8/1/2028	4,402.57	6,604.13
2/1/2029	2,201.28	4,402.85
8/1/2029	4,402.85	
	<u>\$ 92,454.18</u>	

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

	<u>Ref.</u>	
Balance December 31, 2014	E	\$ 15,959,228.03
Less: 2015 Payment of Principal		<u>967,281.85</u>
Balance December 31, 2015	E	<u>\$ 14,991,946.18</u>

Schedule of Principal and Interest Payments Outstanding December 31, 2015
Trust Loan - March 2010 Issue

<u>Due Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Loan Balance</u>
			\$ 5,020,000.00
2/1/2016	\$ 103,500.00		
8/1/2016	103,500.00	\$ 270,000.00	4,750,000.00
2/1/2017	96,750.00		
8/1/2017	96,750.00	280,000.00	4,470,000.00
2/1/2018	89,750.00		
8/1/2018	89,750.00	295,000.00	4,175,000.00
2/1/2019	82,375.00		
8/1/2019	82,375.00	310,000.00	3,865,000.00
2/1/2020	76,175.00		
8/1/2020	76,175.00	320,000.00	3,545,000.00
2/1/2021	68,175.00		
8/1/2021	68,175.00	340,000.00	3,205,000.00
2/1/2022	63,075.00		
8/1/2022	63,075.00	350,000.00	2,855,000.00
2/1/2023	56,075.00		
8/1/2023	56,075.00	365,000.00	2,490,000.00
2/1/2024	48,775.00		
8/1/2024	48,775.00	375,000.00	2,115,000.00
2/1/2025	41,275.00		
8/1/2025	41,275.00	390,000.00	1,725,000.00
2/1/2026	33,475.00		
8/1/2026	33,475.00	410,000.00	1,315,000.00
2/1/2027	26,300.00		
8/1/2027	26,300.00	420,000.00	895,000.00
2/1/2028	17,900.00		
8/1/2028	17,900.00	440,000.00	455,000.00
2/1/2029	9,100.00		
8/1/2029	9,100.00	455,000.00	
	<u>\$ 1,845,150.00</u>	<u>\$ 5,020,000.00</u>	

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

Schedule of Principal and Interest Payments Outstanding December 31, 2015
Trust Loan - March 2010 Issue

<u>Due Date</u>	<u>Principal</u>	<u>Loan Balance</u>
		\$ 9,971,946.18
2/1/2016	\$ 237,427.28	9,734,518.90
8/1/2016	474,854.57	9,259,664.33
2/1/2017	237,427.28	9,022,237.05
8/1/2017	474,854.57	8,547,382.48
2/1/2018	237,427.28	8,309,955.20
8/1/2018	474,854.57	7,835,100.63
2/1/2019	237,427.28	7,597,673.35
8/1/2019	474,854.57	7,122,818.78
2/1/2020	237,427.28	6,885,391.50
8/1/2020	474,854.57	6,410,536.93
2/1/2021	237,427.28	6,173,109.65
8/1/2021	474,854.57	5,698,255.08
2/1/2022	237,427.28	5,460,827.80
8/1/2022	474,854.57	4,985,973.23
2/1/2023	237,427.28	4,748,545.95
8/1/2023	474,854.57	4,273,691.38
2/1/2024	237,427.28	4,036,264.10
8/1/2024	474,854.57	3,561,409.53
2/1/2025	237,427.28	3,323,982.25
8/1/2025	474,854.57	2,849,127.68
2/1/2026	237,427.28	2,611,700.40
8/1/2026	474,854.57	2,136,845.83
2/1/2027	237,427.28	1,899,418.55
8/1/2027	474,854.57	1,424,563.98
2/1/2028	237,427.28	1,187,136.70
8/1/2028	474,854.57	712,282.13
2/1/2029	237,427.28	474,854.85
8/1/2029	474,854.85	
	<u>\$ 9,971,946.18</u>	

TOWNSHIP OF PARSIPPANY-TROY HILLS
SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2015

Ord. No.	Improvement Description	Balance Dec.31, 2014	Bond Anticipation Notes Issued	Balance Dec.31, 2015
07-20	Various Major Information Technology and Telecommunications Equipment	\$ 41,115.00		\$ 41,115.00
09-26	Improvements to Sewer Utility System	300,000.00	\$ 300,000.00	
09-28	Improvements to the Township's Waste Water Treatment Plant	8,011,790.00		8,011,790.00
10-15	Improvements to Sewer Utility System	3,750.00	3,000.00	750.00
12-26	Improvements to Sewer Utility System	97,250.00		97,250.00
14-24	Various Sewer Utility Improvements	1,152,653.00		1,152,653.00
		<u>\$ 9,606,558.00</u>	<u>\$ 303,000.00</u>	<u>\$ 9,303,558.00</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
COUNTY OF MORRIS
2015
GOLF AND RECREATION UTILITY FUND

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

	Ref.	Operating		Capital
Balance December 31, 2014	F	\$ 948,122.29		\$ 495,290.11
Increased by Receipts:				
Consumer Accounts Receivable		\$ 3,095,162.99		
Room Rentals		7,172.00		
Interest on Investments		8,159.11		
Concessions:				
Utilities		22,733.43		
Rent		662,750.00		
Prepaid Revenue		1,500.00		
Membership Overpayments		2,596.95		
Miscellaneous Revenue		11,210.20		
Due from Golf and Recreation Utility Operating Fund			\$ 29,069.04	
Sales Tax Payable		39,646.69		
Received from Golf and Recreation Utility Operating Fund Budget Appropriation:				
Capital Improvement Fund			300,320.00	
Bond Anticipation Notes Payable			25,000.00	
Bond Anticipation Notes Issued			910,000.00	
		3,850,931.37		1,264,389.04
		4,799,053.66		1,759,679.15
Decreased by Disbursements:				
2015 Appropriation Expenditures		3,296,356.89		
2014 Appropriation Reserves		282,007.91		
Interest on Bonds		47,597.50		
Interest on Notes		7,923.50		
Refund of Prior Year Revenue		80.00		
Sales Tax Payable		39,691.09		
Due to Current Fund		49,440.00	26,943.36	
Due to Golf and Recreation Utility Capital Fund		29,069.04		
Bond Anticipation Notes Matured			782,000.00	
Improvement Authorizations			102,908.14	
		3,752,165.93		911,851.50
Balance December 31, 2015	F	\$ 1,046,887.73		\$ 847,827.65

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

	Balance (Deficit) Dec. 31, 2014	Receipts			Disbursements			Transfers		Balance (Deficit) Dec. 31, 2015	
		Bond Anti- cipation Notes	Budget Appropriation	Miscel- laneous	Bond Anti- cipation Notes	Improvement Authori- zations	Miscel- laneous	From	To		
Fund Balance	\$ 45,070.70									\$ 45,070.70	
Capital Improvement Fund	31,593.05		\$ 300,320.00				\$ 150,320.00			181,593.05	
Due to Current Fund						\$ 26,943.36				(26,943.36)	
Due from Golf and Recreation Operating Fund				\$ 54,069.04				25,000.00		29,069.04	
<u>Ord. No.</u>		<u>General Improvements</u>									
07-21	Various Improvements and Equipment	526.79				\$ 159.00				367.79	
08-16	Various Improvements and Equipment		\$ 47,000.00		\$ 50,000.00			\$ 3,000.00			
09-27	Various Improvements and Equipment	(20,000.00)	40,000.00		22,000.00			2,000.00			
10-16	Various Improvements and Equipment	45,879.16	278,750.00		151,750.00	97,200.64		6,000.00		81,678.52	
11-10	Golf Course and Recreation Utility Improvements	75,065.11	183,500.00		192,500.00	3,197.00		9,000.00		71,868.11	
12-27	Golf Course and Recreation Utility Improvements	67,155.30	123,250.00		128,250.00			5,000.00		67,155.30	
13-12	Golf Course and Recreation Utility Improvements	250,000.00	237,500.00		237,500.00	1,851.50				248,148.50	
15-20	Golf Course and Recreation Utility Improvements					500.00			150,320.00	149,820.00	
		<u>\$ 495,290.11</u>	<u>\$ 910,000.00</u>	<u>\$ 300,320.00</u>	<u>\$ 54,069.04</u>	<u>\$ 782,000.00</u>	<u>\$ 102,908.14</u>	<u>\$ 26,943.36</u>	<u>\$ 175,320.00</u>	<u>\$ 175,320.00</u>	<u>\$ 847,827.65</u>

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

	<u>Ref.</u>	
Balance December 31, 2014	F	\$ 45,502.88
Increased by:		
Revenue:		
Membership Fees		\$ 700,803.75
Other Fees		1,841,176.14
Cart Rentals		592,432.18
		<u>3,134,412.07</u>
		<u>3,179,914.95</u>
Decreased by:		
Collections:		
Collections		3,095,162.99
Prepaid Revenue Applied		1,500.00
Overpayments Applied		1,573.49
		<u>3,098,236.48</u>
Balance December 31, 2015	F	<u><u>\$ 81,678.47</u></u>

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

	Balance Dec. 31, 2014	Balance Dec. 31, 2015
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	2,613,760.66	2,613,760.66
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>\$ 24,253,276.61</u>	<u>\$ 24,253,276.61</u>
	F	F

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

<u>Improvement Description</u>	<u>Ord. No.</u>	<u>Balance Dec.31, 2014</u>	<u>Capital Improvement Fund</u>	<u>Charges to Future Revenue</u>	<u>Balance Dec.31, 2015</u>
Various Improvements and Equipment	07-21	\$ 1,160,000.00			\$ 1,160,000.00
Various Improvements and Equipment	10-16	300,000.00			300,000.00
Golf Course and Recreation Utility Improvements	11-10	202,677.00			202,677.00
Golf Course and Recreation Utility Improvements	12-27	135,000.00			135,000.00
Golf Course and Recreation Utility Improvements	13-12	250,000.00			250,000.00
Golf Course and Recreation Utility Improvements	15-20	<u>\$ 150,320.00</u>	<u>\$ 150,320.00</u>	<u>\$ 2,856,083.00</u>	<u>3,006,403.00</u>
		<u>\$ 2,047,677.00</u>	<u>\$ 150,320.00</u>	<u>\$ 2,856,083.00</u>	<u>\$ 5,054,080.00</u>
	<u>Ref.</u>		F		F

TOWNSHIP OF PARSIPPANY-TROY HILLS
GOLF AND RECREATION UTILITY OPERATING FUND
SCHEDULE OF 2014 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2015

	Balance Dec. 31, 2014	Balance After Modification	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	\$ 110,576.13	\$ 110,576.13	\$ 47,603.60	\$ 62,972.53
Other Expenses	309,168.64	309,168.64	230,134.03	79,034.61
Statutory Expenditures:				
Contribution to:				
Social Security (O.A.S.I.)	49,991.78	49,991.78	4,270.28	45,721.50
	\$ 469,736.55	\$ 469,736.55	\$ 282,007.91	\$ 187,728.64

Analysis of Balance December 31, 2014

	<u>Ref.</u>		
Unencumbered	F	\$	419,159.14
Encumbered	F		50,577.41
		\$	469,736.55

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

Ord. No.	Improvement Description	Ordinance		Balance Dec. 31, 2014		2015 Improvement Authorizations		Balance Dec. 31, 2015		
		Date	Amount	Funded	Unfunded	Capital Improvement Fund	Deferred Charges to Future Revenue	Paid or Charged	Funded	Unfunded
07-21	Various Improvements and Equipment	07/24/07	\$ 1,160,000.00	\$ 526.79				\$ 159.00	\$ 367.79	
10-16	Various Improvements and Equipment	07/20/10	300,000.00		\$ 179,129.16			97,200.64		\$ 81,928.52
11-10	Golf Course and Recreation Utility Improvements	06/21/11	202,677.00		75,108.11			3,197.00		71,911.11
12-27	Golf Course and Recreation Utility Improvements	06/19/12	135,000.00		67,155.30					67,155.30
13-12	Golf Course and Recreation Utility Improvements	06/19/13	250,000.00	12,500.00	237,500.00			1,851.50	10,648.50	237,500.00
15-20	Golf Course and Recreation Utility Improvements	09/15/15	3,006,403.00			\$ 150,320.00	\$ 2,856,083.00	500.00	149,820.00	2,856,083.00
				<u>\$ 13,026.79</u>	<u>\$ 558,892.57</u>	<u>\$ 150,320.00</u>	<u>\$ 2,856,083.00</u>	<u>\$ 102,908.14</u>	<u>\$ 160,836.29</u>	<u>\$ 3,314,577.93</u>
		<u>Ref.</u>		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, 2014	F	\$ 31,593.05
Increased by:		
Golf and Recreation Utility Operating Fund Budget Appropriation		300,320.00
		<u>331,913.05</u>
Decreased by:		
Appropriated to Finance Improvement Authorizations		150,320.00
		<u>150,320.00</u>
Balance December 31, 2015	F	<u><u>\$ 181,593.05</u></u>

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

	<u>Ref.</u>	
Balance December 31, 2014	F	\$ 23,645,776.61
Increased by:		
Golf and Recreation Utility Operating Budget:		
Serial Bonds		203,000.00
Bond Anticipation Notes Payable		<u>10,000.00</u>
Balance December 31, 2015	F	<u>\$ 23,858,776.61</u>

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

Ord. No.	Improvement Description	Date of Ordinance	Balance Dec. 31, 2014	2015 Authorizations	Funded by Operating Budget	Balance Dec. 31, 2015
07-21	Various Improvements and Equipment	07/24/07	\$ 257,500.00			\$ 257,500.00
10-16	Various Improvements and Equipment	07/20/10	15,000.00		\$ 6,000.00	21,000.00
11-10	Golf Course and Recreation Utility Improvements	06/21/11	10,134.00		9,000.00	19,134.00
12-27	Golf Course and Recreation Utility Improvements	06/19/12	6,750.00			6,750.00
13-12	Golf Course and Recreation Utility Improvements	06/19/13	12,500.00			12,500.00
15-20	Golf Course and Recreation Utility Improvements	09/15/15		\$ 150,320.00		150,320.00
			<u>\$ 301,884.00</u>	<u>\$ 150,320.00</u>	<u>\$ 15,000.00</u>	<u>\$ 467,204.00</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	Balance Dec. 31, 2014	Issued	Matured	Balance Dec. 31, 2015
		Original Issue	Issue	Maturity					
08-16	Various Improvements and Equipment	10/01/13	09/25/14	09/25/15	1.25%	\$ 50,000.00		\$ 50,000.00	
		10/01/13	09/24/15	09/25/16	2.00%		\$ 47,000.00		\$ 47,000.00
09-27	Various Improvements and Equipment	10/04/12	09/25/14	09/25/15	1.25%	2,000.00		2,000.00	
		10/01/13	09/25/14	09/25/15	1.25%	20,000.00		20,000.00	
		10/01/13	09/24/15	09/25/16	2.00%		20,000.00		20,000.00
		09/24/15	09/24/15	09/25/16	2.00%		20,000.00		20,000.00
10-16	Various Improvements and Equipment	10/04/12	09/25/14	09/25/15	1.25%	121,500.00		121,500.00	
		10/04/12	09/24/15	09/25/16	2.00%		115,500.00		115,500.00
		10/01/13	09/25/14	09/25/15	1.25%	30,250.00		30,250.00	
		10/01/13	09/24/15	09/25/16	2.00%		30,250.00		30,250.00
		09/24/15	09/24/15	09/25/16	2.00%		133,000.00		133,000.00
11-10	Golf Course and Recreation Utility Improvements	10/04/12	09/25/14	09/25/15	1.25%	192,500.00		192,500.00	
		10/04/12	09/24/15	09/25/16	2.00%		183,500.00		183,500.00
12-27	Golf Course and Recreation Utility Improvements	10/04/12	09/25/14	09/25/15	1.25%	128,250.00		128,250.00	
		10/04/12	09/24/15	09/25/16	2.00%		123,250.00		123,250.00
13-12	Golf Course and Recreation Utility Improvements	09/25/14	09/25/14	09/25/15	1.25%	237,500.00		237,500.00	
		09/25/14	09/24/15	09/25/16	2.00%		237,500.00		237,500.00
						<u>\$ 782,000.00</u>	<u>\$ 910,000.00</u>	<u>\$ 782,000.00</u>	<u>\$ 910,000.00</u>
						<u>Ref.</u>	F		F
							\$ 153,000.00		
							757,000.00	\$ 757,000.00	
								25,000.00	
							<u>\$ 910,000.00</u>	<u>\$ 782,000.00</u>	

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, 2014	2015 Authorizations	Bond Anticipation Notes Issued	Balance Dec.31, 2015
09-27	Various Improvements and Equipment	\$ 20,000.00		\$ 20,000.00	
10-16	Various Improvements and Equipment	133,250.00		133,000.00	\$ 250.00
11-10	Golf Course and Recreation Utility Improvements	43.00			43.00
15-20	Golf Course and Recreation Utility Improvements		<u>\$ 2,856,083.00</u>		<u>2,856,083.00</u>
		<u>\$ 153,293.00</u>	<u>2,856,083.00</u>	<u>\$ 153,000.00</u>	<u>\$ 2,856,376.00</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
COUNTY OF MORRIS
2015
PUBLIC ASSISTANCE FUND

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

	<u>Ref.</u>	
Balance December 31, 2014	G	\$ 19,705.23
Increased by Receipts:		
Reserve for Public Assistance Trust Fund Expenditures	\$ 60,392.00	
Interest on Investments	<u>77.52</u>	
		<u>60,469.52</u>
		80,174.75
Decreased by Disbursements:		
Reserve for Public Assistance Trust Fund Expenditures	5,030.00	
Due to Current Fund	<u>80.58</u>	
		<u>5,110.58</u>
Balance December 31, 2015	G	<u>\$ 75,064.17</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2015

TOWNSHIP OF PARSIPPANY-TROY HILLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2015

Name of Federal Agency or Department	Name of Program	C.F.D.A. Account 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: (Passed through Morris County Office of Community Development)	Community Development Block Grant- Housing Rehabilitation	14.218	B12-MC34-0113	07/01/13	06/30/16	\$ 174,798.00	\$ 45,954.94	\$ 45,954.94	\$ 116,351.16	
	Housing Rehabilitation	14.218	B13-MC34-0113	07/01/14	06/30/16	154,120.00	4,273.02	4,273.02	4,273.02	
	Housing Rehabilitation	14.218	B14-MC34-0113	07/01/15	06/30/16	101,560.00				
	Program Administration	14.218	B13-MC34-0113	07/01/14	06/30/16	38,000.00	10,547.49	10,547.49	27,242.44	
	Program Administration	14.218	B14-MC34-0113	07/01/15	06/30/16	35,000.00				
	Vehicle Purchase	14.218	B14-MC34-0113	07/01/14	06/30/16	25,000.00	25,000.00	25,000.00	25,000.00	
	Vehicle Purchase	14.218	B14-MC34-0113	07/01/15	06/30/16	25,000.00				
	Park Improvements	14.218	B14-MC34-0113	07/01/14	06/30/16	10,000.00	10,000.00	10,000.00	10,000.00	
	Senior Center Improvements	14.218	B14-MC34-0113	07/01/15	06/30/16	25,000.00				
	ADA Accessible Improvements	14.218	B14-MC34-0113	07/01/15	06/30/16	30,000.00				
	Littleton Schoolhouse on Route 202 Restoration and Rehabilitation	14.218	B10-MC34-0113	07/01/10	06/30/16	25,000.00	1,312.86	1,312.86	25,000.00	
Total U.S. Department of Housing and Urban Development							97,088.31	97,088.31	207,866.62	
U.S. Department of Justice: (Passed through New Jersey Department of Law and Public Safety)	Juvenile Accountability Incentive Block Grant JAIBG (2013)	16.523	100-066-1500-121-6010	01/01/13	12/31/16	5,000.00		234.67	234.67	
	JAIBG (2014)	16.523	100-066-1500-121-6010	01/01/14	12/31/15	5,005.00		5,005.00	5,005.00	
Total U.S. Department of Justice								5,239.67	5,239.67	
Environmental Protection Agency: (Passed through New Jersey Department of Environmental Protection)	NJ Environmental Infrastructure Trust Loan: Improvements to Waste Water Treatment Plant (Ordinance #09-28)	66.458	042-4860-711-002	01/01/09	12/31/16	14,008,210.00	390,884.00	373,193.64	13,464,848.57	
Total Environmental Protection Agency							390,884.00	373,193.64	13,464,848.57	
U.S. Department of Homeland Security (Passed through New Jersey Department of Law and Public Safety)	Hazard Mitigation Grant (Ordinance #13-31)	97.039	N/A	01/01/12	12/31/16	7,220,206.00	2,989,541.36	202,917.58	5,096,366.76	
Total U.S. Department of Homeland Security							2,989,541.36	202,917.58	5,096,366.76	
U.S. Department of Transportation: Highway Planning and Construction Cluster: (Passed through New Jersey Department of Transportation)	Municipal Aid - Interpace Parkway	20.205	078-6320-480-XXX	01/01/13	12/31/15	250,000.00	250,000.00	250,000.00	250,000.00	
	Municipal Aid - Vail Road	20.205	078-6320-480-XXX	01/01/14	12/31/15	225,000.00		225,000.00	225,000.00	
Total Highway Planning and Construction Cluster							250,000.00	475,000.00	475,000.00	
(Passed through New Jersey Department of Law and Public Safety)	Click-It or Ticket	20.602	066-1160-100-0113	01/01/15	12/31/15	4,000.00	4,000.00	4,000.00	4,000.00	
	Aggressive Driving	20.616	N/A	01/01/15	12/31/15	8,347.41	8,347.41			
Total U.S. Department of Transportation							262,347.41	479,000.00	479,000.00	
TOTAL FEDERAL AWARDS							\$3,739,861.08	\$1,157,439.20	\$ 5,575,366.76	\$ -0-

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, 2015

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 Health & Senior Services	Passed- Through County of Morris: Municipal Alliance	Municipal Alliance Program	100-082-001-044	01/01/12	12/31/15	\$ 28,901.00		\$ 1,849.83	\$ 28,901.00
				01/01/13	12/31/15	17,891.90		159.60	17,891.90
				01/01/14	12/31/15	22,950.50		14,989.49	22,950.50
				01/01/15	12/31/16	28,143.00	27,253.38	7,388.18	7,388.18
				07/01/15	12/31/15	2,000.00		2,000.00	2,000.00
						<u>27,253.38</u>	<u>26,387.10</u>	<u>79,131.58</u>	
	Handicapped Person's Recreational Opportunities Act	Handicapped Person's Recreational Opportunities Act	100-200-8050-035-6120	01/01/15	12/31/16	20,000.00	20,000.00		
	Total Department of Health & Senior Services						<u>47,253.38</u>	<u>26,387.10</u>	<u>85,424.86</u>
Department of Law and Public Safety	Drunk Driving Enforcement Fund	Drunk Driving Enforcement Fund	100-078-6400-260-YYYY	01/01/14	12/31/16	19,499.82	19,499.82	11,988.14	11,988.14
				01/01/15	12/31/16	8,098.96	8,098.96		
							<u>27,598.78</u>	<u>11,988.14</u>	<u>11,988.14</u>
	Body Armor Replacement Program	Body Armor Replacement Program	066-1020-718-001	01/01/13	12/31/15	19,041.61		648.68	19,041.61
				01/01/14	12/31/16	8,766.43		6,820.32	6,820.32
01/01/15				12/31/16	8,330.08	8,330.08			
						<u>8,330.08</u>	<u>7,469.00</u>	<u>25,861.93</u>	
	Total Department of Law and Public Safety						<u>35,928.86</u>	<u>19,457.14</u>	<u>37,850.07</u>
Department of Environmental Protection	Clean Communities Program	Clean Communities Program	765-042-4900-004-V42Y-6020	01/01/14	12/31/15	91,782.89		10,078.67	91,782.89
				01/01/14	12/31/16	111,553.38	111,553.38	94,952.73	94,952.73
							<u>111,553.38</u>	<u>105,031.40</u>	<u>186,735.62</u>
	Recycling Tonnage Grant	Recycling Tonnage Grant	752-042-4900-001-V42Y-6020	01/01/13	12/31/15	71,495.05		1,022.73	71,495.05
				01/01/14	12/31/15	67,441.40		67,184.50	67,441.40
								<u>68,207.23</u>	<u>138,936.45</u>
	Community Forestry	Community Forestry	2013-531-158-6120	01/01/14	12/31/16	54,000.00	54,000.00	3,046.00	3,046.00
	N.J. Environmental Infrastructure Trust Loan: Improvements to Waste Water Treatment Plant	N.J. Environmental Infrastructure Trust Loan Program	042-4860-711-002	01/01/12	12/31/15	6,180,000.00	215,209.00	164,642.14	6,180,000.00
	Total Department of Environmental Protection						<u>380,762.38</u>	<u>340,926.77</u>	<u>6,508,718.07</u>
TOTAL STATE AWARDS							<u>\$ 463,944.62</u>	<u>\$ 386,771.01</u>	<u>\$ 6,631,993.00</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2015

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, 2015. 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 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, 2015:

Green Trust Loan Payable	\$ 106,936
NJ Environmental Infrastructure	
Loan Payable:	
Water Utility Capital Fund	175,983
Sewer Utility Capital Fund	<u>15,119,606</u>
	<u>\$ 15,463,285</u>

Currently the Township is in the process of repaying the loan balances. The Township has drawn down \$24,354,905 of the \$25,344,280 loan funds. The project which relates to the loans is in progress and is expected to be completed in 2016.



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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 year ended December 31, 2015, and the related notes to the financial statements and have issued our report thereon dated May 18, 2016. 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.

Internal Control Over Financial Reporting

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

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

Our consideration of 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Compliance and Other Matters

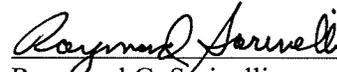
As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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*.

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.

Mt Arlington, NJ
May 18, 2016

NISIVOCCIA LLP



Raymond G. Sarinelli

Certified Public Accountant

Registered Municipal Accountant No. 383



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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

We have audited the Township of Parsippany-Troy Hills' (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, 2015. The Township's major federal program is identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the Township's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards, and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Township's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Township's compliance.

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

Opinion on Each Major Federal Program

In our opinion, the Township complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended December 31, 2015.

Report on Internal Control Over Compliance

Management of the Township is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Township's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over compliance.

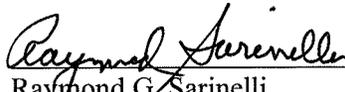
A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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. Accordingly, this report is not suitable for any other purpose.

Mt Arlington, New Jersey
May 18, 2016

NISIVOCIA LLP


Raymond G. Sarinelli

Certified Public Accountant
Registered Municipal Accountant No. 383

TOWNSHIP OF PARSIPPANY-TROY HILLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2015

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.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as 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 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 material weaknesses or significant deficiencies 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 Township was not subject to the single audit provisions of the New Jersey's OMB Circular 15-08 for the year ended December 31, 2015 as state grant expenditures were less than the single audit threshold of \$750,000 identified in the NJOMB 15-08.
- The auditor's report on compliance for the major federal program for the Township expresses an unmodified opinion on the major federal program.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 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 determined to be a "low-risk" auditee for federal programs.
- The Township's major federal program for the current year was:

<u>Federal</u>	<u>CFDA #</u>	<u>Grant Expenditures</u>
U.S. Department of Transportation:		
Highway Planning and Construction Cluster:		
Municipal Aid - Interpace Parkway	20.205	\$ 250,000
Municipal Aid - Vail Road	20.205	225,000
		<u>\$ 475,000</u>

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

The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.

TOWNSHIP OF PARSIPPANY-TROY HILLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2015

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, 2015

Status of Prior Year Findings:

There were no findings in the prior year audit report.

TOWNSHIP OF PARSIPPANY-TROY HILLS

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2015

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 January 1, 2011 and thereafter the bid threshold in accordance with N.J.S.A. 40A:11-3 is \$17,500, and with a qualified purchasing agent the threshold may be up to \$36,000 through June 30, 2015 and \$40,000 thereafter with a Qualified Purchasing Agent (QPA).

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 6, 2015, 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.

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

Delinquent Taxes and Tax Title Liens

The last tax sale was held on June 18, 2015.

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

<u>Year</u>	<u>Tax Title Liens</u>
2015	5
2014	6
2013	7

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.

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 2015 Taxes	20
Payment of 2016 Taxes	20
Delinquent Taxes	15
Tax Title Liens	2
Payment of 2015 and 2016 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 complies with these technical accounting directives.

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, 2015.

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

	Balance Dec. 31, 2014	Receipts	Disbursements	Balance Dec. 31, 2015
Municipal Treasurer:				
Fines and Costs	\$ 41,474.86	\$ 569,214.77	\$ 570,148.33	\$ 40,541.30
Animal	225.00	984.00	1,209.00	
Restitution	325.00	2,456.83	2,556.83	225.00
POAA FTA	24.00	510.00	502.00	32.00
Public Defender	1,496.00	21,321.50	21,000.50	1,817.00
Conditional Discharge	121.00	1,436.00	1,457.00	100.00
Fish and Game				
County:				
Fines	13,353.03	214,490.28	211,449.83	16,393.48
State:				
Fines and Costs	42,336.67	672,010.05	682,732.99	31,613.73
Weights and Measures	18,500.00	105,968.00	110,718.00	13,750.00
Conditional Dismissal		470.00	470.00	
Collections	157.72	2,861.39	2,906.91	112.20
Bail	13,008.00	182,610.00	183,723.00	11,895.00
TOTAL	\$ 131,021.28	\$ 1,774,332.82	\$ 1,788,874.39	\$ 116,479.71

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.

New Jersey Environmental Infrastructure Trust Loan

During our review of the NJ Environmental Infrastructure Trust Loan, it was noted that there were no reimbursement requests filed for expenses incurred in 2015. In February of 2016 all reimbursement requests were filed and final reimbursement was received in March of 2016. Therefore, no formal recommendation is warranted.

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

Other Trust Funds

During our review of the Other Trust Funds, we noted that a Dedication by Rider approval by the Division of Local Government Services was not obtained for all Other Trust Fund reserves, specifically the Health Benefit Reserve and Workers' Compensation.

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

Management's Response

Township Council adopted a resolution requesting approval of the Director of Local Government Services to establish a Dedication by Rider for Workers' Compensation. Several attempts have been made to establish a Dedication by Rider for Health Benefit Reserve and the Division of Local Government Services has been contacted requesting guidance and the steps required to establish the Health Benefit Reserve.

Police Outside Services

During our review of the Other Trust Funds, we noted some improvement in the police outside service records was made, however not all accounting issues were resolved.

It is recommended that continued improvement be made in the accounting records of the police outside services.

Management's Response

Police outside service will continue to be improved until accounting issues are resolved.

Examination of Minutes

During the course of our audit it was noted that preparation of minutes of public meetings were months behind, and were not available for audit review, however, we were able to review agendas, resolutions and ordinances. During 2016 many of the prior year minutes were updated and all 2016 minutes were timely.

It is recommended that all minutes of public meetings be prepared on a more timely basis.

Management's Response

On January 25, 2016, a new clerk was hired whose main focus was to complete the backlog of minutes of prior years' minutes as well as preparing the current minutes on a timely basis.

Examination of Claims

During our examination of claims paid, we found several instances where invoices were received prior to the placement of a purchase order.

It is recommended that a purchase order be prepared prior to all purchases.

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

Examination of Claims (Cont'd)

Management's Response

The Administration will reinforce the Township's policy to obtain a purchase order prior to purchases. The Township has installed a new accounting system, Edmunds, which requires electronic requisitions to be approved prior to purchase. Much improvement has been shown and is a work in progress. The CFO in conjunction with the QPA will continue to enforce the new procedure.

Federal and State Grants

The Federal and State Grant Fund and the General Capital Fund balance sheets include grants receivable balances and unexpended appropriated reserves from prior years. The Township has made improvements, and cancelled older grant balances, however, grant receivable balances and appropriated reserves should be reviewed for disposition. It is recommended that grant receivable and appropriated reserve balances be reviewed for disposition.

Management's Response

All grants receivable and appropriated reserve balances will be reviewed for proper disposition.

Interfunds

Our review of the Finance Office's records revealed that the balance sheets of the various funds reflect a number of interfund receivables and payables. It is recommended that interfunds be liquidated in a timely manner.

Management's Response

The Township will liquidate all interfunds in 2016.

Payments Processing

The processing and payment of claims are administered by a third party administrator. The American Institute of Certified Public Accountants (AICPA) issues standards for audits of service management companies. Statement of Standards for Attest Engagements (SSAE) specifically number 16, sets standards for audits of service management organizations in what is referred to as Service Organization Control (SOC). SOC audits examine the system processes, controls, etc. and tests those controls to insure the controls are being followed. NJAC 5:30-17.5 establishes conditions and requirements that Service Management Organizations must meet. It specifically lists Statement on Auditing Standards (SAS) No. 70. The SOC report has superseded SAS 70 and is now the required report. The third party administrator provided the SOC report however the report did not cover the entire year of audit and a bridge letter was not provided. Additionally the subcontractors of the third party administrator did not provide the required SOC report.

It is recommended that all service management companies, including their subcontractors, provide the Township with a required SOC report and bridge letter covering entire year of audit.

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

Payments Processing (Cont'd)

Management's Response

The Administration will ensure that all service management companies, including subcontractor, provide the Township with a SOC report and bridge letter.

Animal Control Fund

During our review of the Animal Control Fund, we noted that the monthly reports submitted to the State Treasurer for dog license fees collected were not reconciled to the monthly collections for dog license fees.

It is recommended that the monthly state reports be reconciled to cash prior to submission.

Management's Response

Prior to their submission, the monthly reports to the State Treasurer for dog license fees collected will be reconciled to the monthly collections for dog license fees.

Payroll

During our review of payroll, it was noted that though the Township maintains an analysis of the balance in the payroll account, it is not completely accurate.

It is recommended that the Township maintain a complete, analysis of balance, in the payroll account.

Management's Response

The Township will ensure that an accurate analysis of balance for the payroll account is maintained.

Suggestions to Management:

Deferred Compensation Plans

The Township has a fiduciary responsibility to its employees related to the deferred compensation plans offered by the Township. The Township should consider a periodic review of the benefits, features, costs, and performance of its deferred compensation plans and make that information available to employees to assist employees in making suitable choices for investing their retirement funds while fulfilling the Township's fiduciary responsibilities.

Cyber Security

Cybercrime has become much more prevalent in the last few years. Websites and internal networks, including personally identifiable information ("PII"), have been hacked and resulted in significant losses to organizations, both financial and reputational. We suggest that the Authority consider options to test and protect the Authority from cybercrime.

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

Suggestions to Management (Cont'd)

Independent Contractors vs. Employees

The Township should consider reviewing the status of “Independent Contractors” utilized by the Township with Internal Revenue Service guidelines for determination of employment status. The IRS has been reviewing employers, including governments, to determine compliance. A proactive approach may help to minimize or eliminate potential penalties related to incorrect employment status determination.

Status of Prior Year Recommendations

The Township initiated a corrective action plan to resolve the comments and recommendations from the 2014 audit report. The Township is in the process of implementing procedures to resolve the remaining recommendations from the 2014 audit report, where possible.

TOWNSHIP OF PARSIPPANY-TROY HILLS
SUMMARY OF RECOMMENDATIONS

It is recommended that:

1. A Dedication by Rider be obtained for all Other Trust Fund reserves.
2. A continued improvement be made in the accounting records of the police outside services.
3. All minutes of public meetings be prepared on a more timely basis.
4. A purchase order be prepared prior to all purchases.
5. Grant receivable and appropriated reserve balances be reviewed for disposition.
6. Interfunds be liquidated in a timely manner.
7. All service management companies, including their subcontractors, provide the Township with a required SOC report and bridge letter.
8. Dog license fee monthly state reports be reconciled to cash prior to submission.
9. The Township maintain a complete, analysis of balance, in the payroll account.

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