

TOWNSHIP OF PARSIPPANY-TROY HILLS

COUNTY OF MORRIS

NEW JERSEY

REPORT ON

EXAMINATION OF ACCOUNTS

FOR THE YEAR 2012

**SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS**

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

CONTENTS

<u>PART I</u>	<u>PAGE</u>
Independent Auditor's Report.....	2

FINANCIAL STATEMENTS

CURRENT FUND

EXHIBIT

A	Comparative Balance Sheet Regulatory Basis	5
A-1	Comparative Operations and Change in Fund Balance - Regulatory Basis.....	7
A-2	Revenue - Regulatory Basis.....	9
A-2a	Revenue - Analysis of Miscellaneous Revenue - Regulatory Basis.....	10
A-2b	Revenue - Analysis of Certain Realized Revenue - Regulatory Basis.....	11
A-2c	Revenue - Analysis of Other Licenses - Regulatory Basis.....	12
A-2d	Revenue - Analysis of Other Fees and Permits - Regulatory Basis.....	13
A-2e	Revenue - Analysis of Nonbudget Revenue - Regulatory Basis.....	15
A-3	Expenditures - Regulatory Basis	16

TRUST FUNDS

B	Comparative Balance Sheet - Regulatory Basis	24
---	--	----

GENERAL CAPITAL FUND

C	Comparative Balance Sheet - Regulatory Basis	26
C-1	Fund Balance - Regulatory Basis	27

WATER UTILITY

D	Comparative Balance Sheet - Regulatory Basis	28
D-1	Comparative Operations and Change in Fund Balance - Operating Fund - Regulatory Basis	30

FINANCIAL STATEMENTS
(Continued)

WATER UTILITY
(Continued)

<u>EXHIBIT</u>		<u>PAGE</u>
D-2	Fund Balance - Water Capital Fund - Regulatory Basis.....	31
D-3	Revenue - Regulatory Basis.....	32
D-4	Expenditures - Regulatory Basis	33

SEWER UTILITY

E	Comparative Balance Sheet - Regulatory Basis	35
E-1	Comparative Operations and Change in Fund Balance - Regulatory Basis	37
E-2	Fund Balance - Sewer Capital Fund - Regulatory Basis	38
E-3	Revenue - Regulatory Basis.....	39
E-4	Expenditures - Regulatory Basis	40

GOLF AND RECREATION UTILITY

F	Comparative Balance Sheet - Regulatory Basis	42
F-1	Comparative Operations and Change in Fund Balance - Regulatory Basis.....	44
F-2	Fund Balance - Capital Fund - Regulatory Basis	45
F-3	Revenue - Regulatory Basis.....	46
F-4	Expenditures - Regulatory Basis	47

PUBLIC ASSISTANCE TRUST FUND

G	Comparative Balance Sheet - Regulatory Basis	49
---	--	----

PAYROLL FUND

H	Comparative Balance Sheet - Regulatory Basis	50
---	--	----

FINANCIAL STATEMENTS
(Continued)

CAPITAL FIXED ASSETS

<u>EXHIBIT</u>		<u>PAGE</u>
I	Comparative Balance Sheet - Regulatory Basis	51
	<u>NOTES TO FINANCIAL STATEMENTS</u>	52 - 82

SUPPLEMENTARY INFORMATION

CURRENT FUND

A-4	Cash Receipts and Disbursements - Treasurer	83
A-5	Cash Receipts and Disbursements - Collector.....	84
A-6	Bank Reconciliation - December 31, 2012 - Treasurer	85
A-7	Cash - Investment Account	86
A-8	Change Funds	87
A-9	Due from State of New Jersey per Chapter 129, P.L. 1976.....	88
A-10	Taxes Receivable and Analysis of Property Tax Levy	89
A-11	Tax Title Liens	90
A-12	Property Acquired for Taxes (At Assessed Valuation)	90
A-13	Other Liens Receivable	91
A-14	Revenue Accounts Receivable.....	92
A-15	Interfunds Receivable	95
A-16	Deferred Charges	96
A-17	Deferred Charges - N.J.S.A. 40A:4-53 Special Emergency.....	97
A-18	State and Federal Grants Receivable	98
A-19	Appropriation Reserves	100
A-20	Accounts Payable	105
A-21	Due to State of New Jersey	106
A-22	Tax Overpayments	107
A-23	Reserve for Tax Appeals	107
A-24	Interfunds Payable.....	108
A-25	Special District Taxes	109
A-26	County Taxes.....	110
A-27	Local School District Taxes	110
A-28	Prepaid Taxes.....	111
A-29	Prepaid Revenue	112
A-30	Appropriated Reserves for State and Federal Grants	113
A-31	Accumulated Revenue - Unappropriated	116

SUPPLEMENTARY INFORMATION
(Continued)

TRUST FUNDS

<u>EXHIBIT</u>		<u>PAGE</u>
B-1	Cash Receipts and Disbursements	117
B-2	Disbursements	118
B-3	Cash Reconciliations - December 31, 2012	119
B-4	Cash - Investment Account	120
B-5	Change Fund	121
B-6	Assets in the Hands of Plan Administrator - Workers' Compensation Plan ...	122
B-7	Federal Grants Receivable	123
B-8	Due from Municipal Court	124
B-9	Other Accounts Receivable	124
B-10	Interfunds Receivable	125
B-11	Prepaid Licenses	126
B-12	Due to State of New Jersey	127
B-13	Special Deposits	128
B-14	Premiums on Tax Sale	129
B-15	Security Deposits	131
B-16	Municipal Open Space Preservation Trust Fund	132
B-17	Interfunds Payable	133
B-18	Reserve for Workers' Compensation	134
B-19	Reserve for Contributions	135
B-20	Reserve for Animal Control Trust Fund Expenditures	136
B-21	Reserve for Unemployment Insurance Trust Fund Expenditures	137
B-22	Reserve for Employee Health Benefit Fund Expenditures	138
B-23	Reserve for Grant Trust Fund Expenditures	139

GENERAL CAPITAL FUND

C-2	Cash Receipts, Disbursements and Reconciliation - Treasurer	140
C-3	Analysis of Capital Cash	141
C-4	Grants Receivable	145
C-5	Interfunds Receivable	146
C-6	Deferred Charges to Future Taxation - Funded	147
C-7	Deferred Charges to Future Taxation - Unfunded	148
C-8	Improvement Authorizations	150
C-9	Capital Improvement Fund	153
C-10	Deposit for Regional Contribution Agreement	154
C-11	Interfunds Payable	154
C-12	Reserve for Debt Service	155
C-13	Reserve for Developer Contribution - Road Improvement	155
C-14	Reserve for Grants Receivable	156
C-15	Bond Anticipation Notes	157
C-16	Green Acres Trust Acquisition Loan Payable	158
C-17	Refunding Bonds	159
C-18	Serial Bonds	160
C-19	Bonds and Notes Authorized but Not Issued	161

SUPPLEMENTARY INFORMATION
(Continued)

WATER UTILITY

<u>EXHIBIT</u>		<u>PAGE</u>
D-5	Cash Receipts and Disbursements -Treasurer	163
D-6	Cash Receipts and Disbursements - Collector.....	164
D-7	Analysis of Capital Cash.....	165
D-8	Interfunds Receivable.....	166
D-9	Consumer Accounts Receivable	167
D-10	Water Liens Receivable.....	167
D-11	Inventory - Materials and Supplies	168
D-12	Deferred Charges - N.J.S.A. 40A:4-53(d) Special Emergency - Water Supply Master Plan.....	169
D-13	Fixed Capital.....	170
D-14	Fixed Capital Authorized and Uncompleted	171
D-15	Appropriation Reserves	172
D-16	Reserve for Water Master Plan	173
D-17	Accrued Interest on Bonds	174
D-18	Accrued Interest on Loans.....	175
D-19	Accrued Interest on Notes	176
D-20	Water Rent Overpayments	177
D-21	Improvement Authorizations.....	178
D-22	Capital Improvement Fund	180
D-23	Interfunds Payable.....	181
D-24	Reserve for Debt Service	181
D-25	Reserve for Amortization	182
D-26	Deferred Reserve for Amortization	183
D-27	Bond Anticipation Notes	184
D-28	N.J. Environmental Infrastructure Trust Loan Payable.....	185
D-29	Refunding Bonds	186
D-30	Serial Bonds	187
D-31	Bonds and Notes Authorized but Not Issued	188

SEWER UTILITY

E-5	Cash Receipts, Disbursements and Reconciliation - Treasurer.....	189
E-6	Cash Receipts and Disbursements - Collector.....	190
E-7	Analysis of Capital Cash.....	191
E-8	Loans Receivable	192
E-9	Interfunds Receivable.....	193
E-10	Sewer Revenue Accounts Receivable	194
E-11	Sewer Liens Receivable	195
E-12	Inventory - Materials and Supplies	195
E-13	Fixed Capital.....	196
E-14	Fixed Capital Authorized and Uncompleted	197
E-15	Appropriation Reserves	198
E-16	Accrued Interest on Loans.....	199
E-17	Accrued Interest on Bonds	200

SUPPLEMENTARY INFORMATION
(Continued)

SEWER UTILITY
(Continued)

<u>EXHIBIT</u>		<u>PAGE</u>
E-18	Accrued Interest on Notes	201
E-19	Sewer Overpayments	202
E-20	Improvement Authorizations	203
E-21	Capital Improvement Fund	205
E-22	Interfunds Payable	206
E-23	Reserve for Amortization	207
E-24	Deferred Reserve for Amortization	208
E-25	Bond Anticipation Notes	209
E-26	N.J. Environmental Infrastructure Trust Loan Payable.....	210
E-27	Refunding Bonds	214
E-28	Sewer Serial Bonds	215
E-29	Bonds and Notes Authorized but Not Issued	216

GOLF AND RECREATION UTILITY

F-5	Cash Receipts, Disbursements and Reconciliation - Treasurer.....	217
F-6	Cash Receipts and Disbursements - Collector.....	218
F-7	Cash - Money Market Account	219
F-8	Analysis of Capital Cash and Investments	220
F-9	Interfunds Receivable	221
F-10	Revenue Accounts Receivable.....	222
F-11	Fixed Capital.....	223
F-12	Fixed Capital Authorized and Uncompleted	224
F-13	Appropriation Reserves	225
F-14	Sales Tax Payable.....	226
F-15	Accrued Interest on Bonds	227
F-16	Accrued Interest on Notes	228
F-17	Membership Overpayments	229
F-18	Prepaid Revenue	229
F-19	Security Deposit.....	230
F-20	Improvement Authorizations.....	231
F-21	Capital Improvement Fund	233
F-22	Interfunds Payable.....	234
F-23	Reserve for Amortization	235
F-24	Deferred Reserve for Amortization	236
F-25	Bond Anticipation Notes	237
F-26	Refunding Bonds	238
F-27	Serial Bonds	239
F-28	Bonds and Notes Authorized but Not Issued	240

SUPPLEMENTARY INFORMATION
(Continued)

PUBLIC ASSISTANCE TRUST FUND

<u>EXHIBIT</u>		<u>PAGE</u>
G-1	Cash Receipts, Disbursements and Reconciliation.....	241
G-2	Interfunds Receivable.....	242
G-3	Interfunds Payable.....	243
G-4	Reserve for Public Assistance Trust Fund Expenditures	244

PART II

REPORT ON INTERNAL CONTROL AND SINGLE AUDIT ATTACHMENTS

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Statutory Basis Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	246
Report on Compliance for Each Major Program; Report on Internal Control Over Compliance and Report on the Schedule of Expenditures of Federal and State Awards Required by OMB Circular A-133 and New Jersey Circular OMB 04-04.....	248
Schedule of Expenditures of Federal Awards for the Year Ended December 31, 2012.....	251
Schedule of Expenditures of State Financial Assistance for the Year Ended December 31, 2012	252
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance - December 31, 2012	256
Schedule of Findings and Questioned Costs - Year Ended December 31, 2012.....	257
Summary Schedule of Prior Year Audit Findings - Year Ended December 31, 2012.....	259

ROSTER OF OFFICIALS, LETTER OF TRANSMITTAL, COMMENTS AND RECOMMENDATIONS

Roster of Officials and Certain Employees for the Year 2012 and Report on Surety Bonds	260
Letter of Transmittal.....	261
Comments	262
Recommendations.....	268

PART I
REPORT ON EXAMINATION
FINANCIAL STATEMENTS
NOTES TO FINANCIAL STATEMENTS
AND
SUPPLEMENTARY EXHIBITS
YEAR ENDED DECEMBER 31, 2012

SAMUEL KLEIN AND COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

550 BROAD STREET, 11TH FLOOR
NEWARK, N.J. 07102-4543
PHONE (973) 624-6100
FAX (973) 624-6101

36 WEST MAIN STREET, SUITE 301
FREEHOLD, N.J. 07728-2291
PHONE (732) 780-2600
FAX (732) 780-1030

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Township Council
Township of Parsippany-Troy Hills
Parsippany, New Jersey 07054

Report on the Financial Statements

We have audited the financial statements - regulatory basis of the various funds and account groups of the Township of Parsippany-Troy Hills in the County of Morris, as of and for the years then ended December 31, 2012 and 2011 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 principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit 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 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 audit 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.

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

As described in Note 1, these financial statements have been prepared in conformity with accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to demonstrate compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "*Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles*" paragraph, the financial statements referred to in the first paragraph, do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2012 and 2011, and the results of its operations for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements – regulatory basis referred to above, present fairly, in all material respects, the financial position of the various funds of the Township of Parsippany-Troy Hills at December 31, 2012 and 2011, and the results of operations and changes in fund balance, where applicable, of such funds, thereof for the years then ended, in accordance with accounting principles on the basis of financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's financial statements. The supplementary schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal and state awards are not a required part of the financial statements, and are presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*; and *New Jersey's OMB Circular NJOMB 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.

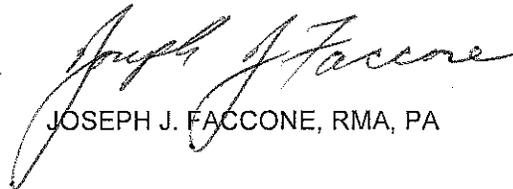
The supplementary schedules and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 2013 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 Township of Parsippany-Troy Hills internal control over financial reporting and compliance.



SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS



JOSEPH J. FACCONI, RMA, PA

Newark, New Jersey
June 5, 2013

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

A
Sheet #1

<u>ASSETS AND DEFERRED CHARGES</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
<u>Regular Fund</u>			
Cash - Checking Account	A-4	\$ 11,345,332.05	\$ 5,574,157.26
Cash - Investment Account	A-7	284,069.56	4,589,888.25
Change Funds	A-8	815.00	765.00
		<u>11,630,216.61</u>	<u>10,164,810.51</u>
Due from State of New Jersey per Ch. 129, P.L. 1976	A-9	59,619.53	68,907.10
		<u>11,689,836.14</u>	<u>10,233,717.61</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes	A-10	1,388,896.81	1,364,381.90
Tax Title Liens	A-11	118,379.17	109,332.75
Property Acquired for Taxes at Assessed Valuations	A-12	1,428,800.00	1,428,800.00
Other Liens Receivable	A-13	192,026.95	192,731.95
Revenue Accounts Receivable	A-14	402,313.42	384,454.41
Interfunds Receivable	A-15	134.27	3,258.46
		<u>3,530,550.62</u>	<u>3,482,959.47</u>
Deferred Charges:			
Emergency Authorization (N.J.S.A. 40A:4-47)	A-16		140,000.00
Special Emergency Authorization (N.J.S.A. 40A:4-53)	A-17	2,148,006.00	1,466,755.00
		<u>2,148,006.00</u>	<u>1,606,755.00</u>
		<u>17,368,392.76</u>	<u>15,323,432.08</u>
<u>State and Federal Grant Fund</u>			
Cash - Checking Account	A-4	14,868.81	254,097.91
State and Federal Grants Receivable	A-18	7,274,971.26	246,942.94
		<u>7,289,840.07</u>	<u>501,040.85</u>
		<u>\$ 24,658,232.83</u>	<u>\$ 15,824,472.93</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

A
Sheet #2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
<u>Regular Fund</u>			
Liabilities and Reserves:			
Appropriation Reserves:			
Encumbered	A-3,19	\$ 860,539.41	\$ 792,210.42
Unencumbered	A-3,19	4,707,252.24	2,952,523.65
Accounts Payable	A-20	104,500.00	35,208.29
Due to State of New Jersey	A-21	47,962.00	22,617.00
Tax Overpayments	A-22	48,441.75	152,102.01
Reserve for Tax Appeals	A-23	865,170.93	667,320.63
Interfunds Payable	A-24	96,655.99	235,347.66
County Taxes Payable	A-26	54,042.17	29,289.89
Prepaid Taxes	A-28	826,858.95	1,091,073.19
Prepaid Revenue	A-29	85,334.92	104,066.41
Accumulated Revenue Unappropriated	A-31	55,178.00	55,178.00
		<u>7,751,936.36</u>	<u>6,136,937.15</u>
Reserves for Receivables and Other			
Assets		3,530,550.62	3,482,959.47
Fund Balance	A-1	6,085,905.78	5,703,535.46
		<u>17,368,392.76</u>	<u>15,323,432.08</u>
 <u>State and Federal Grant Fund</u>			
Appropriated Reserves for State and			
Federal Grants	A-30	7,209,964.10	427,722.47
Accumulated Revenue Unappropriated	A-31	79,875.97	73,318.38
		<u>7,289,840.07</u>	<u>501,040.85</u>
		<u>\$ 24,658,232.83</u>	<u>\$ 15,824,472.93</u>

See accompanying notes to financial statements.

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND

COMPARATIVE STATEMENTS OF OPERATIONS
AND CHANGE IN FUND BALANCE - REGULATORY BASIS

A-1
Sheet #1

	<u>Ref.</u>	<u>Year 2012</u>	<u>Year 2011</u>
<u>Revenue and Other Income</u>			
Fund Balance Utilized	A-2	\$ 3,400,000.00	\$ 3,450,000.00
Miscellaneous Revenue Anticipated	A-2a	21,923,763.90	15,276,894.36
Receipts from Delinquent Taxes	A-2b	1,385,958.95	1,236,657.29
Receipts from Current Taxes	A-2b	187,422,078.13	185,020,169.71
Nonbudget Revenue	A-2e	1,829,884.32	1,251,593.43
Other Credits to Income:			
Other Liens Receivable Realized	A-13	705.00	1,400.00
Interfunds Returned - Net	A-15	3,124.19	
Reserve for Grant Expenditures Cancelled	A-15	253.87	1,836.02
Unexpended Balance of Appropriation			
Reserves	A-19	667,400.82	1,136,357.06
Accounts Payable Cancelled	A-20	3,078.16	
Tax Overpayments Cancelled	A-22	16,657.16	42,086.30
Special District Taxes Cancelled	A-25	39,264.30	28,148.18
		<u>216,692,168.80</u>	<u>207,445,142.35</u>
 <u>Expenditures</u>			
Budget Appropriations:			
Operations:			
Salaries and Wages		24,518,268.00	24,264,360.00
Other Expenses		30,461,542.78	23,427,789.88
Capital Improvements		386,850.00	281,640.00
Debt Service		7,324,973.08	8,692,096.70
Statutory Expenditures		4,985,715.00	5,463,896.00
Deferred Charges		646,799.00	179,189.00
	A-3	<u>68,324,147.86</u>	<u>62,308,971.58</u>
Prior Year Revenue Refunded	A-4	3,103.54	22,163.64
Prior Year Senior Citizen Deductions			
Disallowed by Tax Collector	A-9	24,848.62	14,650.68
Grants Receivable Cancelled			12.26
Interfund Charges			3,255.76
Reserve for Tax Appeals Established	A-23	700,000.00	500,000.00
Accounts Receivable Cancelled	A-24	192.00	
Dedicated Open Space Taxes	A-24	1,273,450.17	1,470,551.68
Special District Taxes	A-25	2,806,228.30	2,755,466.18
County Taxes	A-26	22,128,139.99	21,815,674.55
Local School District Taxes	A-27	118,837,738.00	117,350,067.50
		<u>214,097,848.48</u>	<u>206,240,813.83</u>
Excess in Revenue (Carried Forward)		2,594,320.32	1,204,328.52

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND

COMPARATIVE STATEMENTS OF OPERATIONS
AND CHANGE IN FUND BALANCE - REGULATORY BASIS

A-1
Sheet #2

	<u>Ref.</u>	<u>Year 2012</u>	<u>Year 2011</u>
Excess in Revenue (Brought Forward)		\$ 2,594,320.32	\$ 1,204,328.52
Adjustment to Income before Fund Balance:			
Expenditures Included Above Which Are by Statute			
Deferred Charges to Budget of Succeeding Year		<u>1,188,050.00</u>	<u>1,785,944.00</u>
Statutory Excess to Surplus		3,782,370.32	2,990,272.52
<u>Fund Balance</u>			
Balance January 1	A	<u>5,703,535.46</u>	<u>6,163,262.94</u>
		9,485,905.78	9,153,535.46
Decreased by:			
Utilized as Anticipated Revenue	A-2	<u>3,400,000.00</u>	<u>3,450,000.00</u>
Balance December 31	A	<u>\$ 6,085,905.78</u>	<u>\$ 5,703,535.46</u>

See accompanying notes to financial statements.

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND

STATEMENT OF REVENUE (Continued)
ANALYSIS OF MISCELLANEOUS REVENUE - REGULATORY BASIS

A-2a

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
<u>Miscellaneous Revenue</u>				
Licenses:				
Alcoholic Beverages	A-14	\$ 88,000.00	\$ 89,656.00	\$ 1,656.00
Other	A-2c	150,000.00	212,166.00	62,166.00
Fees and Permits:				
Construction Code Official	A-14	1,500,000.00	2,003,898.75	503,898.75
Other	A-2d	965,500.00	1,126,795.51	161,295.51
Fines and Costs:				
Municipal Court	A-14	550,000.00	582,208.45	32,208.45
Interest and Cost on Taxes	A-5	320,000.00	339,633.20	19,633.20
Interest on Investments and Deposits	A-14	70,000.00	70,714.69	714.69
Garbage and Trash Removal Fees	A-14	1,550,000.00	1,628,240.56	78,240.56
Community Center Revenue - Concession Rents	A-14	150,000.00	157,732.00	7,732.00
Hotel Tax	A-14	1,900,000.00	2,076,913.10	176,913.10
Ambulance Service Billing	A-14	650,000.00	642,004.65	(7,995.35)
Consolidated Municipal Property Tax Relief Aid	A-14	591,870.00	591,870.00	
Energy Receipts Tax	A-14	3,903,153.00	3,903,153.00	
Watershed Moratorium Offset Aid	A-31	55,178.00	55,178.00	
Interlocal Municipal Service Agreement:				
Shared Services - Animal Control	A-14	30,000.00	24,900.00	(5,100.00)
State and Federal Revenues Offset with Appropriations:				
Drunk Driving Enforcement Fund	A-18	24,900.21	24,900.21	
Clean Communities Act	A-18	83,403.83	83,403.83	
Click It or Ticket	A-18	4,000.00	4,000.00	
Drive Sober or Get Pulled Over	A-18	4,400.00	4,400.00	
Body Armor Grant	A-18	8,679.92	8,679.92	
Recycling Tonnage Grant	A-18	59,638.46	59,638.46	
Municipal Alliance	A-18	28,901.00	28,901.00	
N.J. Emergency Management Grant 2011	A-18	5,000.00	5,000.00	
N.J. Emergency Management Grant 2012	A-18	5,000.00	5,000.00	
Hazard Mitigation Grant (FEMA)	A-18	7,220,206.00	7,220,206.00	
Alcohol Education, Rehabilitation and Enforcement Fund	A-18	1,510.97	1,510.97	
N.J. Department of Transportation:				
Highway Safety Fund Grant - "Safe Corridors"	A-18	2,070.39	2,070.39	
Donation - Community Partnership Program	A-18	1,000.00	1,000.00	
Donation - Hao Charitable Trust - Senior Activities	A-18	1,000.00	1,000.00	
County of Morris:				
Juvenile Accountability Leadership Program	A-18	5,000.00	5,000.00	
Other Special Items:				
Uniform Fire Safety Code (Ch. 383, P.L. 1985)	A-14	134,677.00	146,005.40	11,328.40
Cablevision Franchise Fees	A-14	251,688.00	251,688.81	0.81
Reserve to Pay Debt Service	A-15	7,295.00	7,295.00	
Rescue and Recovery Contribution for Capital Sewer Surplus	A-14	9,000.00	9,000.00	
Sewer Surplus	A-15	550,000.00	550,000.00	
	A-1,2	<u>\$ 20,881,071.78</u>	<u>\$ 21,923,763.90</u>	<u>\$ 1,042,692.12</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND

STATEMENT OF REVENUE (Continued)
ANALYSIS OF CERTAIN REALIZED REVENUE - REGULATORY BASIS

A-2b

	<u>Ref.</u>		
<u>Receipts from Delinquent Taxes</u>			
Collections of Delinquent Taxes:			
2012 Collections:			
Taxes	A-10	\$ 1,385,458.95	
Due from State of New Jersey	A-9	<u>500.00</u>	
	A-1,2		<u>\$ 1,385,958.95</u>
<u>Allocation of Current Tax Collections</u>			
Collections of Current Taxes:			
2012 Collections	A-10	\$ 185,808,574.31	
2011 Collections	A-28	1,091,073.19	
Due from State of New Jersey	A-9	410,879.12	
Tax Overpayments Applied	A-22	<u>111,551.51</u>	
	A-1		\$ 187,422,078.13
Allocated to:			
Open Space Tax	A-24	1,273,450.17	
Special District Tax	A-25	2,806,228.30	
County Taxes	A-26	22,128,139.99	
Local School District Tax	A-27	<u>118,837,738.00</u>	
			<u>145,045,556.46</u>
			42,376,521.67
Plus: Appropriation for Reserve for Uncollected Taxes	A-3		<u>1,800,000.00</u>
Realized for Support of Municipal Budget	A-2		<u>\$ 44,176,521.67</u>

See accompanying notes to financial statements.

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND

STATEMENT OF REVENUE (Continued)
ANALYSIS OF OTHER LICENSES - REGULATORY BASIS

A-2c

	<u>Ref.</u>		
<u>Clerk</u>			
Amusement Games		\$ 3,900.00	
Motel		53,300.00	
Sales		4,200.00	
Taxi and Limousine Drivers and Licenses		3,495.00	
Auction		100.00	
Truck Terminal		100.00	
Entertainment		3,000.00	
Bingo and Raffle Licenses		<u>7,050.00</u>	
	A-14		\$ 75,145.00
 <u>Health</u>			
Food Handler		129,880.00	
Swimming Pool		6,000.00	
Fertilizer License		100.00	
Sewerage Construction		<u>225.00</u>	
	A-14		136,205.00
 <u>Registrar of Vital Statistics</u>			
Marriage Licenses		807.00	
Civil Union Licenses		<u>9.00</u>	
	A-14		<u>816.00</u>
	A-2a		<u>\$ 212,166.00</u>

See accompanying notes to financial statements.

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND

STATEMENT OF REVENUE (Continued)
ANALYSIS OF OTHER FEES AND PERMITS - REGULATORY BASIS

A-2d
Sheet #1

	<u>Ref.</u>		
<u>Engineer</u>			
Soil Removal Permit		\$ 2,472.20	
Inspection Fees		18,607.22	
Road Opening Permit		4,050.00	
Regulated Use Fees		140.00	
Flood Certifications		<u>30.00</u>	
	A-14		\$ 25,299.42
 <u>Collector</u>			
Tax Searches		260.00	
Leaf Bags		<u>27,285.00</u>	
	A-14		27,545.00
 <u>Police Department</u>			
Accident and Complaint Reports		4,663.85	
Fingerprinting Fees		750.00	
Gun Permits		1,872.00	
Towing Application Fee		<u>1,650.00</u>	
	A-14		8,935.85
 <u>Registrar of Vital Statistics</u>			
Burial Permit		11,970.00	
Certificate Fees		8,670.00	
Corrections on Certificates		<u>20.00</u>	
	A-14		20,660.00
 <u>Housing Department</u>			
Inspection Fees	A-14		190,065.00
 <u>Zoning Board</u>			
Zoning Permits		37,510.00	
Sign Permits		14,634.73	
Temporary Use Permits		900.00	
Banner Permits		350.00	
Other Fees		<u>2,360.00</u>	
	A-14		55,754.73
 <u>Board of Adjustments</u>			
Variance Fee		10,360.00	
Site Plans		3,675.00	
Appeal Fees		<u>350.00</u>	
	A-14		14,385.00

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND

STATEMENT OF REVENUE (Continued)
ANALYSIS OF OTHER FEES AND PERMITS - REGULATORY BASIS

A-2d
Sheet #2

	<u>Ref.</u>		
<u>Planning Board</u>			
Site Plans		\$ 28,779.75	
Variance Fee		3,900.00	
Subdivision Filing Fee		800.00	
Sketch Plat		<u>500.00</u>	
	A-14		\$ 33,979.75
 <u>Fire Prevention</u>			
Inspection Fees		119,679.00	
Permits		46,547.00	
Smoke Detectors		<u>61,150.00</u>	
	A-14		227,376.00
 <u>Recreation Department</u>			
Fees and Permits	A-14		420,628.50
 <u>Purchasing Department</u>			
Plans and Specifications	A-14		6,975.00
 <u>Mayor's Office</u>			
Victory Garden Fee	A-14		1,805.00
 <u>Treasurer</u>			
Administrative Fee:			
Off-Duty Police Officers		92,301.00	
Special Police		<u>1,085.26</u>	
	A-14		<u>93,386.26</u>
	A-2a		<u>\$ 1,126,795.51</u>

See accompanying notes to financial statements.

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND

STATEMENT OF REVENUE (Continued)
ANALYSIS OF NONBUDGET REVENUE - REGULATORY BASIS

A-2e

	<u>Ref.</u>	
Federal Emergency Management Agency		
Reimbursement - Hurricane Irene		\$ 745,068.40
Insurance Refunds		188,380.58
Developers' Escrow Administrative Fees		92,481.10
Reimbursements		48,482.93
Refunding Bond Sale		13,505.06
Donations		11,125.00
False Alarm Fees		9,975.00
State of New Jersey:		
Administrative Fee for Senior Citizens and Veterans		7,916.36
Administrative Fee for Homestead Rebates		2,830.20
Prior Year Appropriation Refunds		6,296.30
Division of Motor Vehicles - Inspection Fines		2,399.88
Restitution		1,871.29
Property Owner Lists		1,660.00
Health Clinic Fees		1,435.00
Mayor's Wellness Program		1,050.00
Return Check Fees		1,040.00
Copy Fees		440.00
Bank Fees		330.00
Sale of Maps		127.22
Duplicate Tax Certificates		50.00
Postage		27.12
Miscellaneous		<u>7,727.22</u>
	A-5	\$ 1,144,218.66
<u>Other Sources</u>		
Revenue Accounts Receivable	A-14	676,165.66
Interfunds Receivable:		
Premiums on Tax Sale Cancelled	A-15	<u>9,500.00</u>
	A-1,2	<u>\$ 1,829,884.32</u>

See accompanying notes to financial statements.

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #1

Appropriation	Appropriations		Paid or Charged	Reserved		Balance Cancelled
	Budget	Modified Budget		Encumbered	Unencumbered	
APPROPRIATIONS WITHIN "CAPS"						
GENERAL GOVERNMENT						
General Administration:						
Salaries and Wages	\$ 536,889.00	\$ 536,889.00	\$ 513,937.07	\$ 22,951.93	\$	
Other Expenses	74,745.00	74,745.00	53,712.61	796.16	20,236.23	
Township Council:						
Salaries and Wages	40,030.00	40,030.00	40,029.00		1.00	
Other Expenses	2,000.00	2,000.00			2,000.00	
Municipal Clerk:						
Salaries and Wages	112,622.00	82,622.00	76,642.00		5,980.00	
Other Expenses	52,170.00	52,170.00	42,452.82	1,143.92	8,573.26	
Treasury:						
Salaries and Wages	115,116.00	115,116.00	108,724.67		6,391.33	
Other Expenses	24,800.00	24,800.00	23,952.85	841.20	5.95	
Audit	66,500.00	66,500.00	64,000.00		2,500.00	
Tax Collection:						
Salaries and Wages	154,159.00	154,159.00	148,989.19		5,169.81	
Other Expenses	25,640.00	25,640.00	10,113.65	234.06	15,292.29	
Tax Assessing:						
Salaries and Wages	237,936.00	237,936.00	227,865.72		10,070.28	
Other Expenses	52,600.00	52,600.00	33,433.55	2,348.65	16,817.80	
Department of Law:						
Other Expenses	502,900.00	602,900.00	569,190.10	385.00	33,324.90	
Division of Engineering:						
Salaries and Wages	434,316.00	490,316.00	433,600.31		56,715.69	
Other Expenses	44,480.00	44,480.00	17,772.53	17,226.23	9,481.24	
	<u>2,476,903.00</u>	<u>2,602,903.00</u>	<u>2,364,416.07</u>	<u>22,975.22</u>	<u>215,511.71</u>	
LAND USE ADMINISTRATION						
Department of Planning:						
Salaries and Wages	41,277.00	41,277.00	40,344.78		932.22	
Other Expenses	51,000.00	51,000.00	32,130.90	5,525.49	13,343.61	

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND

A-3
Sheet #2

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Appropriation	Appropriations		Paid or Charged	Reserved		Balance Cancelled
	Budget	Modified Budget		Encumbered	Unencumbered	
APPROPRIATIONS WITHIN "CAPS"						
<u>LAND USE ADMINISTRATION</u>						
Board of Adjustment:						
Salaries and Wages	\$ 58,511.00	\$ 58,511.00	\$ 57,191.17	\$	\$ 1,319.83	\$
Other Expenses	27,025.00	27,025.00	14,545.97	482.90	11,996.13	
	<u>177,813.00</u>	<u>177,813.00</u>	<u>144,212.82</u>	<u>6,008.39</u>	<u>27,591.79</u>	
<u>CODE ENFORCEMENT AND ADMINISTRATION</u>						
Housing and Zoning Code Enforcement:						
Salaries and Wages	358,538.00	373,538.00	363,826.79		9,711.21	
Other Expenses	33,200.00	33,200.00	24,650.85	91.20	8,457.95	
	<u>391,738.00</u>	<u>406,738.00</u>	<u>388,477.64</u>	<u>91.20</u>	<u>18,169.16</u>	
<u>INSURANCE</u>						
Unemployment Insurance	48,000.00	48,000.00	48,000.00			
Liability Insurance	495,050.00	560,050.00	511,950.13		48,099.87	
Worker Compensation	615,050.00	615,050.00	614,485.87		564.13	
Employee Health and Group Life	8,934,516.00	8,934,516.00	7,587,000.81	176,299.54	1,171,215.65	
	<u>10,092,616.00</u>	<u>10,157,616.00</u>	<u>8,761,436.81</u>	<u>176,299.54</u>	<u>1,219,879.65</u>	
<u>PUBLIC SAFETY</u>						
Police Department:						
Salaries and Wages	13,162,220.00	13,100,920.00	12,946,684.47		154,235.53	
Other Expenses	696,028.00	696,028.00	455,597.51	90,481.38	149,949.11	
Office of Emergency Management:						
Salaries and Wages	23,710.00	23,710.00	20,259.96		3,450.04	
Other Expenses	22,620.00	22,620.00	12,838.88	517.52	9,263.60	
Aid to First Aid Organizations	210,000.00	210,000.00	210,000.00			
Fire Prevention Bureau:						
Salaries and Wages	331,043.00	331,043.00	308,803.13		22,239.87	
Other Expenses	53,448.00	53,448.00	45,683.87	7,751.87	12.26	

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND

A-3
Sheet #3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Appropriation	Appropriations		Paid or Charged	Reserved		Balance Cancelled
	Budget	Modified Budget		Encumbered	Unencumbered	
APPROPRIATIONS WITHIN "CAPS"						
PUBLIC SAFETY						
Municipal Court:						
Salaries and Wages	\$ 392,373.00	\$ 418,373.00	\$ 388,672.06	\$ 29,700.94	\$	
Other Expenses	17,278.00	17,278.00	13,050.07	1,044.69	3,183.24	
Prosecutor:						
Other Expenses	45,500.00	45,500.00	40,311.00	400.00	4,789.00	
	<u>14,954,220.00</u>	<u>14,918,920.00</u>	<u>14,441,900.95</u>	<u>100,195.46</u>	<u>376,823.59</u>	
PUBLIC WORKS						
Street and Road Maintenance:						
Salaries and Wages	1,764,670.00	1,764,670.00	1,540,364.90		224,305.10	
Other Expenses	542,320.00	542,320.00	225,001.07	246,579.01	70,739.92	
Garbage and Trash Removal:						
Salaries and Wages	1,505,917.00	1,505,917.00	1,333,244.75	17,469.38	172,672.25	
Other Expenses	206,312.00	206,312.00	143,781.86		45,060.76	
Buildings and Grounds:						
Salaries and Wages	323,223.00	273,223.00	240,126.20		33,096.80	
Other Expenses	281,000.00	316,000.00	238,248.89	62,049.63	15,701.48	
Vehicle Maintenance:						
Other Expenses	678,200.00	678,200.00	481,780.26	65,094.67	131,325.07	
Condominium Cost	350,000.00	350,000.00			350,000.00	
Emergency - Hurricane Irene:						
Salaries and Wages	5,651,642.00	300,000.00	300,000.00	391,192.69	1,042,901.38	
		<u>5,936,642.00</u>	<u>4,502,547.93</u>			
HEALTH AND HUMAN SERVICES						
Public Health Services:						
Salaries and Wages	645,579.00	685,579.00	656,885.83		28,693.17	
Other Expenses	143,500.00	143,500.00	110,071.68	19,414.42	14,013.90	
Senior Citizen Center:						
Salaries and Wages	156,144.00	161,144.00	157,348.57		3,795.43	
Other Expenses	44,900.00	44,900.00	44,272.61	379.91	247.48	

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND

A-3
Sheet #4

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Appropriation	Appropriations		Paid or Charged	Reserved		Balance Cancelled
	Budget	Modified Budget		Encumbered	Unencumbered	
APPROPRIATIONS WITHIN "CAPS"						
HEALTH AND HUMAN SERVICES						
Animal Control:						
Other Expenses	\$ 140,000.00	\$ 140,000.00	\$ 140,000.00	\$	\$	\$
Contribution to Day Care Center	48,000.00	48,000.00	48,000.00			
	<u>1,178,123.00</u>	<u>1,223,123.00</u>	<u>1,156,578.69</u>	<u>19,794.33</u>	<u>46,749.98</u>	
PARKS AND RECREATION						
Recreation Services:						
Salaries and Wages	419,777.00	433,777.00	428,251.55		5,525.45	
Other Expenses	152,178.00	152,178.00	129,062.22	10,220.60	12,895.18	
Maintenance of Parks:						
Salaries and Wages	1,536,136.00	1,536,136.00	1,454,699.05		81,436.95	
Other Expenses	223,450.00	223,450.00	178,256.24	37,772.08	7,421.68	
	<u>2,331,541.00</u>	<u>2,345,541.00</u>	<u>2,190,269.06</u>	<u>47,992.68</u>	<u>107,279.26</u>	
UTILITY EXPENSES						
Electricity	375,000.00	375,000.00	296,680.92	5,248.58	73,070.50	
Street Lighting	528,900.00	528,900.00	502,943.19	12,564.54	13,392.27	
Telephone	235,000.00	235,000.00	230,748.83	2,392.09	1,859.08	
Gas (Natural or Propane)	120,000.00	120,000.00	83,779.71	9,315.63	26,904.66	
Gasoline	1,108,250.00	908,250.00	639,639.27	49,555.85	219,054.88	
	<u>2,367,150.00</u>	<u>2,167,150.00</u>	<u>1,753,791.92</u>	<u>79,076.69</u>	<u>334,281.39</u>	
SOLID WASTE DISPOSAL COSTS						
	1,718,000.00	1,718,000.00	1,299,777.83		418,222.17	
UNIFORM CONSTRUCTION CODE						
Department of Buildings and Inspections:						
Salaries and Wages	965,332.00	965,332.00	924,215.62	16,913.21	41,116.38	
Other Expenses	116,100.00	116,100.00	71,653.22	16,913.21	27,533.57	
	<u>1,081,432.00</u>	<u>1,081,432.00</u>	<u>995,868.84</u>	<u>16,913.21</u>	<u>68,649.95</u>	

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND

A-3
Sheet #5

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Appropriation	Appropriations		Paid or Charged	Reserved		Balance Cancelled
	Budget	Modified Budget		Encumbered	Unencumbered	
APPROPRIATIONS WITHIN "CAPS"						
UNCLASSIFIED						
Salary Adjustment Retirement Pay	\$ 20,000.00	\$ 888,050.00	\$ 888,050.00	\$	\$	\$
	<u>20,000.00</u>	<u>888,050.00</u>	<u>888,050.00</u>			
CONTINGENT						
	15,000.00	15,000.00			15,000.00	
Total Operations	<u>42,456,178.00</u>	<u>43,638,928.00</u>	<u>38,887,328.56</u>	<u>860,539.41</u>	<u>3,891,060.03</u>	
Detail:						
Salaries and Wages	23,335,518.00	24,518,268.00	23,598,756.79		919,511.21	
Other Expenses	<u>19,120,660.00</u>	<u>19,120,660.00</u>	<u>15,288,571.77</u>	<u>860,539.41</u>	<u>2,971,548.82</u>	
STATUTORY EXPENDITURES						
Contribution to:						
Social Security System (OASI)	1,241,000.00	1,241,000.00	1,127,922.80		113,077.20	
Police and Firemen's Retirement System of NJ	2,557,250.00	2,557,250.00	2,557,250.00		50.26	
Public Employees' Retirement System	1,174,865.00	1,180,165.00	1,180,114.74		2,153.75	
DCRP Pension	<u>7,300.00</u>	<u>7,300.00</u>	<u>5,146.25</u>		<u>115,281.21</u>	
	<u>4,980,415.00</u>	<u>4,985,715.00</u>	<u>4,870,433.79</u>			
Total Appropriations Within "CAPS"	<u>47,436,593.00</u>	<u>48,624,643.00</u>	<u>43,757,762.35</u>	<u>860,539.41</u>	<u>4,006,341.24</u>	
APPROPRIATIONS EXCLUDED FROM "CAPS"						
OPERATIONS						
Ch. 541, P.L. 1985:						
Maintenance of Free Public Library	3,030,712.00	3,030,712.00	3,030,711.00		1.00	
Contribution to LOSAP Insurance:	<u>58,000.00</u>	<u>58,000.00</u>	<u>52,300.00</u>		<u>5,700.00</u>	
Employee Health and Group Life	695,210.00	695,210.00			695,210.00	
	<u>3,783,922.00</u>	<u>3,783,922.00</u>	<u>3,083,011.00</u>		<u>700,911.00</u>	

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND

A-3
Sheet #6

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Appropriation	Appropriations		Paid or Charged	Reserved		Balance Cancelled
	Budget	Modified Budget		Encumbered	Unencumbered	
APPROPRIATIONS EXCLUDED FROM "CAPS"						
OTHER OPERATIONS						
Interlocal Municipal Service Agreement:						
Shared Services Agreement - Health Officer	\$ 63,750.00	\$ 63,750.00	\$ 63,750.00	\$	\$	\$
Shared Services Agreement - Animal Control	30,000.00	30,000.00	30,000.00			
	<u>93,750.00</u>	<u>93,750.00</u>	<u>93,750.00</u>			
STATE AND FEDERAL PROGRAMS						
OFFSET BY REVENUES						
Alcohol Education, Rehabilitation and Enforcement Fund	1,510.97	1,510.97	1,510.97			
Hazard Mitigation Grant	7,220,206.00	7,220,206.00	7,220,206.00			
Drunk Driving Enforcement Fund	24,900.21	24,900.21	24,900.21			
Clean Communities Act	83,403.83	83,403.83	83,403.83			
Body Armor Grant	8,679.92	8,679.92	8,679.92			
Recycling Tonnage Grant	59,638.46	59,638.46	59,638.46			
Click It or Ticket	4,000.00	4,000.00	4,000.00			
Donation - Hao Charitable Trust - Senior Activities	1,000.00	1,000.00	1,000.00			
Donation - Community Partnership	1,000.00	1,000.00	1,000.00			
Drive Sober or Get Pulled Over	4,400.00	4,400.00	4,400.00			
County of Morris:						
Municipal Alliance	28,901.00	28,901.00	28,901.00			
Matching Funds for the Municipal Alliance Grant	8,500.00	8,500.00	8,500.00			
Emergency Management Grant 2011	5,000.00	5,000.00	5,000.00			
Emergency Management Grant 2012	5,000.00	5,000.00	5,000.00			
N.J. Department of Transportation:						
Highway Safety Fund Grant - Safe Corridors	2,070.39	2,070.39	2,070.39			
Juvenile Accountability Incentive Grant	5,000.00	5,000.00	5,000.00			
	<u>7,463,210.78</u>	<u>7,463,210.78</u>	<u>7,463,210.78</u>			
Total Operations	<u>11,340,882.78</u>	<u>11,340,882.78</u>	<u>10,639,971.78</u>		<u>700,911.00</u>	

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND

A-3
Sheet #7

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Appropriation	Appropriations		Paid or Charged	Reserved		Balance Cancelled
	Budget	Modified Budget		Encumbered	Unencumbered	
APPROPRIATIONS EXCLUDED FROM "CAPS"						
Detail:						
Other Expenses	\$ 11,340,882.78	\$ 11,340,882.78	\$ 10,639,971.78	\$ 700,911.00	\$	
CAPITAL IMPROVEMENTS						
Capital Improvement Fund	386,850.00	386,850.00	386,850.00			
DEBT SERVICE						
Payment of Bond Principal	5,450,000.00	5,615,000.00	5,615,000.00			95,086.92
Interest on Bonds	1,970,060.00	1,805,060.00	1,709,973.08			95,086.92
	7,420,060.00	7,420,060.00	7,324,973.08			
DEFERRED CHARGES						
Emergency Authorizations	140,000.00	140,000.00	140,000.00			
Special Emergency Authorizations - 5 Years:						
Retirement Payouts - Salaries	179,189.00	179,189.00	179,189.00			
Retirement Payouts - Salaries 2012	177,610.00	177,610.00	177,610.00			
Hurricane Irene	150,000.00	150,000.00	150,000.00			
	646,799.00	646,799.00	646,799.00			
Total Appropriations Excluded from "CAPS"	19,794,591.78	19,794,591.78	18,998,593.86	700,911.00		95,086.92
Sub-Total	67,231,184.78	68,419,234.78	62,756,356.21	860,539.41	4,707,252.24	95,086.92
Reserve for Uncollected Taxes	1,800,000.00	1,800,000.00	1,800,000.00			
Total Appropriations	\$ 69,031,184.78	\$ 70,219,234.78	\$ 64,556,356.21	\$ 860,539.41	\$ 4,707,252.24	\$ 95,086.92

Reference

A-2

Sheet #8

A

A

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #8

	<u>Ref.</u>	<u>Modified Budget</u>	<u>Paid or Charged</u>
Adopted Budget		\$ 68,993,303.21	\$
Added by N.J.S.A. 40A:4-87		37,881.57	
Special Emergency	A-17	1,188,050.00	
Cash Disbursed:			
Salaries and Wages			23,598,756.79
Township's Matching Funds for Grants	A-30		8,500.00
Other Expenditures	A-4		<u>30,907,589.64</u>
Deferred Charges	A-16		54,514,846.43
Deferred Charges - Special Emergency	A-17		140,000.00
Interfunds Payable	A-24		506,799.00
Reserve for Grant Expenditures	A-30		140,000.00
Reserve for Uncollected Taxes	A-2b		7,454,710.78
		<u>1,800,000.00</u>	
	Sheet #7	<u>\$ 70,219,234.78</u>	<u>\$ 64,556,356.21</u>
<u>Analysis of Charges to Operations</u>			
Paid or Charged	Above		\$ 64,556,356.21
Appropriation Reserves:			
Encumbered	Sheet #7	\$ 860,539.41	
Unencumbered	Sheet #7	<u>4,707,252.24</u>	
			<u>5,567,791.65</u>
			70,124,147.86
Less: Reserve for Uncollected Taxes	Above		<u>1,800,000.00</u>
	A-1		<u>\$ 68,324,147.86</u>

See accompanying notes to financial statements.

TOWNSHIP OF PARSIPPANY-TROY HILLS
TRUST FUNDS

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

B
Sheet #1

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
Animal Control Trust Fund:			
Change Fund	B-5	\$ 50.00	\$ 50.00
Due from Municipal Court	B-8		275.00
Interfunds Receivable	B-10	<u>74,281.82</u>	<u>49,146.02</u>
		<u>74,331.82</u>	<u>49,471.02</u>
General Trust Fund:			
Cash - Checking Accounts	B-1	10,149,348.51	11,485,580.60
Cash - Investment Account	B-4	<u>1,769,762.81</u>	<u>1,388,379.87</u>
		11,919,111.32	12,873,960.47
Assets in the Hands of Plan Administrator:			
Workers' Compensation Plan	B-6	54,692.90	56,356.12
Due from Municipal Court	B-8	1,645.00	1,318.00
Other Accounts Receivable	B-9	29,287.50	72,316.00
Interfunds Receivable	B-10		25.40
		<u>12,004,736.72</u>	<u>13,003,975.99</u>
Grant Trust Fund:			
Cash - Checking Account	B-1	5,518.29	
Federal Grants Receivable	B-7	<u>304,450.73</u>	<u>280,038.97</u>
		309,969.02	280,038.97
		<u>\$12,389,037.56</u>	<u>\$13,333,485.98</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
TRUST FUNDS

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

B
Sheet #2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
Animal Control Trust Fund:			
Prepaid Licenses	B-11	\$ 8,696.00	\$ 5,533.80
Due to State of New Jersey	B-12	939.20	571.20
Security Deposits	B-15		225.00
Reserve for:			
Contributions	B-19	12,621.26	11,204.62
Animal Control Trust Fund Expenditures	B-20	<u>52,075.36</u>	<u>31,936.40</u>
		<u>74,331.82</u>	<u>49,471.02</u>
General Trust Fund:			
Special Deposits	B-13	5,196,587.33	6,934,116.44
Premiums on Tax Sale	B-14	256,500.00	365,100.00
Security Deposits	B-15	12,105.70	12,089.51
Municipal Open Space Preservation Trust Fund	B-16	6,149,226.32	5,492,172.23
Interfunds Payable	B-17	2,441.73	2,963.31
Reserve for:			
Workers' Compensation	B-18	54,692.90	56,356.12
Unemployment Insurance Trust Fund Expenditures	B-21	173,295.18	141,178.38
Employee Health Benefit Fund Expenditures	B-22	<u>159,887.56</u>	<u>13,003,975.99</u>
		<u>12,004,736.72</u>	<u>13,003,975.99</u>
Grant Trust Fund:			
Reserve for Grant Trust Fund Expenditures	B-23	<u>309,969.02</u>	<u>280,038.97</u>
		<u>\$12,389,037.56</u>	<u>\$13,333,485.98</u>

See accompanying notes to financial statements.

TOWNSHIP OF PARSIPPANY-TROY HILLS
GENERAL CAPITAL FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

C

<u>ASSETS AND DEFERRED CHARGES</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
Cash - Checking Account	C-2,3	\$ 11,057,932.23	\$ 3,297,628.58
Grants Receivable	C-4	485,000.00	312,500.00
Interfunds Receivable	C-5		185,898.94
Deferred Charges to Future Taxation:			
Funded	C-6	50,791,757.72	57,509,689.92
Unfunded	C-7	<u>18,574,728.69</u>	<u>11,818,078.69</u>
		<u>\$ 80,909,418.64</u>	<u>\$ 73,123,796.13</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds	C-18	\$ 26,336,000.00	\$ 46,361,000.00
Refunding Bonds	C-17	23,965,000.00	10,535,000.00
Green Acres Trust Acquisition Loan Payable	C-16	490,757.72	613,689.92
Bond Anticipation Notes	C-15	12,350,000.00	
Improvement Authorizations:			
Funded	C-8	2,281,339.05	4,035,194.53
Unfunded	C-8	14,739,562.64	11,163,625.45
Capital Improvement Fund	C-9	7,607.00	5,357.00
Deposit for Regional Contribution Agreement	C-10	261,420.19	261,420.19
Reserve for:			
Debt Service	C-12	337,217.39	68,262.39
Developer Contributions - Road Improvement	C-13	79,652.68	79,652.68
Fund Balance	C-1	<u>60,861.97</u>	<u>593.97</u>
		<u>\$ 80,909,418.64</u>	<u>\$ 73,123,796.13</u>
 Bonds and Notes Authorized but Not Issued	 C-19	 <u>\$ 6,224,728.69</u>	 <u>\$ 11,818,078.69</u>

See accompanying notes to financial statements.

TOWNSHIP OF PARSIPPANY-TROY HILLS
GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

C-1

	<u>Ref.</u>	
Balance December 31, 2011	C	\$ 593.97
Increased by:		
Premium on Sale of Notes	C-2	<u>60,268.00</u>
Balance December 31, 2012	C	<u>\$ 60,861.97</u>

See accompanying notes to financial statements.

TOWNSHIP OF PARSIPPANY-TROY HILLS
WATER UTILITY

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

D
Sheet #1

<u>ASSETS AND DEFERRED CHARGES</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
<u>Operating Fund</u>			
Cash - Checking Account	D-5	<u>\$ 4,867,738.09</u>	<u>\$ 3,181,968.08</u>
Assets with Full Reserves:			
Consumer Accounts Receivable	D-9	211,459.81	290,447.23
Water Liens Receivable	D-10	252.57	252.57
Inventory - Materials and Supplies	D-11	<u>82,941.00</u>	<u>91,100.00</u>
		<u>294,653.38</u>	<u>381,799.80</u>
Deferred Charges:			
Special Emergency Authorization (N.J.S.A. 40A:4-53)	D-12	<u>25,000.00</u>	<u>50,000.00</u>
		<u>5,187,391.47</u>	<u>3,613,767.88</u>
<u>Capital Fund</u>			
Cash - Checking Account	D-5,7	1,418,222.84	576,160.96
Fixed Capital	D-13	32,818,448.10	32,818,448.10
Fixed Capital Authorized and Uncompleted	D-14	<u>4,485,000.00</u>	<u>3,760,000.00</u>
		<u>38,721,670.94</u>	<u>37,154,609.06</u>
		<u>\$ 43,909,062.41</u>	<u>\$ 40,768,376.94</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
WATER UTILITY

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

D
Sheet #2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
<u>Operating Fund</u>			
Appropriation Reserves:			
Encumbered	D-4,15	\$ 107,412.20	\$ 92,824.26
Unencumbered	D-4,15	676,491.43	609,831.78
Reserve for Water Master Plan	D-16	24,250.03	24,250.03
Accrued Interest on Bonds	D-17	50,636.67	55,932.50
Accrued Interest on Loans	D-18	3,010.42	3,239.58
Accrued Interest on Notes	D-19	2,160.00	
Water Rent Overpayments	D-20	26,185.89	17,732.89
		<u>890,146.64</u>	<u>803,811.04</u>
Reserve for Receivables and Inventory		294,653.38	381,799.80
Fund Balance	D-1	4,002,591.45	2,428,157.04
		<u>5,187,391.47</u>	<u>3,613,767.88</u>
<u>Capital Fund</u>			
Serial Bonds	D-30	3,139,000.00	3,614,000.00
Refunding Bonds	D-29	2,415,000.00	2,665,000.00
N.J. Environmental Infrastructure			
Loans Payable	D-28	262,388.93	283,839.52
Bond Anticipation Notes	D-27	1,200,000.00	
Improvement Authorizations:			
Funded	D-21	196,331.02	297,829.26
Unfunded	D-21	1,093,454.12	667,000.00
Capital Improvement Fund	D-22	14,498.22	14,498.22
Reserves for:			
Debt Service	D-24	204,438.21	204,438.21
Amortization	D-25	28,798,309.17	28,051,858.58
Deferred Amortization	D-26	1,333,000.00	1,296,750.00
Fund Balance	D-2	65,251.27	59,395.27
		<u>38,721,670.94</u>	<u>37,154,609.06</u>
		<u>\$ 43,909,062.41</u>	<u>\$ 40,768,376.94</u>
Bonds and Notes Authorized but Not Issued	D-31	<u>\$ 155,750.00</u>	<u>\$ 667,000.00</u>

See accompanying notes to financial statements.

TOWNSHIP OF PARSIPPANY-TROY HILLS
WATER UTILITY

COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGE
IN FUND BALANCE - OPERATING FUND - REGULATORY BASIS

D-1

	<u>Ref.</u>	<u>Year 2012</u>	<u>Year 2011</u>
<u>Revenue and Other Income</u>			
Fund Balance Utilized	D-3	\$ 850,000.00	\$ 773,000.00
Water Rents	D-3	7,663,273.97	7,865,214.27
Interest on Investments	D-3	14,078.44	14,733.28
Nonbudget Revenue	D-3	188,472.89	69,666.18
Other Credits to Income:			
Unexpended Balance of Appropriation			
Reserves	D-15	378,444.93	167,865.48
Water Rent Overpayments Cancelled			257.22
		<u>9,094,270.23</u>	<u>8,890,736.43</u>
<u>Expenditures</u>			
Budget Appropriations:			
Operating:			
Salaries and Wages	D-4	1,961,804.00	1,918,149.00
Other Expenses	D-4	3,410,245.00	3,351,503.00
Capital Improvements	D-4	36,250.00	29,750.00
Debt Service	D-4	944,600.82	1,090,330.04
Deferred Charges	D-4	25,000.00	25,000.00
Statutory Expenditures	D-4	291,936.00	347,934.00
		<u>6,669,835.82</u>	<u>6,762,666.04</u>
Excess in Revenue		2,424,434.41	2,128,070.39
<u>Fund Balance</u>			
Balance January 1	D	2,428,157.04	1,073,086.65
		<u>4,852,591.45</u>	<u>3,201,157.04</u>
Decreased by:			
Utilized as Anticipated Revenue	D-3	850,000.00	773,000.00
Balance December 31	D	<u>\$ 4,002,591.45</u>	<u>\$ 2,428,157.04</u>

See accompanying notes to financial statements.

TOWNSHIP OF PARSIPPANY-TROY HILLS
WATER UTILITY

STATEMENT OF FUND BALANCE
WATER CAPITAL FUND - REGULATORY BASIS

D-2

	<u>Ref.</u>	
Balance December 31, 2011	D	\$ 59,395.27
Increased by:		
Premium on Sale of Notes	D-5	<u>5,856.00</u>
Balance December 31, 2012	D	<u>\$ 65,251.27</u>

See accompanying notes to financial statements.

TOWNSHIP OF PARSIPPANY-TROY HILLS
WATER UTILITY

STATEMENT OF REVENUE - REGULATORY BASIS

D-3

<u>Source</u>	<u>Ref.</u>	<u>2012 Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	D-1	\$ 850,000.00	\$ 850,000.00	\$
Water Rents	D-1,Below	5,837,611.00	7,663,273.97	1,825,662.97
Interest on Investments	D-1,Below	10,000.00	14,078.44	4,078.44
	D-4	<u>6,697,611.00</u>	<u>8,527,352.41</u>	<u>1,829,741.41</u>
Nonbudget Revenue	D-1,6,Below		<u>188,472.89</u>	<u>188,472.89</u>
		<u>\$ 6,697,611.00</u>	<u>\$ 8,715,825.30</u>	<u>\$ 2,018,214.30</u>

Analysis of Realized Revenue

Ref.

Water Rents

Consumer Accounts Receivable:

Collections

D-9

\$ 7,645,541.08

Overpayments Applied

D-20

17,732.89

Above

\$ 7,663,273.97

Interest on Investments

Collections

D-5

\$ 12,019.28

Interfunds Receivable

D-8

2,059.16

Above

\$ 14,078.44

Nonbudget Revenue

Capacity Fees

\$ 132,621.65

Tap Fee

4,627.00

Interest on Delinquent Water Rents

20,960.92

Final Fees

16,923.32

Miscellaneous Fees

180.00

Off/On Fees

8,580.00

Emergency Call Outs

3,250.00

Hydrant Permits

1,330.00

Above

\$ 188,472.89

See accompanying notes to financial statements.

TOWNSHIP OF PARSIPPANY-TROY HILLS
WATER UTILITY

STATEMENT OF EXPENDITURES - EXPENDITURES - REGULATORY BASIS

D-4
Sheet #1

	Ref.	Budget	Paid or Charged	Expended		Balance Cancelled
				Encumbered	Reserved Unencumbered	
<u>Operating</u>						
Salaries and Wages	D-1	\$ 1,961,804.00	\$ 1,952,135.41	\$	\$ 9,668.59	\$
Other Expenses	D-1	3,410,245.00	2,636,009.96	107,412.20	666,822.84	
		<u>5,372,049.00</u>	<u>4,588,145.37</u>	<u>107,412.20</u>	<u>676,491.43</u>	
<u>Capital Improvements</u>						
Capital Improvement Fund	D-1	36,250.00	36,250.00			
<u>Debt Service</u>						
Payment of Bond Principal:						
Regular		220,000.00	220,000.00			9,447.54
Refunding		495,000.00	495,000.00			17,840.00
Interest on Bonds		208,150.00	198,702.46			487.64
Interest on Notes		20,000.00	2,160.00			
Environmental Infrastructure Loan	D-1	29,226.00	28,738.36			
		<u>972,376.00</u>	<u>944,600.82</u>			<u>27,775.18</u>
<u>Deferred Charges</u>						
Special Emergency	D-1	25,000.00	25,000.00			
<u>Statutory Expenditures</u>						
Contributions to:						
Public Employees' Retirement System		189,786.00	189,786.00			
Social Security System (OASI)	D-1	102,150.00	102,150.00			
		<u>291,936.00</u>	<u>291,936.00</u>			
		\$ 6,697,611.00	\$ 5,885,932.19	\$ 107,412.20	\$ 676,491.43	\$ 27,775.18
Reference		D-3	Sheet #2	D	D	

TOWNSHIP OF PARSIPPANY-TROY HILLS
WATER UTILITY

STATEMENT OF EXPENDITURES - REGULATORY BASIS

D-4
Sheet #2

	<u>Ref.</u>	<u>Paid or</u> <u>Charged</u>
Cash Disbursed	D-5	\$ 5,652,781.96
Deferred Charges - Special Emergency	D-12	25,000.00
Accrued Interest on Bonds	D-17	198,702.46
Accrued Interest on Loans	D-18	7,287.77
Accrued Interest on Notes	D-19	<u>2,160.00</u>
	Sheet #1	<u>\$ 5,885,932.19</u>

See accompanying notes to financial statements.

TOWNSHIP OF PARSIPPANY-TROY HILLS
SEWER UTILITY

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

E
Sheet #1

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
<u>Operating Fund</u>			
Cash - Checking	E-5	\$ 12,609,652.25	\$ 9,426,048.05
Interfunds Receivable	E-9	3,322.50	
		<u>12,612,974.75</u>	<u>9,426,048.05</u>
Assets with Full Reserves:			
Sewer Revenue Accounts Receivable	E-10	751,900.36	691,079.61
Sewer Liens Receivable	E-11	721.81	721.81
Inventory - Materials and Supplies	E-12	106,786.75	79,041.00
		<u>859,408.92</u>	<u>770,842.42</u>
		 13,472,383.67	 10,196,890.47
<u>Capital Fund</u>			
Cash - Checking	E-5,7	11,387,397.26	2,551,501.67
Loans Receivable	E-8	2,875,786.00	7,771,001.00
Fixed Capital	E-13	136,233,319.44	135,903,319.44
Fixed Capital Authorized and Uncompleted	E-14	49,316,405.00	43,011,405.00
		<u>199,812,907.70</u>	<u>189,237,227.11</u>
		 <u>\$213,285,291.37</u>	 <u>\$199,434,117.58</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
SEWER UTILITY

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

E
Sheet #2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>Balance Dec. 31, 2012</u>	<u>Balance Dec. 31, 2011</u>
<u>Operating Fund</u>			
Appropriation Reserves:			
Encumbered	E-4,15	\$ 542,306.13	\$ 274,344.38
Unencumbered	E-4,15	1,268,088.56	1,497,685.97
Accrued Interest on Loans	E-16	102,006.17	106,596.45
Accrued Interest on Bonds	E-17	54,228.50	61,232.67
Accrued Interest on Notes	E-18	15,300.00	
Sewer Overpayments	E-19	327,159.15	37,871.11
		2,309,088.51	1,977,730.58
Reserve for Receivables and Inventory		859,408.92	770,842.42
Fund Balance	E-1	10,303,886.24	7,448,317.47
		13,472,383.67	10,196,890.47
<u>Capital Fund</u>			
Serial Bonds	E-28	4,281,300.00	5,316,300.00
Refunding Bonds	E-27	3,475,000.00	3,465,000.00
Loans Payable	E-26	18,012,211.66	18,953,038.24
Bond Anticipation Notes	E-25	8,500,000.00	
Improvement Authorizations:			
Funded	E-20	3,109,502.35	1,555,895.23
Unfunded	E-20	20,463,472.13	20,314,718.66
Capital Improvement Fund	E-21	1,023,750.00	1,023,750.00
Reserves for:			
Amortization	E-23	132,262,510.44	131,413,024.94
Deferred Amortization	E-24	8,539,797.34	7,091,616.26
Fund Balance	E-2	145,363.78	103,883.78
		199,812,907.70	189,237,227.11
		\$213,285,291.37	\$199,434,117.58
Bonds and Notes Authorized but Not Issued	E-29	\$ 10,478,905.00	\$ 12,675,745.00

See accompanying notes to financial statements.

TOWNSHIP OF PARSIPPANY-TROY HILLS
SEWER UTILITY

COMPARATIVE STATEMENTS OF OPERATIONS
AND CHANGE IN FUND BALANCE - REGULATORY BASIS

E-1

	<u>Ref.</u>	<u>Year 2012</u>	<u>Year 2011</u>
<u>Revenue and Other Income</u>			
Fund Balance Utilized	E-3	\$ 2,000,000.00	\$ 1,615,000.00
Sewer Rents	E-3	14,260,237.13	15,182,863.48
Septage Removal	E-3	642,448.21	867,639.55
Interest on Investments	E-3	25,753.96	47,655.50
Capacity and Connection Fees	E-3	322,808.81	59,073.34
Nonbudget Revenue	E-3	624,230.82	80,589.78
Other Credits to Income:			
Unexpended Balance of Appropriation			
Reserves	E-15	887,765.38	887,927.57
		<u>18,763,244.31</u>	<u>18,740,749.22</u>
 <u>Expenditures</u>			
Budget Appropriations:			
Operating:			
Salaries and Wages	E-4	3,308,055.00	3,277,580.00
Other Expenses	E-4	6,426,032.00	7,208,790.00
Capital Improvements	E-4	331,750.00	100,000.00
Debt Service	E-4	2,461,373.53	2,794,054.22
Deferred Charges	E-4	90.00	
Statutory Expenditures	E-4	544,949.00	554,506.00
		<u>13,072,249.53</u>	<u>13,934,930.22</u>
Prior Year Revenue Refunds	E-5	285,426.01	503,130.55
		<u>13,357,675.54</u>	<u>14,438,060.77</u>
 Excess in Revenue		 5,405,568.77	 4,302,688.45
 <u>Fund Balance</u>			
Balance January 1	E	7,448,317.47	5,460,629.02
		<u>12,853,886.24</u>	<u>9,763,317.47</u>
 Decreased by:			
Utilized as Anticipated Revenue:			
Sewer Operating Fund Budget	E-3	2,000,000.00	1,615,000.00
Current Fund Budget	E-22	550,000.00	700,000.00
		<u>2,550,000.00</u>	<u>2,315,000.00</u>
 Balance December 31	E	 <u>\$ 10,303,886.24</u>	 <u>\$ 7,448,317.47</u>

See accompanying notes to financial statements.

TOWNSHIP OF PARSIPPANY-TROY HILLS
SEWER UTILITY

STATEMENT OF FUND BALANCE
SEWER CAPITAL FUND - REGULATORY BASIS

E-2

	<u>Ref.</u>	
Balance December 31, 2011	E	\$ 103,883.78
Increased by:		
Premium on Sale of Notes	E-5	<u>41,480.00</u>
Balance December 31, 2012	E	<u>\$ 145,363.78</u>

See accompanying notes to financial statements.

TOWNSHIP OF PARSIPPANY-TROY HILLS
SEWER UTILITY

STATEMENT OF REVENUE - REGULATORY BASIS

E-3

<u>Source</u>	<u>Ref.</u>	<u>2012 Budget</u>	<u>Realized</u>	<u>Excess</u>
Fund Balance Anticipated	E-1	\$ 2,000,000.00	\$ 2,000,000.00	\$
Sewer Rents	E-1,Below	11,065,576.00	14,260,237.13	3,194,661.13
Septage Removal	E-1,Below	15,000.00	642,448.21	627,448.21
Interest on Investments	E-1,Below	10,000.00	25,753.96	15,753.96
Capacity and Connection Fees	E-1,6	5,000.00	322,808.81	317,808.81
		<u>13,095,576.00</u>	<u>17,251,248.11</u>	<u>4,155,672.11</u>
Nonbudget Revenue	E-1,6,Below		624,230.82	624,230.82
	E-4	<u>\$ 13,095,576.00</u>	<u>\$ 17,875,478.93</u>	<u>\$ 4,779,902.93</u>

Analysis of Realized Revenue

Sewer Rents

Collections	E-10	\$ 14,231,433.20
Overpayments Applied	E-19	<u>28,803.93</u>
	Above	<u>\$ 14,260,237.13</u>

Septage Removal

Collections	E-10	\$ 633,381.03
Overpayments Applied	E-19	<u>9,067.18</u>
	Above	<u>\$ 642,448.21</u>

Interest on Investments

Collections	E-5	\$ 14,921.42
Interfunds Receivable	E-9	<u>10,832.54</u>
	Above	<u>\$ 25,753.96</u>

Nonbudget Revenue

Interest on Delinquent Sewer Rents		\$ 44,351.82
New Jersey Clean Energy Program		<u>579,879.00</u>
	Above	<u>\$ 624,230.82</u>

See accompanying notes to financial statements.

TOWNSHIP OF PARSHIPpany-TROY HILLS
SEWER UTILITY

E-4
Sheet #1

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Appropriation	Ref.	Budget	Modified Budget	Paid or Charged	Expended		Balance Cancelled
					Encumbered	Reserved	
Salaries and Wages	E-1	\$ 3,308,055.00	\$ 3,308,055.00	\$ 3,124,156.32	\$ 542,306.13	\$ 183,898.68	\$
Other Expenses	E-1	6,426,032.00	6,426,032.00	4,860,244.44	1,023,481.43	1,023,481.43	
		<u>9,734,087.00</u>	<u>9,734,087.00</u>	<u>7,984,400.76</u>	<u>542,306.13</u>	<u>1,207,380.11</u>	
<u>Capital Improvements</u>							
Capital Improvement Fund	E-1	<u>331,750.00</u>	<u>331,750.00</u>	<u>331,750.00</u>			
<u>Debt Service</u>							
Payment of Bond Principal:							
Serial		325,000.00	325,000.00	325,000.00			13,994.25
Refunding		665,000.00	670,000.00	670,000.00			4,700.00
Interest on Bonds		278,000.00	273,000.00	259,005.75			4,632.22
Interest on Notes		20,000.00	20,000.00	15,300.00			
Environmental Infrastructure Loan	E-1	<u>1,196,700.00</u>	<u>1,196,700.00</u>	<u>1,192,067.78</u>			
		<u>2,484,700.00</u>	<u>2,484,700.00</u>	<u>2,461,373.53</u>			<u>23,326.47</u>
<u>Deferred Charges</u>							
Unfunded Improvement Authorizations:							
Ordinance #07-20b	E-1	<u>90.00</u>	<u>90.00</u>	<u>90.00</u>			
<u>Statutory Expenditures</u>							
Contribution to:							
Public Employees' Retirement System		289,199.00	289,199.00	289,199.00		60,708.45	
Social Security System (OASI)	E-1	<u>255,750.00</u>	<u>255,750.00</u>	<u>195,041.55</u>		<u>60,708.45</u>	
		<u>544,949.00</u>	<u>544,949.00</u>	<u>484,240.55</u>			
		<u>\$ 13,095,576.00</u>	<u>\$ 13,095,576.00</u>	<u>\$ 11,261,854.84</u>	<u>\$ 542,306.13</u>	<u>\$ 1,268,088.56</u>	<u>\$ 23,326.47</u>
Reference		E-3		Sheet #2		E	E

TOWNSHIP OF PARSIPPANY-TROY HILLS
SEWER UTILITY

STATEMENT OF EXPENDITURES - REGULATORY BASIS

E-4
Sheet #2

	<u>Ref.</u>	<u>Paid or Charged</u>
Cash Disbursed	E-5	\$ 10,736,217.89
Accrued Interest on Loans	E-16	251,241.20
Accrued Interest on Bonds	E-17	259,005.75
Accrued Interest on Notes	E-18	15,300.00
Interfunds Payable	E-22	<u>90.00</u>
	Sheet #1	<u>\$ 11,261,854.84</u>

See accompanying notes to financial statements.

TOWNSHIP OF PARSIPPANY-TROY HILLS
GOLF AND RECREATION UTILITY

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

F
Sheet #1

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
<u>Operating Fund</u>			
Cash - Checking Account	F-5	\$ 384,189.47	\$ 793,687.17
Cash - Money Market Account	F-7	402,175.63	382,496.63
		<u>786,365.10</u>	<u>1,176,183.80</u>
Interfunds Receivable	F-9	<u>786,365.10</u>	<u>40,301.14</u>
			<u>1,216,484.94</u>
 <u>Assets with Full Reserves:</u>			
Revenue Accounts Receivable	F-10	<u>66,762.94</u>	<u>62,901.78</u>
		<u>853,128.04</u>	<u>1,279,386.72</u>
 <u>Capital Fund</u>			
Cash - Money Market Account	F-7,8	414,861.81	676.95
Fixed Capital	F-11	23,852,276.61	23,852,276.61
Fixed Capital Authorized and Uncompleted	F-12	<u>2,198,677.00</u>	<u>2,063,677.00</u>
		<u>26,465,815.42</u>	<u>25,916,630.56</u>
		<u>\$ 27,318,943.46</u>	<u>\$ 27,196,017.28</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
GOLF AND RECREATION UTILITY

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

F
Sheet #2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>Balance Dec. 31, 2012</u>	<u>Balance Dec. 31, 2011</u>
<u>Operating Fund</u>			
Appropriation Reserves:			
Encumbered	F-4,13	\$ 34,970.81	\$ 48,573.97
Unencumbered	F-4,13	249,513.21	210,601.41
Sales Tax Payable	F-14	2,072.78	457.70
Accrued Interest on Bonds	F-15	23,985.25	27,251.92
Accrued Interest on Notes	F-16	810.00	
Membership Overpayments	F-17	1,702.96	1,145.08
Prepaid Revenue	F-18	3,560.00	2,000.00
Security Deposit	F-19	220,000.00	648,000.00
		536,615.01	938,030.08
Reserve for Receivables		66,762.94	62,901.78
Fund Balance	F-1	249,750.09	278,454.86
		853,128.04	1,279,386.72
<u>Capital Fund</u>			
Serial Bonds	F-27	1,798,700.00	1,938,700.00
Refunding Bonds	F-26		415,000.00
Bond Anticipation Notes	F-25	450,000.00	
Improvement Authorizations:			
Funded	F-20	97,698.42	95,708.42
Unfunded	F-20	505,394.90	377,144.90
Capital Improvement Fund	F-21	28,343.05	28,343.05
Interfunds Payable	F-22		40,001.14
Reserves for:			
Amortization	F-23	23,239,526.61	22,684,526.61
Deferred Amortization	F-24	309,434.00	302,684.00
Fund Balance	F-2	36,718.44	34,522.44
		26,465,815.42	25,916,630.56
		<u>\$ 27,318,943.46</u>	<u>\$ 27,196,017.28</u>
Bonds and Notes Authorized but Not Issued	F-28	\$ 253,543.00	\$ 575,043.00

See accompanying notes to financial statements.

TOWNSHIP OF PARSIPPANY-TROY HILLS
GOLF AND RECREATION UTILITY

COMPARATIVE STATEMENTS OF OPERATIONS
AND CHANGE IN FUND BALANCE - REGULATORY BASIS

F-1

	<u>Ref.</u>	<u>Year 2012</u>	<u>Year 2011</u>
<u>Revenue and Other Income</u>			
Fund Balance Utilized	F-3	\$ 200,000.00	\$ 355,000.00
Golf Fees	F-3	3,344,721.98	3,087,995.51
Room Rentals	F-3	15,011.24	15,032.75
Interest on Investments	F-3	4,685.10	8,491.68
Concession:			
Utilities	F-3	15,428.88	18,733.54
Rent	F-3	779,154.00	1,341,554.00
Nonbudget Revenue	F-3	1,779.91	30,737.51
Other Credits to Income:			
Unexpended Balance of Appropriation			
Reserves	F-13	99,090.95	149,203.62
		<u>4,459,872.06</u>	<u>5,006,748.61</u>
<u>Expenditures</u>			
<u>Budget Appropriations:</u>			
<u>Operating:</u>			
Salaries and Wages	F-4	1,703,492.00	1,757,207.00
Other Expenses	F-4	1,842,036.00	2,003,300.00
Capital Improvements	F-4	6,750.00	10,134.00
Debt Service	F-4	433,154.83	739,301.72
Statutory Expenditures	F-4	299,636.00	304,837.00
		<u>4,285,068.83</u>	<u>4,814,779.72</u>
Prior Year Revenue Refunds	F-5	3,508.00	500.00
		<u>4,288,576.83</u>	<u>4,815,279.72</u>
Excess in Revenue		171,295.23	191,468.89
<u>Fund Balance</u>			
Balance January 1	F	278,454.86	441,985.97
		<u>449,750.09</u>	<u>633,454.86</u>
Decreased by:			
Utilized as Anticipated Revenue	F-3	200,000.00	355,000.00
Balance December 31	F	<u>\$ 249,750.09</u>	<u>\$ 278,454.86</u>

See accompanying notes to financial statements.

TOWNSHIP OF PARSIPPANY-TROY HILLS
GOLF AND RECREATION UTILITY

STATEMENT OF FUND BALANCE
CAPITAL FUND - REGULATORY BASIS

F-2

	<u>Ref.</u>	
Balance December 31, 2011	F	\$ 34,522.44
Increased by:		
Premium on Sale of Notes	F-5	<u>2,196.00</u>
Balance December 31, 2012	F	<u><u>\$ 36,718.44</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF PARSIPPANY-TROY HILLS
GOLF AND RECREATION UTILITY

STATEMENT OF REVENUE - STATUTORY BASIS

F-3

<u>Source</u>	<u>Ref.</u>	<u>2012 Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Utilized	F-1	\$ 200,000.00	\$ 200,000.00	\$
Golf Fees	F-1,10	3,085,000.00	3,344,721.98	259,721.98
Room Rentals	F-1,6	12,000.00	15,011.24	3,011.24
Interest on Investments	F-1,Below	8,000.00	4,685.10	(3,314.90)
Concession:				
Utilities	F-1,6	15,526.00	15,428.88	(97.12)
Rent	F-1,6	778,000.00	779,154.00	1,154.00
Miscellaneous - Additional Fees		<u>244,000.00</u>		<u>(244,000.00)</u>
		4,342,526.00	4,359,001.20	16,475.20
Nonbudget Revenue	F-1,6,Below		<u>1,779.91</u>	<u>1,779.91</u>
	F-4	<u>\$4,342,526.00</u>	<u>\$4,360,781.11</u>	<u>\$ 18,255.11</u>

Analysis of Realized Revenue

Ref.

Interest on Investments

Collections	F-5	\$ 3,478.39
Accrued Interest:		
Money Market Account	F-7	965.10
Interfunds Receivable	F-9	<u>241.61</u>
	Above	<u>\$ 4,685.10</u>

Nonbudget Revenue

Prior Year Appropriation Refunds		\$ 1,105.66
Miscellaneous		<u>674.25</u>
	Above	<u>\$ 1,779.91</u>

See accompanying notes to financial statements.

TOWNSHIP OF PARSIPPANY-TROY HILLS
GOLF AND RECREATION UTILITY

F-4
Sheet #1

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Ref.	Budget	Paid or Charged	Expended		Reserved	Balance Cancelled
				Encumbered	Unencumbered		
<u>Operating</u>							
Salaries and Wages	F-1	\$ 1,753,492.00	\$ 1,664,429.29	\$	\$ 39,062.71	\$ 50,000.00	
Other Expenses	F-1	1,842,036.00	1,644,482.82	34,970.81	162,582.37		
		<u>3,595,528.00</u>	<u>3,308,912.11</u>	<u>34,970.81</u>	<u>201,645.08</u>		<u>50,000.00</u>
<u>Capital Improvements</u>							
Capital Improvement Fund	F-1	6,750.00	6,750.00				
<u>Debt Service</u>							
Payment of Bond Principal:							
Regular		140,000.00	140,000.00				
Refunding		215,000.00	215,000.00				
Interest on Bonds		80,612.00	77,344.83				3,267.17
Interest on Notes		5,000.00	810.00				4,190.00
	F-1	<u>440,612.00</u>	<u>433,154.83</u>				<u>7,457.17</u>
<u>Statutory Expenditures</u>							
Contribution to:							
Public Employees' Retirement System		153,636.00	153,636.00				
Social Security System (OASI)		146,000.00	98,131.87		47,868.13		
	F-1	<u>299,636.00</u>	<u>251,767.87</u>		<u>47,868.13</u>		
		<u>\$ 4,342,526.00</u>	<u>\$ 4,000,584.81</u>	<u>\$ 34,970.81</u>	<u>\$ 249,513.21</u>		<u>\$ 57,457.17</u>

Reference F-3 Sheet #2 E E

TOWNSHIP OF PARSIPPANY-TROY HILLS
GOLF AND RECREATION UTILITY

STATEMENT OF EXPENDITURES - REGULATORY BASIS

F-4
Sheet #2

	<u>Ref.</u>	<u>Paid or Charged</u>
Cash Disbursed	F-5	\$ 3,922,429.98
Accrued Interest on Bonds	F-15	77,344.83
Accrued Interest on Notes	F-16	<u>810.00</u>
	Sheet #1	<u>\$ 4,000,584.81</u>

See accompanying notes to financial statements.

TOWNSHIP OF PARSIPPANY-TROY HILLS
PUBLIC ASSISTANCE TRUST FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

G

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
<u>Trust Fund Account #1</u>			
Cash	G-1	\$ 18,910.96	\$ 8,563.31
Interfunds Receivable	G-2	_____	2.70
		\$ 18,910.96	\$ 8,566.01
 <u>LIABILITIES AND FUND BALANCE</u>			
<u>Trust Fund Account #1</u>			
Reserve for Public Assistance Trust Fund Expenditures	G-4	\$ 18,910.96	\$ 8,566.01
		\$ 18,910.96	\$ 8,566.01

See accompanying notes to financial statements.

TOWNSHIP OF PARSIPPANY-TROY HILLS
PAYROLL FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

H

<u>ASSETS</u>	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
Cash	\$ 225,904.10	\$ 296,511.30
Due from Free Public Library	28,409.48	60,471.42
Due from Current Fund	19,051.67	
Due from General Trust Fund	2,307.46	
	<u>\$ 275,672.71</u>	<u>\$ 356,982.72</u>
<u>LIABILITIES AND RESERVES</u>		
Payroll Deductions Payable	\$ 275,672.71	\$ 356,662.17
Due to Current Fund		295.15
Due to General Trust Fund		25.40
	<u>\$ 275,672.71</u>	<u>\$ 356,982.72</u>

See accompanying notes to financial statements.

TOWNSHIP OF PARSIPPANY-TROY HILLS
CAPITAL FIXED ASSETS

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

!

<u>CAPITAL FIXED ASSETS</u>	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
Building	\$ 31,487,700.00	\$ 31,168,700.00
Land	102,416,500.00	101,893,060.00
Vehicles and Road Equipment	16,666,913.27	16,437,425.27
Other Equipment	2,456,443.89	2,439,207.89
Furniture and Fixtures	<u>138,908.95</u>	<u>107,172.95</u>
	<u>\$ 153,166,466.11</u>	<u>\$ 152,045,566.11</u>
 <u>RESERVES</u>		
Investment in Capital Fixed Assets	<u>\$ 153,166,466.11</u>	<u>\$ 152,045,566.11</u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF PARSIPPANY-TROY HILLS

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Township of Parsippany-Troy Hills is organized with a Mayor-Council form of government under the provisions of N.J.S. 40:69A-31 et seq. As stated under the statutory reference, the Township shall be governed by an elected council and an elected mayor and by such other officers and employees as may be duly appointed pursuant to this article. The mayor shall be elected by the voters of the municipality and shall serve for a term of four years and the council shall consist of five members who shall also serve a term of four years. The terms of office of the mayor and council members shall begin on January 1st next following their election.

Each member of the Council carries a legislative vote.

Governmental Accounting Standards Board (GASB) Statement No. 14 establishes certain standards for defining and reporting on the financial entity. In accordance with these standards, the reporting entity should include the primary government and those component units which are fiscally accountable to the primary government.

The financial statements of the Township of Parsippany-Troy Hills include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township, as required by the provisions of N.J.S. 40A:5-5. The financial statements, however, do not include the operations of the Municipal Library, which is a separate entity subject to a separate examination.

B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the recognized standard setting body for establishing governmental accounting and financial reporting principles. The GASB establishes three fund types and two account groups to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP).

The accounting policies of the Township of Parsippany-Troy Hills conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. These principles are a "Modified Accrual Basis of Accounting" which differs from accounting principles generally accepted in the United States of America (GAAP) for governmental entities. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township of Parsippany-Troy Hills accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP.

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

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

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

B. **Description of Funds (Continued)**

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

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

Public Assistance Trust Fund - Receipts and disbursements of funds that provide assistance to certain residents of the Township of Parsippany-Troy Hills pursuant to the provisions of Title 44 of the New Jersey statutes are maintained in the Public Assistance Trust Fund.

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

Capital Fixed Assets - This account reflects estimated valuations of land, buildings and certain movable fixed assets of the Township as discussed under the caption of "Basis of Accounting".

C. **Basis of Accounting**

The accounting principles and practices prescribed for municipalities by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, differ in certain respects from accounting principles generally accepted in the United States of America. The accounting system is maintained on the modified accrual basis with certain exceptions. Significant accounting policies in New Jersey are summarized as follows:

Property Taxes and Other Revenue

Property taxes and other revenue are realized when collected in cash or approved by regulations for accrual from certain sources of the State of New Jersey and the Federal Government. Accruals of taxes and other revenue are otherwise deferred as to realization by the establishment of offsetting reserve accounts. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Grant Revenue

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

Expenditures

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

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

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

C. **Basis of Accounting (Continued)**

Expenditures (Continued)

Budgeted transfers to the Capital Improvement Fund are recorded as expenditures to the extent permitted by law.

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

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

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

Encumbrances

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

Appropriation Reserves

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

Compensated Absences

Expenditures relating to obligations for unused vested accumulated sick, vacation and compensatory pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

Property Acquired for Taxes

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

Self-Insurance Contributions

Contributions to self-insurance funds are charged to budget appropriations. GAAP requires that payments be accounted for as an operating transfer and not as an expenditure.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

C. **Basis of Accounting (Continued)**

Interfunds Receivable

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

Inventories of Supplies

Materials and supplies purchased by all funds are recorded as expenditures.

An annual inventory of materials and supplies for the Water and Sewer Utilities is required, by regulation, to be prepared by Township personnel for inclusion on the Water and Sewer Utilities Operating Fund balance sheet. Annual changes in valuations, offset with a Reserve Account, are not considered as affecting results of operations. Materials and supplies of other funds are not inventoried nor included on their respective balance sheets.

Capital Fixed Assets

General:

In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from GAAP, the Township of Parsippany-Troy Hills has developed a fixed asset accounting and reporting system.

GAAP requires that fixed assets be capitalized at historical or estimated historical cost if actual historical cost is not available. Depreciation on utility fixed assets should also be recorded.

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

Acquisitions of land, buildings, machinery, equipment and other capital assets are recorded on a perpetual fixed asset record.

Vehicles, furniture, equipment and other items are reflected at replacement values at time of inventory preparation. Additions to the established fixed assets are valued at cost.

Depreciation of assets is not recorded as an operating expense of the Township.

Utilities:

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

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

C. **Basis of Accounting (Continued)**

Capital Fixed Assets (Continued)

Utilities: (Continued)

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

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

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

D. **Basic Financial Statements**

The GASB Codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Township of Parsippany-Troy Hills presents the financial statements listed in the table of contents which are required by the Division of Local Government Services and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

2. **CASH, CASH EQUIVALENTS AND INVESTMENTS**

A. **Cash and Cash Equivalents**

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

The State of New Jersey Cash Management Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities which mature or are redeemed within one year. Twenty-five percent of the Fund may be invested in eligible securities which mature within two years provided, however, the average maturity of all investments in the Fund shall not exceed one year. Collateralization of fund investments is generally not required.

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

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

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

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

2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

A. Cash and Cash Equivalents (Continued)

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

B. Investments

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

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

In addition, a variety of State laws permit local governments to invest in a wide range of obligations issued by State governments and its agencies.

As of December 31, 2012, the Township had funds on deposit in checking, governmental money market funds and investment accounts. The amount on deposit of the Township's Cash and Cash Equivalents as of December 31, 2012 was \$66,935,000.20. These funds constitute "deposits with financial institutions" as defined by GASB Statement No. 40. There were no securities categorized as investments as defined by GASB Statement No. 40.

3. TAXES AND TAX TITLE LIENS RECEIVABLE

Property assessments are determined on true values and taxes are assessed based upon these values. The residential tax bill includes the levies for the Township, County and School purposes. Certified adopted budgets are submitted to the County Board of Taxation by each taxing district. The tax rate is determined by the board upon the filing of these budgets.

The tax bills are mailed by the Tax Collector annually in June and are payable in four quarterly installments due the first of August and November of the current year and a preliminary billing due the first of February and May of the subsequent year. The August and November billings represent the third and fourth quarter installments and is calculated by taking the total year tax levy less the preliminary first and second quarter installments due February and May. The preliminary levy is based on one-half of the current year's total tax.

3. TAXES AND TAX TITLE LIENS RECEIVABLE (Continued)

Tax installments not paid by the above due dates are subject to interest penalties determined by a resolution of the governing body. The rate of interest in accordance with the aforementioned resolution is 8% per annum on the first \$1,500.00 of delinquency and 18% on any delinquency in excess of \$1,500.00. The resolution also sets a grace period of ten days before interest is calculated. In addition, any delinquency in excess of \$10,000.00 at the end of the calendar year is subject to a 6% penalty on the unpaid balance.

Taxes unpaid on the 11th day of the eleventh month in the fiscal year when the taxes become in arrears are subject to the tax sale provisions of the New Jersey statutes. The municipality may institute in rem foreclosure proceedings after six months from the date of the sale if the lien has not been redeemed.

The following is a five year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four years.

Comparative Schedule of Tax Rates

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Tax Rate	<u>\$2.557</u>	<u>\$2.498</u>	<u>\$2.442</u>	<u>\$2.335</u>	<u>\$2.227</u>
Apportionment of Tax Rate:					
Municipal	\$0.556	\$0.540	\$0.562	\$0.517	\$0.491
County	0.286	0.275	0.267	0.256	0.244
School	1.638	1.599	1.564	1.499	1.417
Municipal Open Space	0.017	0.020	0.020	0.020	0.020
Municipal Library Tax	0.041	0.042			
County Open Space	0.019	0.022	0.029	0.043	0.055

Fire District tax rates are not included above.

Assessed Valuations

<u>Year</u>	<u>Amount</u>
2012	\$ 7,259,404,453.00
2011	7,342,895,797.00
2010	7,415,751,416.00
2009	7,498,142,742.00
2008	7,546,086,291.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy*</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2012	\$ 188,882,374.56	\$ 187,422,078.13	99.22 %
2011	186,427,295.92	185,020,169.71	99.24
2010	184,193,966.89	182,917,252.71	99.30
2009	178,695,176.29	177,178,888.71	99.15
2008	171,522,238.16	170,225,464.39	99.24

*Includes Levy for Fire District.

3. TAXES AND TAX TITLE LIENS RECEIVABLE (Continued)

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2012	\$ 118,379.17	\$ 1,388,896.81	\$1,507,275.98	0.79 %
2011	109,332.75	1,364,381.90	1,473,714.65	0.79
2010	100,496.76	1,233,153.71	1,333,650.47	0.72
2009	87,540.43	1,480,992.52	1,568,532.95	0.87
2008	82,483.93	1,270,453.41	1,352,937.34	0.78

4. PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2012	\$ 1,428,800.00
2011	1,428,800.00
2010	1,428,800.00
2009	1,428,800.00
2008	1,428,800.00

5. WATER CONSUMER ACCOUNTS RECEIVABLE

The Township of Parsippany-Troy Hills maintains a utility fund for the billing and collection of water rents. Billings are done on a quarterly basis.

A comparison of Water Utility billings and collections for the past five years are as follows:

<u>Year</u>	<u>Billing</u>	<u>Collection*</u>
2012	\$ 7,712,444.94	\$ 7,663,273.97
2011	7,862,782.64	7,865,214.27
2010	7,505,244.93	7,439,148.02
2009	5,664,812.85	6,011,261.04
2008	6,436,900.54	6,568,449.47

*Includes amounts received for prior years' receivables.

6. SEWER TREATMENT PLANT INCOME

The Township of Parsippany-Troy Hills maintains a utility fund for the billing and collection of sewer rents and septage removal. The Township bills sewer user charges on a quarterly basis and septage removal on a monthly basis.

6. SEWER TREATMENT PLANT INCOME (Continued)

A comparison of billings and collections for the past five years are as follows:

<u>Year</u>	<u>Billing</u>	<u>Collection*</u>
2012	\$ 14,967,272.41	\$ 14,902,685.34
2011	16,033,193.05	16,050,503.03
2010	15,484,285.03	15,297,473.67
2009	15,019,265.31	15,709,081.19
2008	15,806,553.59	15,594,651.19

*Includes amounts received for prior years' receivables.

7. GOLF AND RECREATION FEES

The Township of Parsippany-Troy Hills maintains a utility fund for two golf courses. The Knoll West Golf Course is a private golf course and the Knoll East Golf Course is a public golf course.

A comparison of accrued revenue for the past five years is as follows:

<u>Year</u>	<u>Total</u>	<u>Membership Fees</u>	<u>Other Fees</u>	<u>Cart Rentals</u>
2012	\$ 3,353,113.06	\$ 816,039.74	\$ 1,971,022.65	\$ 566,050.67
2011	3,106,331.98	847,399.00	1,745,634.50	513,298.48
2010	3,447,404.71	826,015.58	2,027,308.76	594,080.37
2009	3,418,755.09	831,719.00	2,008,348.40	578,687.69
2008	3,525,559.64	829,385.30	2,086,312.89	609,861.45

8. FUND BALANCES APPROPRIATED

	<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budgets of Succeeding Year</u>
Current Fund:	2012	\$ 6,085,905.78	\$ 3,600,000.00
	2011	5,703,535.46	3,400,000.00
	2010	6,163,262.94	3,450,000.00
	2009	5,588,804.11	3,250,000.00
	2008	5,441,427.77	3,300,000.00
Water Utility Operating Fund:	2012	4,002,591.45	850,000.00
	2011	2,428,157.04	850,000.00
	2010	1,073,086.65	773,000.00
	2009	169,849.83	60,000.00
	2008	369,849.83	200,000.00
Sewer Utility Operating Fund:	2012	10,303,886.24	2,000,000.00
	2011	7,448,317.47	2,000,000.00
	2010	5,460,629.02	1,615,000.00
	2009	4,035,496.68	1,550,000.00
	2008	2,161,756.18	500,000.00
Golf and Recreation Utility Operating Fund:	2012	249,750.09	200,000.00
	2011	278,454.86	200,000.00
	2010	441,985.97	355,000.00
	2009	336,557.76	275,000.00
	2008	629,185.09	550,000.00

9. PENSION PLANS

Description of Systems

Substantially all of the Township's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Public Employees' Retirement System (PERS) or the Police and Firemen's Retirement System (PFRS). These systems are sponsored and administered by the New Jersey Division of Pensions and Benefits. The Public Employees' Retirement System and the Police and Firemen's Retirement System is considered a cost sharing multiple-employer plan.

Public Employees' Retirement System:

The Public Employees' Retirement System (PERS) was established as of January, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another State-administered retirement system or other state or local jurisdiction.

Significant Legislation

P.L. 2011, c. 78, effective June 28, 2011, made various changes to the manner in which PERS operates and to the benefit provisions of that system.

This new legislation's provisions impacting employee pension and health benefits include:

- New members of PERS hired on or after June 28, 2011 (Tier 5 members), will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ to 1 percent for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 62 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PERS members enrolled after June 28, 2011 (Tier 3 members), will be 60 percent instead of 65 percent of the member's final compensation plus 1 percent for each year of creditable service over 25 years but not to exceed 30 years.
- Active member contribution rates will increase. PERS active member rates increase from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years. For Fiscal Year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contributions for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.

In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

9. PENSION PLANS

Significant Legislation

Police and Firemen's Retirement System:

The Police and Firemen's Retirement System (PFRS) was established in July 1944, under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firemen and State firemen appointed after June 30, 1944. Membership is mandatory for such employees. Members may opt for Service Retirement if over age 55 or Special Retirement at any age if they have a minimum of 25 years of service or 20 years of service if enrolled in the PFRS as of January 18, 2000. Retirement benefits vary depending on age and years of service.

Chapter 428, Public Law of 1999, effective January 18, 2000, allows a member, age 55 and older with 20 or more years of service, to retire with a benefit equaling 50% of final compensation, in lieu of the regular retirement allowance available to the member. Final compensation means the compensation received by the member in the last twelve months of creditable service preceding retirement.

In addition, a member of the system as of the effective date of this law may retire with 20 or more years of service with a retirement allowance of 50% of final compensation, regardless of age, and, if required to retire because of attaining the mandatory retirement age of 65 years, an additional 3% of final compensation for every additional year of creditable service up to 25 years.

Contributions Required and Made

Contributions made by employees for PERS and PFRS are currently 6.64% and 10.0% of their base wages, respectively. Employer contributions are actuarially determined on an annual basis by the Division of Pensions. Contributions to the plan for the past three (3) years are as follows:

Year	PERS		PFRS	
	Township	Employees	Township	Employees
2012	\$ 1,943,533.00	\$ 972,443.94	\$ 2,557,250.00	\$ 1,047,144.55
2011	1,955,061.00	882,120.64	3,055,660.00	941,619.00
2010	1,526,781.00	865,453.10	2,418,638.00	909,946.09

10. DEFINED CONTRIBUTION RETIREMENT PROGRAM

Description of System

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members, with a minimum base salary of \$1,500.00 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If the eligible elected or appointed official will earn less than \$5,000.00 annually, the official may choose to waive participation in the DCRP for that office or position. This waiver is irrevocable.

As of May 21, 2010, the municipal base salary required for eligibility in the DCRP was increased to \$5,000.00.

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee and employer and through investment earnings. It is similar to a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment options provided by the employer.

10. DEFINED CONTRIBUTION RETIREMENT PROGRAM (Continued)

Description of System (Continued)

The law requires that three classes of employees enroll in the DCRP, detailed as follows:

- All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may remain in the Public Employees' Retirement System (PERS).
- A Governor appointee with the advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.
- Employees enrolled in the PERS on or after July 1, 2007 or employees enrolled in the PERS after May 21, 2010 who earn salary in excess of established "maximum compensation" limits.
- Employees otherwise eligible to enroll in the PERS on or after November 2, 2008 who do not earn the minimum salary for PERS Tier 3, but who earn salary of at least \$5,000.00.
- Employees otherwise eligible to enroll in the PERS after May 21, 2010, who do not work the minimum number of hours per week required for PERS Tier 4 or Tier 5 enrollment (32 hours per week) but who earn salary of at least \$5,000.00 annually.

Notwithstanding the foregoing requirements, other employees who hold a professional license or certificate or meet other exceptions are permitted to remain to join or remain in PERS.

Contributions Required and Made

Contributions made by employees for DCRP are currently at 5.5% of their base wages. Member contributions are matched by a 3.0% employer contribution. Contributions to the plan for the past three years are as follows:

<u>Year</u>	<u>Township</u>	<u>Employees</u>
2012	\$ 5,036.41	\$ 8,136.59
2011	5,030.59	7,281.04
2010	643.89	1,141.19

11. POST-RETIREMENT BENEFITS

Plan Description

The Township of Parsippany, by contractual agreement, provides certain post-employment benefits to retired 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.

For the employee to be eligible for such benefits the retiree in the Public Employees' Retirement System must have twenty-five years or more of pension service credits and twenty-five years of service with the Township and the retiree in the Police and Firemen's System must have twenty-five years or more of pension service credits and fifteen years of service with the Township.

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

11. POST-RETIREMENT BENEFITS (Continued)

Actuarial Valuations

The Township of Parsippany has contracted with an actuary and received an actuarial certification regarding the plan in accordance with the requirements of GASB 45, detailed as follows:

Unfunded Accrued Liability as of December 31, 2012	<u>\$ 80,550,000.00</u>
Net OPEB Obligation December 31, 2011	\$ 5,750,000.00
Annual OPEB Cost	<u>5,480,000.00</u>
	11,230,000.00
Contributions Made	<u>3,210,000.00</u>
Net OPEB Obligation December 31, 2012	<u>\$ 8,020,000.00</u>

Other Information

Participant Information:

Active Employees Plus Dependents	384
Retirees Plus Dependents	123

Market Value of Assets \$ -

12. MUNICIPAL DEBT

The Local Bond Law governs the issuance of bonds and notes to finance general capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Pursuant to N.J.S.A. 40A:2-8.1, bond anticipation notes, which are issued to temporarily finance capital projects, cannot be renewed past the third anniversary unless an amount equal to at least the first legal requirement is paid prior to each anniversary, and must be paid off within ten years and five months or retired by the issuance of bonds.

12. MUNICIPAL DEBT (Continued)

Summary of Municipal Debt (Excluding Current and Operating Debt)

	<u>Year 2012</u>	<u>Year 2011</u>	<u>Year 2010</u>
<u>Issued</u>			
General:			
Bonds and Notes	\$ 62,651,000.00	\$ 56,896,000.00	\$ 63,430,000.00
Loans	490,757.72	613,689.92	734,199.87
Water Utility Fund:			
Bonds and Notes	6,754,000.00	6,279,000.00	7,115,000.00
Loans	262,388.93	283,839.52	305,644.43
Sewer Utility Fund:			
Bonds and Notes	16,256,300.00	8,781,300.00	10,076,300.00
Loans	18,012,211.66	18,953,038.24	19,883,852.86
Golf and Recreation Fund:			
Bonds and Notes	2,248,700.00	2,353,700.00	2,993,700.00
	<u>106,675,358.31</u>	<u>94,160,567.68</u>	<u>104,538,697.16</u>
 <u>Authorized but Not Issued</u>			
General:			
Bonds and Notes	6,224,728.69	11,818,078.69	6,716,918.69
Water Utility:			
Bonds and Notes	155,750.00	667,000.00	101,750.00
Sewer Utility:			
Bonds and Notes	10,478,905.00	12,675,745.00	10,775,745.00
Golf and Recreation Utility:			
Bonds and Notes	253,543.00	575,043.00	382,500.00
	<u>17,112,926.69</u>	<u>25,735,866.69</u>	<u>17,976,913.69</u>
 Total Debt	 <u>123,788,285.00</u>	 <u>119,896,434.37</u>	 <u>122,515,610.85</u>
 Less: Reserve for Debt Service:			
Cash on Hand:			
Golf and Recreation Utility	250.00		
General Capital Fund	337,217.39	68,262.39	29,295.79
Water Capital Fund	204,438.21	204,438.21	204,438.21
	<u>541,905.60</u>	<u>272,700.60</u>	<u>233,734.00</u>
 Net Bonds and Notes Issued and Authorized but Not Issued	 <u>\$ 123,246,379.40</u>	 <u>\$ 119,623,733.77</u>	 <u>\$ 122,281,876.85</u>

12. MUNICIPAL DEBT (Continued)

Summary of Statutory Debt Condition - Annual Debt Service

The summarized statement of debt condition which follows is prepared in accordance with the required methods of setting up the Annual Debt Statement and indicates a statutory net debt of 0.770%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School	\$ 48,816,000.00	\$ 48,816,000.00	\$
General	69,366,486.41	337,217.39	69,029,269.02
Water Utility	7,172,138.93	7,172,138.93	
Sewer Utility	44,747,416.66	44,747,416.66	
Golf and Recreation Utility	<u>2,502,243.00</u>	<u>2,502,243.00</u>	
	<u>\$ 172,604,285.00</u>	<u>\$ 103,575,015.98</u>	<u>\$ 69,029,269.02</u>

Net debt, \$69,029,269.02, divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended, \$8,961,009,021.33 equals 0.770%.

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

3 1/2% of Equalized Valuation Basis	\$ 313,635,315.74
Net Debt	<u>69,029,269.02</u>
Remaining Borrowing Power	<u>\$ 244,606,046.72</u>

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

Fund Balance Utilized and Cash Receipts from Fees, Rents or Other Charges for Year		\$ 8,715,825.30
Deductions:		
Operating and Maintenance Costs	\$ 5,663,985.00	
Debt Service per Water Utility Operating Fund	<u>944,600.82</u>	<u>6,608,585.82</u>
Excess in Revenue		<u>\$ 2,107,239.48</u>

There being an excess in revenue, all Water Utility Debt is deductible for Debt Statement purposes.

12. MUNICIPAL DEBT (Continued)

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

Fund Balance Utilized and Cash Receipts from Fees, Rents or Other Charges for Year		\$ 17,875,478.93
Deductions:		
Operating and Maintenance Costs	\$ 10,279,036.00	
Debt Service per Water Utility Operating Fund	<u>2,461,373.53</u>	
		<u>12,740,409.53</u>
Excess in Revenue		<u>\$ 5,135,069.40</u>

There being an excess in revenue, all Sewer Utility Debt is deductible for Debt Statement purposes.

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

Fund Balance Utilized and Cash Receipts from Fees, Rents or Other Charges for Year		\$ 4,360,781.11
Deductions:		
Operating and Maintenance Costs	\$ 3,845,164.00	
Debt Service per Water Utility Operating Fund	<u>433,154.83</u>	
		<u>4,278,318.83</u>
Excess in Revenue		<u>\$ 82,462.28</u>

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

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

12. MUNICIPAL DEBT (Continued)

As of December 31, 2012, the Township's long-term debt is as follows:

General Obligation Bonds

Serial Bonds:

\$23,261,000.00, 2005 Bonds due in annual installments of \$1,014,000.00 through July, 2013, interest at 4.00%	\$ 1,041,000.00	
\$17,000,000.00, 2008 Bonds due in annual installments of \$1,500,000.00 to \$2,000,000.00 through July, 2019, interest at 3.50% to 4.00%	11,850,000.00	
\$14,425,000.00, 2010 Bonds due in annual installments of \$1,150,000.00 through November, 2023, interest at 2.00% to 3.00%	12,650,000.00	
\$1,325,000.00, 2010 Bonds due in annual installments of \$265,000.00 through November, 2015, interest at 2.00%	<u>795,000.00</u>	\$ 26,336,000.00

Refunding Bonds:

\$12,092,000.00, 2010 Bonds due in annual installments of \$1,660,000.00 to \$1,940,000.00 through October, 2017, interest at 2.00% to 5.00%	8,940,000.00	
\$15,190,000.00, 2012 Bonds due in annual installments of \$1,030,000.00 to \$1,470,000.00 through July, 2025 interest at 3.00% to 5.00%	<u>15,025,000.00</u>	<u>23,965,000.00</u>
		<u>\$ 50,301,000.00</u>

12. MUNICIPAL DEBT (Continued)

Water Utility Bonds

Serial Bonds:

\$456,000.00, 2005 Bonds due in annual installments of \$31,000.00 through July, 2020, 2013, interest at 4.00%	\$ 31,000.00	
\$1,700,000.00, 2008 Bonds due in annual installments of \$100,000.00 to \$200,000.00 through July, 2019, interest at 3.50% to 4.00%	1,300,000.00	
\$1,988,000.00, 2010 Bonds due in annual installments of \$100,000.00 to \$175,000.00 through November, 2023, interest at 2.00% to 3.00%	<u>1,808,000.00</u>	\$ 3,139,000.00

Refunding Bonds:

\$1,185,000.00, 2003 Bonds due in annual installments of \$125,000.00 through December, 2013, interest at 4.00%	125,000.00	
\$1,630,000.00, 2009 Bonds due in annual installments of \$175,000.00 to \$190,000.00 through December, 2017, interest at 2.875% to 4.125%	920,000.00	
\$1,524,000.00, 2010 Bonds due in annual installments of \$210,000.00 to \$240,000.00 through October, 2017, interest at 2.00% to 5.00%	1,125,000.00	
\$245,000.00, 2012 Bonds due in annual installments of \$35,000.00 through July, 2020, interest at 3.00% to 5.00%	<u>245,000.00</u>	<u>2,415,000.00</u>
		<u>\$ 5,554,000.00</u>

12. MUNICIPAL DEBT (Continued)

Sewer Utility Bonds

Serial Bonds:

\$603,000.00, 2005 Bonds due in annual installments of \$88,000.00 through July, 2013, interest at 4.00%	\$ 88,000.00	
\$800,000.00, 2008 Bonds due in annual installments of \$60,000.00 to \$100,000.00 through July, 2019, interest at 3.50% to 4.00%	560,000.00	
\$4,003,300.00, 2010 Bonds due in annual installments of \$275,000.00 to \$370,000.00 through November, 2023, interest at 2.00% to 3.00%	<u>3,633,300.00</u>	\$ 4,281,300.00

Refunding Bonds:

\$2,985,000.00, 2003 Bonds due in annual installments of \$170,000.00 through December, 2013, interest at 4.00%	170,000.00	
\$2,871,000.00, 2009 Bonds due in annual installments of \$315,000.00 to \$330,000.00 through December, 2017, interest at 2.875% to 4.125%	1,615,000.00	
\$1,374,000.00, 2010 Bonds due in annual installments of \$190,000.00 to \$220,000.00 through October, 2017, interest at 2.00% to 5.00%	1,015,000.00	
\$680,000.00, 2012 Bonds due in annual installments of \$85,000.00 to \$110,000.00 through July, 2020, interest at 3.00% to 5.00%	<u>675,000.00</u>	<u>3,475,000.00</u>
		<u>\$ 7,756,300.00</u>

12. MUNICIPAL DEBT (Continued)

Golf and Recreation Utility Bonds

Serial Bonds:

\$1,500,000.00, 2008 Bonds due in annual installments of \$150,000.00 to \$170,000.00 through July, 2019, interest at 3.50% to 4.00%	\$1,120,000.00	
\$758,700.00, 2010 Bonds due in annual installments of \$40,000.00 to \$80,000.00 through November, 2023, interest at 2.00% to 3.00%	<u>678,700.00</u>	<u>\$ 1,798,700.00</u>

Green Acres Trust Loans Payable

The Township of Parsippany-Troy Hills entered into loan agreements with the State of New Jersey, Department of Environmental Protection and Energy under the Green Acres Trust Program to finance part of the acquisition of certain lands at an interest rate of 2.0%.

\$1,500,000.00, 1996 Loan due in semi-annual installments of \$46,637.40 through April, 2016, interest at 2.0%	\$ 313,785.46	
\$664,482.00, 1997 Loan due in semi-annual installments of \$20,659.80 through May, 2017, interest at 2.0%	<u>176,972.26</u>	<u>\$ 490,757.72</u>

N.J. Environmental Infrastructure Trust Loan Payable

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, 2012 in the amount of \$18,274,600.59 are detailed as follows:

	<u>Total</u>	<u>Water Utility</u>	<u>Sewer Utility</u>
Trust Share	\$ 5,936,154.20	\$ 145,000.00	\$ 5,791,154.20
Fund Share	<u>12,338,446.39</u>	<u>117,388.93</u>	<u>12,221,057.46</u>
	<u>\$ 18,274,600.59</u>	<u>\$ 262,388.93</u>	<u>\$ 18,012,211.66</u>

12. MUNICIPAL DEBT (Continued)

An amortization schedule detailing principal and interest is detailed as follows:

Calendar Year	Total	Water Utility		Sewer Utility	
		Principal	Interest	Principal	Interest
2013	\$ 1,232,200.35	\$ 29,317.28	\$ 7,225.00	\$ 950,843.27	\$ 244,814.80
2014	1,234,343.87	28,785.81	6,400.00	965,865.78	233,292.28
2015	1,230,860.72	28,302.66	5,650.00	975,896.48	221,011.58
2016	1,231,877.58	27,819.52	4,900.00	990,935.48	208,222.58
2017	1,227,144.42	27,336.36	4,150.00	1,000,982.22	194,675.84
2018	1,226,911.28	26,853.22	3,400.00	1,016,036.10	180,621.96
2019	1,225,928.13	26,370.07	2,650.00	1,031,095.24	165,812.82
2020	1,230,515.97	34,107.91	1,900.00	1,041,160.42	153,347.64
2021	1,232,954.16	33,496.10	950.00	1,061,231.84	137,276.22
2022	1,198,308.06			1,071,308.56	126,999.50
2023	1,199,308.07			1,086,392.39	112,915.68
2024	1,194,708.07			1,096,482.63	98,225.44
2025	1,194,708.06			1,111,578.46	83,129.60
2026	1,199,108.06			1,131,680.52	67,427.54
2027	1,194,758.08			1,141,789.24	52,968.84
2028	1,197,958.06			1,161,904.80	36,053.26
2029	1,195,358.63			1,177,028.23	18,330.40
	<u>\$ 20,646,951.57</u>	<u>\$ 262,388.93</u>	<u>\$ 37,225.00</u>	<u>\$ 18,012,211.66</u>	<u>\$ 2,335,125.98</u>

Bond Anticipation Notes

Outstanding Bond Anticipation Notes are summarized as follows:

	Maturity Date	Interest Rate	Amount
General Capital Fund	10-04-13	0.75 %	<u>\$ 12,350,000.00</u>
Water Capital Fund	10-04-13	0.75	<u>\$ 1,200,000.00</u>
Sewer Capital Fund	10-04-13	0.75	<u>\$ 8,500,000.00</u>
Golf and Recreation Capital Fund	10-04-13	0.75	<u>\$ 450,000.00</u>

Statutory requirements for providing sums equivalent to legally payable installments for the redemption of notes (Budget Appropriations) and permanent funding (Bond Issues) are summarized as follows:

Original Notes Issued	Installments Due	Permanent Funding Required as of May 1
2012	2015 - 2022	2023

12. MUNICIPAL DEBT (Continued)

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding

REFUNDING BONDS

2003 ISSUE

Calendar Year	Total	Water Utility		Sewer Utility	
		Principal	Interest	Principal	Interest
2013	\$ 306,800.00	\$ 125,000.00	\$ 5,000.00	\$ 170,000.00	\$ 6,800.00

2003 ISSUE

Calendar Year	Total	Water Utility		Sewer Utility	
		Principal	Interest	Principal	Interest
2013	\$ 583,793.76	\$ 175,000.00	\$ 34,068.76	\$ 315,000.00	\$ 59,725.00
2014	571,600.00	180,000.00	27,900.00	315,000.00	48,700.00
2015	566,800.00	185,000.00	20,700.00	325,000.00	36,100.00
2016	556,400.00	190,000.00	13,300.00	330,000.00	23,100.00
2017	541,450.00	190,000.00	7,837.50	330,000.00	13,612.50
	\$ 2,820,043.76	\$ 920,000.00	\$ 103,806.26	\$ 1,615,000.00	\$ 181,237.50

12. MUNICIPAL DEBT (Continued)

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding

REFUNDING BONDS

2010 ISSUE

Calendar Year	Total	General		Water Utility		Sewer Utility	
		Principal	Interest	Principal	Interest	Principal	Interest
2013	\$ 2,474,200.02	\$ 1,660,000.00	\$ 334,131.26	\$ 210,000.00	\$ 42,043.76	\$ 190,000.00	\$ 38,025.00
2014	2,485,500.00	1,720,000.00	286,800.00	215,000.00	36,050.00	195,000.00	32,650.00
2015	2,490,400.00	1,775,000.00	234,300.00	225,000.00	29,450.00	200,000.00	26,650.00
2016	2,508,850.00	1,845,000.00	176,550.00	235,000.00	22,150.00	210,000.00	20,150.00
2017	2,518,300.00	1,940,000.00	95,600.00	240,000.00	11,800.00	220,000.00	10,900.00
	<u>\$ 12,477,250.02</u>	<u>\$ 8,940,000.00</u>	<u>\$ 1,127,381.26</u>	<u>\$ 1,125,000.00</u>	<u>\$ 141,493.76</u>	<u>\$ 1,015,000.00</u>	<u>\$ 128,375.00</u>

2012 ISSUE

Calendar Year	Total	General		Water Utility		Sewer Utility	
		Principal	Interest	Principal	Interest	Principal	Interest
2013	\$ 641,000.00	\$ 1,030,000.00	\$ 606,600.00	\$ 35,000.00	\$ 9,100.00	\$ 85,000.00	\$ 25,300.00
2014	1,791,000.00	1,060,000.00	575,700.00	35,000.00	8,050.00	90,000.00	22,750.00
2015	1,790,950.00	1,095,000.00	543,900.00	35,000.00	7,000.00	90,000.00	20,050.00
2016	1,787,150.00	1,135,000.00	500,100.00	35,000.00	5,600.00	95,000.00	16,450.00
2017	1,791,550.00	1,185,000.00	454,700.00	35,000.00	4,200.00	100,000.00	12,650.00
2018	1,786,950.00	1,215,000.00	419,150.00	35,000.00	3,150.00	105,000.00	9,650.00
2019	1,781,000.00	1,270,000.00	360,200.00	35,000.00	1,400.00	110,000.00	4,400.00
2020	1,609,400.00	1,300,000.00	309,400.00				
2021	1,597,400.00	1,340,000.00	257,400.00				
2022	1,650,400.00	1,460,000.00	190,400.00				
2023	1,587,400.00	1,470,000.00	117,400.00				
2024	1,523,600.00	1,465,000.00	58,600.00				
	<u>\$ 21,129,300.00</u>	<u>\$ 15,025,000.00</u>	<u>\$ 5,000,150.00</u>	<u>\$ 245,000.00</u>	<u>\$ 47,600.00</u>	<u>\$ 675,000.00</u>	<u>\$ 136,550.00</u>

12. MUNICIPAL DEBT (Continued)

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding

GENERAL BONDS

Calendar Year	Total	General		Water Utility		Sewer Utility		Golf and Recreation Utility	
		Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$ 5,893,387.50	\$ 3,956,000.00	\$ 820,665.00	\$ 231,000.00	\$ 96,025.00	\$ 423,000.00	\$ 116,986.00	\$ 190,000.00	\$ 59,711.50
2014	4,774,037.50	2,915,000.00	698,225.00	353,000.00	89,285.00	368,300.00	105,866.00	190,700.00	53,661.50
2015	4,749,697.50	2,965,000.00	617,425.00	365,000.00	79,225.00	375,000.00	97,450.00	203,000.00	47,597.50
2016	4,449,062.50	2,750,000.00	531,000.00	365,000.00	68,425.00	390,000.00	88,725.00	215,000.00	40,912.50
2017	4,458,962.50	2,850,000.00	448,000.00	375,000.00	57,625.00	390,000.00	79,525.00	225,000.00	33,812.50
2018	4,680,312.50	3,150,000.00	358,375.00	375,000.00	46,187.50	425,000.00	69,550.00	230,000.00	26,200.00
2019	4,563,762.50	3,150,000.00	249,625.00	375,000.00	33,812.50	450,000.00	57,425.00	230,000.00	17,900.00
2020	1,962,250.00	1,150,000.00	138,000.00	175,000.00	21,000.00	350,000.00	43,800.00	75,000.00	9,450.00
2021	1,934,750.00	1,150,000.00	103,500.00	175,000.00	15,750.00	370,000.00	33,300.00	80,000.00	7,200.00
2022	1,881,500.00	1,150,000.00	69,000.00	175,000.00	10,500.00	370,000.00	22,200.00	80,000.00	4,800.00
2023	1,828,250.00	1,150,000.00	34,500.00	175,000.00	5,250.00	370,000.00	11,100.00	80,000.00	2,400.00
	<u>\$ 41,175,972.50</u>	<u>\$ 26,336,000.00</u>	<u>\$ 4,068,315.00</u>	<u>\$ 3,139,000.00</u>	<u>\$ 523,085.00</u>	<u>\$ 4,281,300.00</u>	<u>\$ 725,927.00</u>	<u>\$ 1,798,700.00</u>	<u>\$ 303,645.50</u>

The interest reflected above is on the cash basis for all funds.

12. MUNICIPAL DEBT (Continued)

Green Acres Trust Acquisition Loans

An Amortization Schedule detailing principal and interest is detailed as follows:

<u>Calendar Year</u>	<u>Total</u>	<u>1996 Loan</u>		<u>1997 Loan</u>	
		<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2013	\$ 134,594.38	\$ 87,434.07	\$ 5,840.71	\$ 37,969.06	\$ 3,350.54
2014	134,594.38	89,191.50	4,083.28	38,732.24	2,587.36
2015	134,594.40	90,984.25	2,290.53	39,510.77	1,808.85
2016	87,957.01	46,175.64	461.76	40,304.93	1,014.68
2017	20,659.81			20,455.26	204.55
	<u>\$ 512,399.98</u>	<u>\$ 313,785.46</u>	<u>\$ 12,676.28</u>	<u>\$ 176,972.26</u>	<u>\$ 8,965.98</u>

Bonds and Notes Authorized but Not Issued

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

<u>Fund</u>	<u>Balance Dec. 31, 2012</u>
General Capital Fund:	
General Improvements	\$ 6,224,728.69
Water Utility Capital Fund:	
General Improvements	155,750.00
Sewer Utility Capital Fund:	
General Improvements	10,478,905.00
Golf and Recreation Utility Capital Fund:	
General Improvements	<u>253,543.00</u>
	<u>\$ 17,112,926.69</u>

13. INTERFUND RECEIVABLES AND PAYABLES

As of December 31, 2012, interfund receivables and payables that resulted from various interfund transactions were as follows:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Current Fund	\$ 134.27	\$ 96,655.99
Animal Control Trust Fund	74,281.82	
General Trust Fund		2,441.73
Sewer Utility Operating Fund	3,322.50	
Payroll Fund	<u>21,359.13</u>	
	<u>\$ 99,097.72</u>	<u>\$ 99,097.72</u>

14. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING YEARS BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2012, the following deferred charges are shown on the balance sheets of the Current Fund and Water Operating Fund:

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>2013 Budget</u> <u>Appropriation</u>	<u>To Be</u> <u>Raised in</u> <u>Subsequent</u> <u>Budget</u>
Current Fund:			
Special Emergency Appropriation	\$ 2,148,006.00	\$ 566,799.00	\$ 1,581,207.00
Water Operating Fund:			
Special Emergency Appropriation	25,000.00	25,000.00	

15. DEFERRED COMPENSATION PLAN

The Township of Parsippany-Troy Hills offers its employees a Deferred Compensation Plan created in accordance with the provisions of N.J.S. 43:15B-1 et seq., and the Internal Revenue Code, Section 457. The plan, available to all municipal employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Statutory and regulatory requirements governing the establishment and operation of Deferred Compensation Plans have been codified in the New Jersey Administrative Code under the reference N.J.A.C. 5:37.

The "Small Business Job Protective Act of 1996" revised several provisions of Section 457 of the Internal Revenue Code. A provision of the act required that all existing plans be modified to provide that the funds be held for the exclusive benefit of the participating employees and their beneficiaries.

The Township of Parsippany-Troy Hills authorized such modifications to their plan by resolution of the Township Council adopted December 15, 1998.

The Administrator for the Township of Parsippany-Troy Hills Deferred Compensation Plan is the American United Life Insurance Company and Metropolitan Life Insurance Company.

16. RISK MANAGEMENT

The Township is self-insured to the extent of the amounts "deductible" from umbrella insurance coverage for Workers' Compensation, Dental Insurance and Health Benefits

Workers' Compensation:

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

Specific Loss:

The Township can pay no more than \$500,000.00 for each occurrence.

There have been no provisions in the financial statements for claims incurred but not reported as of December 31, 2012.

16. RISK MANAGEMENT (Continued)

Claims for 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:

Balance December 31, 2011	\$ 56,356.12
Receipts	<u>807,200.60</u>
	863,556.72
Disbursements	<u>808,863.82</u>
Balance December 31, 2012	<u>\$ 54,692.90</u>

Health Benefits:

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

A. Specific Loss:

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

B. Aggregate Loss:

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

Processing and payment of claims are 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, 2012.

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

Receipts	\$ 8,642,415.75
Disbursements	<u>8,482,528.19</u>
Balance December 31, 2012	<u>\$ 159,887.56</u>

17. CONTINGENT LIABILITIES

a. Compensated Absences

The policy of the Township of Parsippany-Troy Hills concerning sick, vacation and personal days is summarized as follows:

Sick Benefit Plan:

Employees in their first year of service can accrue one sick day per month of employment. Those employees who have completed one full year of continuous service are entitled to 15 sick days per year. Unused sick leave may be accumulated without limitation.

Eligible employees, upon retirement, receive compensation for one-half of their accumulated sick days at the rate of compensation then in effect.

17. CONTINGENT LIABILITIES (Continued)

a. Compensated Absences (Continued)

Sick Benefit Plan: (Continued)

Police Officers will receive sixty-six percent of accumulated sick days at the rate of compensation then in effect, with a limit of two hundred days. Notwithstanding the foregoing, officers who have accumulated more than three hundred (300) days of sick leave as of July 20, 1999 will be grandfathered at such higher number, subject, however, to reduction due to subsequent use of such sick days.

Police Officers have the option of taking a terminal leave and receiving compensation on a bi-weekly basis for their prorated number of unused sick days.

Vacation Plan:

Vacation days are based upon length of service and level of employment. Upon termination, unused vacation days are paid to eligible employees computed on the employee's salary at the time of separation. The employee may elect to utilize all earned vacation days immediately preceding his separation.

Personal Days:

Employees are entitled to three personal days each year. Personal days cannot be accumulated or carried over into the next year.

Police Officers, upon termination, will be paid for any unused personal days earned before December 31, 1998, computed on the employee's salary at the time of separation.

It is estimated that the sum of \$9,021,689.83 computed internally at the 2012 salary rates would be payable to 357 officials and employees of the Township of Parsippany-Troy Hills as of December 31, 2012 for accumulated sick, vacation and personal days. This amount was not verified by audit.

Provision for the above is not reflected on the Financial Statements of the Township.

b. Tax Appeals

As of June 5, 2013 there were seventy-four appeals pending before the New Jersey Tax Court with an assessed valuation of \$869,651,153.00. Potential liability was undeterminable. The Township has made provision from tax revenues, in the amount of \$865,170.93, for these appeals in the event that tax reductions are granted.

Judgments favorable to the taxpayers generally extend to two years following the year judged and would also subject the Township to a liability for statutory interest based upon the amount of taxes refunded from the date of payment to the date of refund (R.S. 54:3-27.2).

c. Federal and State Awards

The Township participates in several federal and state grant programs which are governed by various rules and regulations of the grantor agencies; therefore to the extent that the Township has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable at December 31, 2012 may be impaired. In the opinion of management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying statutory basis financial statements for such contingencies.

17. CONTINGENT LIABILITIES (Continued)

d. Arbitrage Rebate Calculation

In 1985, under the Tax Reform Act, the Arbitrage Rebate Law went into effect requiring issuers of tax exempt debt obligations to rebate to the Federal Government all of the earnings in excess of the yield on investments of proceeds of such debt issuances (the "Rebate arbitrage"). The Rebate Regulations apply to obligations issued after August 31, 1986. The arbitrage rebate liability must be calculated every installment computation date (last day of the fifth bond year) or earlier if the bonds are retired, defeased or refunded and pay at least 90% of the rebatable arbitrage (plus any earnings thereon) within 60 days after such date.

e. Payments in Lieu of Taxes (PILOT)

Under N.J.S.A. 40A:20-12, each municipality is required to annually remit to the County five percent (5%) of the annual service charge for each long-term PILOT financial agreement entered into by the municipality.

f. Litigation

There is no significant litigation or any contingent liabilities, unasserted claims or assessments or statutory violations which would affect the financial position or results of operations of the Township.

General liability and excess Worker's Compensation claims currently pending against the Township are handled by the Morris County Joint Insurance Fund.

18. SECONDARY MARKET DISCLOSURE

Solely for purposes of complying with Rule 1602-12 of the Securities and Exchange Commission, as amended and interpreted from time to time (the "Rule"), and provided that the Bonds are not exempt from the Rule and provided that the Bonds are not exempt from the requirements in accordance with Paragraph (d) of the Rule, for so long as the Bonds remain outstanding (unless the Bonds have been wholly defeased), the municipality shall provide for the benefit of the holders of the Bonds and the beneficial owners thereof various financial documents relating to the financial conditions of the Municipal Securities Rulemaking Board through the Electronic Municipal Access Data Port (the "MSRB").

19. SUBSEQUENT EVENT

The Township of Parsippany-Troy Hills has evaluated subsequent events that occurred after the balance sheet date, but before June 5, 2013. No items were determined to require disclosure.

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND

CASH RECEIPTS AND DISBURSEMENTS - TREASURER

A-4

	<u>Ref.</u>	<u>Regular Fund</u>		<u>State and Federal Grant Fund</u>
Balance December 31, 2011	A	\$ 5,574,157.26		\$ 254,097.91
Increased by Receipts:				
Collector	A-5	\$ 204,500,811.48		\$ 405,164.61
Investment Account Withdrawals	A-7	4,756,938.82		
Interfunds Receivable	A-15	586,326.57		
Interfunds Payable	A-24	22,374.17		
Township's Matching Funds for Grants	A-30			8,500.00
Contra Items:				
Petty Cash	Contra	250.00		
Revenue Refund	Contra	7,909.25		
Appropriation Refund	Contra	1,382,845.10		
		<u>211,257,455.39</u>		<u>413,664.61</u>
		216,831,612.65		667,762.52
Decreased by Disbursements:				
Prior Year Revenue Refunded	A-1	3,103.54		
Budget Appropriations	A-3	54,514,846.43		
Investment Account Deposits	A-7	445,064.22		
Change Fund Established	A-8	50.00		
Appropriation Reserves	A-19	2,972,833.25		
Accounts Payable	A-20	32,130.13		
Due to State of New Jersey	A-21	86,366.00		
Tax Overpayments	A-22	758,084.96		
Interfunds Payable	A-24	1,574,708.01		253.87
Special District Taxes	A-25	2,766,964.00		
County Taxes	A-26	22,103,387.71		
Local School District Taxes	A-27	118,837,738.00		
Appropriated Reserves for State and Federal Grants	A-30			652,639.84
Contra Items	Contra	1,391,004.35		
		<u>205,486,280.60</u>		<u>652,893.71</u>
Balance December 31, 2012	A,A-6	<u>\$ 11,345,332.05</u>		<u>\$ 14,868.81</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND

CASH RECEIPTS AND DISBURSEMENTS
COLLECTOR

A-5

	<u>Ref.</u>	<u>Regular Fund</u>	<u>State and Federal Grant Fund</u>
Increased by Receipts:			
Interest and Cost on Taxes	A-2a	\$ 339,633.20	\$
Miscellaneous Revenue Not Anticipated	A-2e	1,144,218.66	
Due from State of New Jersey per Ch. 129, P.L. 1976	A-9	395,818.07	
Taxes Receivable	A-10	187,194,033.26	
Other Liens Receivable	A-13	705.00	
Revenue Accounts Receivable	A-14	14,066,836.75	
State and Federal Grants Receivable	A-18		325,288.64
Due to State of New Jersey	A-21	111,711.00	
Tax Overpayments	A-22	280,483.67	
Prepaid Taxes	A-28	826,858.95	
Prepaid Revenue	A-29	85,334.92	
Accumulated Revenue - Unappropriated	A-31	55,178.00	79,875.97
		<u>204,500,811.48</u>	<u>405,164.61</u>
Decreased by Disbursements:			
Turnovers to Treasurer	A-4	<u>204,500,811.48</u>	<u>405,164.61</u>
		<u>\$ -</u>	<u>\$ -</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND

BANK RECONCILIATION
DECEMBER 31, 2012 - TREASURER

A-6

Balance per Statement:		
Valley National Bank, Parsippany, New Jersey: #41347943		\$ 2,116,647.35
Hudson City Saving Bank, Parsippany, New Jersey: #6907018578		<u>9,562,782.30</u>
		11,679,429.65
Plus: Deposits-in-Transit		<u>960,166.49</u>
		12,639,596.14
Less: Outstanding Checks Due to Bank (Net)	<u>\$ 1,276,910.51</u> <u>2,484.77</u>	<u>1,279,395.28</u>
		<u><u>\$ 11,360,200.86</u></u>

Reference

Below

Ref.

Regular Fund	A-4	\$ 11,345,332.05
State and Federal Grant Fund	A-4	<u>14,868.81</u>
	Above	<u><u>\$ 11,360,200.86</u></u>

TOWNSHIP OF PARSIPPANY - TROY HILLS
CURRENT FUND

CASH - INVESTMENT ACCOUNT

A-7

	<u>Ref.</u>		
Balance December 31, 2011	A		\$ 4,589,888.25
Increased by:			
Deposits	A-4	\$ 445,064.22	
Accrued Interest	A-14	<u>6,055.91</u>	
			<u>451,120.13</u>
			5,041,008.38
Decreased by:			
Withdrawals	A-4		<u>4,756,938.82</u>
Balance December 31, 2012	A		<u><u>\$ 284,069.56</u></u>

Bank Reconciliation December 31, 2012

Balance per Statement:

The Provident Bank,

ParsIPPany, New Jersey:

#9812100387

\$ 353,372.69

Plus: Deposits-in-Transit

2,835.69

356,208.38

Less: Outstanding Checks

72,138.82

\$ 284,069.56

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND

CHANGE FUNDS

A-8

	<u>Ref.</u>	
Balance December 31, 2011	A	\$ 765.00
Increased by:		
Funds Established	A-4	<u>50.00</u>
Balance December 31, 2012	A	<u>\$ 815.00</u>

Analysis of Balance

Tax Collector	\$ 435.00
Municipal Court Clerk	300.00
Department of Recreation	50.00
Police Department	<u>30.00</u>
	<u>\$ 815.00</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND

DUE FROM STATE OF NEW JERSEY
PER CHAPTER 129, P.L. 1976

A-9

	<u>Ref.</u>		
Balance December 31, 2011	A		\$ 68,907.10
Increased by:			
Deductions per Tax Billings:			
Senior Citizens		\$ 95,000.00	
Veterans		311,750.00	
		<u>406,750.00</u>	
Less: Deductions Disallowed by Tax Collector:			
Senior Citizens		3,120.88	
		<u>403,629.12</u>	
Plus: Deductions Allowed by Tax Collector:			
Senior Citizens		\$ 4,500.00	
Veterans		2,750.00	
		<u>7,250.00</u>	
	A-2b,10	<u>410,879.12</u>	
2011 Deductions Allowed by Tax Collector:			
Senior Citizens	A-2b,10	500.00	
		<u>411,379.12</u>	411,379.12
			<u>480,286.22</u>
Decreased by:			
Deductions Disallowed by Tax Collector - 2011 Taxes Collections			
	A-1	24,848.62	
	A-5	395,818.07	
		<u>420,666.69</u>	
Balance December 31, 2012	A		<u>\$ 59,619.53</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND

A-10

TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance Dec. 31, 2011	2012 Levy	Added Taxes	Collections 2011	Collections 2012	Due from State of New Jersey	Tax Overpayments Applied	Transferred to Tax Title Liens	Cancelled	Balance Dec. 31, 2012
2010	\$ 750.00	\$	\$ 24,848.62	\$	\$ 750.00	\$	\$	\$	\$ 2,271.57	\$ 1,000.00
2011	1,363,631.90		24,848.62	1,384,708.95	1,385,488.95	500.00			2,271.57	1,000.00
2012	1,364,381.90	188,882,374.56		1,091,073.19	185,808,574.31	410,879.12	111,551.51	9,046.42	63,353.20	1,387,896.81
	\$ 1,364,381.90	\$ 188,882,374.56	\$ 24,848.62	\$ 1,091,073.19	\$ 187,194,033.26	\$ 411,379.12	\$ 111,551.51	\$ 9,046.42	\$ 65,624.77	\$ 1,388,896.81
Reference	A	Below	Reserve	A-28	A-2b.5	A-9	A-22	A-11	Reserve	A

ANALYSIS OF 2012 PROPERTY TAX LEVY

Tax Yield	Ref.
General Property Tax	
Special District Taxes	
Added Taxes:	
General Property Tax	\$ 453,166.52
Special District Taxes	4,415.68
	<u>457,582.20</u>
Local Taxes:	
Dedicated Open Space Tax (Abstract)	
Added Taxes	1,270,385.78
County Tax (Abstract):	
Amount Certified	3,054.39
Added Taxes	1,273,450.17
Fire District:	
Amount Certified	2,801,812.62
Added Taxes	4,415.68
Local Taxes for Municipal Purpose (Budget)	
Added Taxes	436,705.10
	<u>45,110,268.27</u>
	\$ 188,882,374.56
Reference	Above

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND

TAX TITLE LIENS

A-11

	<u>Ref.</u>	
Balance December 31, 2011	A	\$ 109,332.75
Increased by:		
Transfer from Taxes Receivable	A-10	<u>9,046.42</u>
Balance December 31, 2012	A	<u>\$ 118,379.17</u>

PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)

A-12

	<u>Ref.</u>	
Balance December 31, 2011	A	<u>\$ 1,428,800.00</u>
Balance December 31, 2012	A	<u>\$ 1,428,800.00</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND

OTHER LIENS RECEIVABLE

A-13

	<u>Ref.</u>	<u>Property Maintenance</u>
Balance December 31, 2011	A	\$ 192,731.95
Decreased by: Collections	A-1,5	<u>705.00</u>
Balance December 31, 2012	A	<u>\$ 192,026.95</u>

Analysis of Balance

	<u>Block</u>	<u>Lot</u>	
	715	15	\$ 191,926.95
	246	12	<u>100.00</u>
			<u>\$ 192,026.95</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND

REVENUE ACCOUNTS RECEIVABLE

A-14
Sheet #1

	Ref.	Balance Dec. 31, 2011	2012 Accruals	Collections		Balance Dec. 31, 2012
				2011	2012	
<u>Budget Revenue</u>						
Clerk:						
ABC Licenses	A-2a	\$	89,656.00	\$	89,656.00	\$
Other Business Licenses	A-2c		75,145.00	59,375.00	15,770.00	
Construction Code Official:						
Fees and Permits	A-2a		2,003,898.75		2,003,898.75	
Engineer:						
Fees and Permits	A-2d		25,299.42		25,299.42	
Collector:						
Fees and Permits	A-2d		27,545.00		27,545.00	
Health Officer:						
Licenses	A-2c		136,205.00		136,205.00	
Police Department:						
Fees and Permits	A-2d		9,259.85		8,935.85	324.00
Registrar of Vital Statistics:						
Licenses	A-2c		816.00		816.00	
Fees and Permits	A-2d		20,660.00		20,660.00	
Magistrate:						
Fines and Costs	A-2a	34,877.88	580,439.68		582,208.45	33,109.11
Housing Department:						
Fees and Permits	A-2d		190,065.00		190,065.00	
Zoning Board:						
Fees and Permits	A-2d		55,754.73		55,754.73	
Board of Adjustments:						
Fees and Permits	A-2d		14,385.00		14,385.00	
Planning Board:						
Fees and Permits	A-2d		33,979.75		33,979.75	
Fire Prevention:						
Fees and Permits	A-2d		227,376.00		227,376.00	
Recreation Department:						
Fees and Permits	A-2d		420,628.50		420,628.50	
Purchasing Department:						
Fees and Permits	A-2d		6,975.00		6,975.00	
Mayor's Office:						
Fees and Permits	A-2d		1,805.00		1,805.00	

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND

A-14
Sheet #2

REVENUE ACCOUNTS RECEIVABLE

	Ref.	2011		2012		Balance Dec. 31, 2012
		Balance Dec. 31, 2011	Accruals	Collections	2012	
<u>Budget Revenue</u>						
Treasurer:						
Fees and Permits	A-2d	\$	93,386.26	\$	93,386.26	\$
Garbage and Trash Removal Fees	A-2a		1,622,717.71		1,628,240.56	91,364.87
Community Center Revenue - Concession Rents	A-2a		157,732.00		157,732.00	
State of New Jersey:						
Hotel Occupancy Fee	A-2a		2,076,913.10		2,076,913.10	
Consolidated Municipal Property Tax Relief Aid	A-2a		591,870.00		591,870.00	
Energy Receipts Tax	A-2a		3,903,153.00		3,903,153.00	
Uniform Fire Safety Code (Ch. 383, P.L. 1985)	A-2a		146,005.40		146,005.40	
Other:						
Interest on Investments and Deposits	A-2a		70,714.69		70,714.69	
Ambulance Service Billing	A-2a		642,004.65		642,004.65	
Cablevision Franchise Fee	A 2a	251,688.81	252,244.20		251,688.81	252,244.20
Interlocal Municipal Service Agreement:						
Shared Services - Animal Control	A-2a		33,200.00		24,900.00	8,300.00
Rescue and Recovery Contribution for Capital	A-2a		9,000.00		9,000.00	
		<u>383,454.41</u>	<u>13,518,834.69</u>	<u>59,375.00</u>	<u>13,457,571.92</u>	<u>385,342.18</u>
<u>Miscellaneous Revenue Not Anticipated</u>						
Lease Rentals		1,000.00	667,354.77	44,691.41	606,692.12	16,971.24
Payment in Lieu of Taxes:						
New Jersey Housing Finance Agency - Senior Citizen Apartment Association of Retarded Citizens	A-2e		23,969.38		23,969.38	
			812.75		812.75	
		<u>1,000.00</u>	<u>692,136.90</u>	<u>44,691.41</u>	<u>631,474.25</u>	<u>16,971.24</u>
		<u>\$ 384,454.41</u>	<u>\$ 14,210,971.59</u>	<u>\$ 104,066.41</u>	<u>\$ 14,089,046.17</u>	<u>\$ 402,313.42</u>
Reference	A	Reserve		A-29	Sheet #3	A

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND

REVENUE ACCOUNTS RECEIVABLE

A-14
Sheet #3

	<u>Ref.</u>	<u>Collections</u> <u>2012</u>
Collections	A-5	\$ 14,066,836.75
Accrued Interest:		
Investment Account	A-7	6,055.91
Interfunds Receivable	A-15	<u>16,153.51</u>
	Sheet #2	<u>\$ 14,089,046.17</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND

INTERFUNDS RECEIVABLE

A-15

Ref.	Total Current Fund	Current Fund					Payroll Fund
		State and Federal Grant Fund	General Trust Fund	General Capital Fund	Sewer Operating Fund	Public Assistance Trust Fund	
A	\$ 3,258.46	\$	\$ 2,963.31	\$	\$	\$	\$ 295.15
Increased by:							
A-1	253.87	253.87					
A-2a	7,295.00			7,295.00			
A-2a	550,000.00				550,000.00		
A-2e	9,500.00		9,500.00				918.53
A-14	16,153.51		5,100.10	10,114.75		20.13	918.53
	<u>583,202.38</u>	<u>253.87</u>	<u>14,600.10</u>	<u>17,409.75</u>	<u>550,000.00</u>	<u>20.13</u>	<u>918.53</u>
	586,460.84	253.87	17,563.41	17,409.75	550,000.00	20.13	1,213.68
Decreased by:							
A-4	586,326.57	253.87	17,429.14	17,409.75	550,000.00	20.13	1,213.68
A	\$ 134.27	\$ -	\$ 134.27	\$ -	\$ -	\$ -	\$ -
Ref.							
<u>Analysis of Interfund Credit to Fund Balance</u>							
Above	\$ 586,326.57						
Above	<u>583,202.38</u>						
A-1	\$ 3,124.19						
Net Credit to Operations							

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND

DEFERRED CHARGES

A-16

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Budget</u> <u>Appropriation</u>
Emergency Authorization (N.J.S.A. 40A:4-47)	<u>\$ 140,000.00</u>	<u>\$ 140,000.00</u>
<u>Reference</u>	<u>A</u>	<u>A-3</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND

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

A-17

<u>Date Authorized</u>	<u>Purpose</u>	<u>Net Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance Dec. 31, 2011</u>	<u>Increase</u>	<u>Budget Appropriation</u>	<u>Balance Dec. 31, 2012</u>
5-17-11	Retirement Payouts	\$ 895,944.00	\$ 179,189.00	\$ 716,755.00	\$	\$ 179,189.00	\$ 537,566.00
10-18-11	Flood Damage - Hurricane Irene	750,000.00	150,000.00	750,000.00		150,000.00	600,000.00
6-19-12	Retirement Payouts	888,050.00	177,610.00		888,050.00	177,610.00	710,440.00
12-18-12	Storm Damage - Hurricane Sandy	300,000.00	60,000.00		300,000.00		300,000.00
		<u>\$ 2,833,994.00</u>	<u>\$ 566,799.00</u>	<u>\$ 1,466,755.00</u>	<u>\$ 1,188,050.00</u>	<u>\$ 506,799.00</u>	<u>\$ 2,148,006.00</u>

Reference

A

A-3

A-3

A

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND

STATE AND FEDERAL GRANTS RECEIVABLE

A-18
Sheet #1

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>2012</u> <u>Grants</u>	<u>Decrease</u>	<u>Cancelled</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
Drunk Driving Enforcement Fund	\$	\$ 24,900.21	\$ 24,900.21	\$	\$
Clean Communities Act		83,403.83	83,403.83		
Body Armor Grant		8,679.92	8,679.92		
Pedestrian Safety Education and Enforcement Grant: Fiscal Year 2011	8,000.00				8,000.00
Click It or Ticket		4,000.00	3,800.00	200.00	
Drive Sober or Get Pulled Over: Fiscal Year 2011	5,000.00		4,700.00	300.00	
Fiscal Year 2012		4,400.00	4,400.00		
Recycling Tonnage Grant		59,638.46	59,638.46		
Juvenile Accountability Incentive Block Grant (JAIBG): Fiscal Year 2012		5,000.00	5,000.00		
Emergency Management Assistance: Fiscal Year 2011		5,000.00	5,000.00		
Fiscal Year 2012		5,000.00	5,000.00		
Municipal Alliance: 2011	20,955.88		6,940.89	14,014.99	
2012		28,901.00	8,263.80		20,637.20
Alcohol Education, Rehabilitation and Enforcement Fund		1,510.97	1,510.97		
N.J. Highlands Water Protection and Planning Council: Plan Conformance Grant: 2011	34,075.67		10,018.00		24,057.67
N.J. Department of Transportation: Safe Route to School Grant	26,048.14		12,487.69	13,560.45	
Highway Safety Fund Grant - "Safe Corridors" 2011	1,349.28		1,349.28		
2012		2,070.39			2,070.39
Justice Assistance Grant (JAG): 2009	2,713.97		2,713.97		
Hazard Mitigation Grant (FEMA)		7,220,206.00			7,220,206.00

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND

STATE AND FEDERAL GRANTS RECEIVABLE

A-18
Sheet #2

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>2012</u> <u>Grants</u>	<u>Decrease</u>	<u>Cancelled</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
U.S. Department of Energy: ARRA - Energy Efficiency and Conservation Block Grant: 2010	\$ 148,800.00	\$	\$ 148,800.00	\$	\$
Other Grants: Donation - Community Partnership		1,000.00	1,000.00		
Donation - Senior Activities		1,000.00	1,000.00		
	<u>\$ 246,942.94</u>	<u>\$ 7,454,710.78</u>	<u>\$ 398,607.02</u>	<u>\$ 28,075.44</u>	<u>\$ 7,274,971.26</u>
<u>Reference</u>	<u>A</u>	<u>A-2a</u>	<u>Below</u>	<u>A-30</u>	<u>A</u>

	<u>Ref.</u>	
Collections	A-5	\$ 325,288.64
Unappropriated Reserves Applied	A-31	<u>73,318.38</u>
	Above	<u>\$ 398,607.02</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND

A-19
Sheet #1

APPROPRIATION RESERVES

	Balance Dec. 31, 2011	Balance After Transfers	Paid or Charged	Balance Lapsed
	<u>Encumbered</u>	<u>Unencumbered</u>		
APPROPRIATIONS WITHIN "CAPS"				
GENERAL GOVERNMENT				
General Administration:				
Salaries and Wages	\$ 745.26	\$ 12,365.14	\$ 11,090.93	\$ 1,274.21
Other Expenses		2,922.90	910.95	2,757.21
Township Council:		2,000.00		2,000.00
Other Expenses				
Municipal Clerk:				
Salaries and Wages	1,030.33	3,296.03	3,296.03	21,448.18
Other Expenses		21,611.03	1,193.18	
Treasury:				
Salaries and Wages	342.24	1,379.27	1,379.27	346.27
Other Expenses		383.55	379.52	5,959.00
Audit		5,959.00		
Tax Collection:				
Salaries and Wages	1,078.00	3,674.02	3,433.76	240.26
Other Expenses		3,982.60	666.00	4,394.60
Tax Assessing:				
Salaries and Wages	8,304.78	4,946.55	4,946.55	7,016.73
Other Expenses		7,016.73	8,304.78	6,282.93
Department of Law:				
Other Expenses		16,020.28	49,737.35	
Division of Engineering:				
Salaries and Wages	5,952.56	10,918.49	8,275.49	2,643.00
Other Expenses		3,573.41	2,516.43	7,009.54
LAND USE ADMINISTRATION				
Department of Planning:				
Salaries and Wages	9,506.06	750.20	750.20	3,655.23
Other Expenses		10,995.51	16,846.34	
Board of Adjustment:				
Salaries and Wages		952.12	952.12	8,005.64
Other Expenses		8,905.64	900.00	

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND

A-19
Sheet #2

APPROPRIATION RESERVES

	Balance Dec. 31, 2011		Balance After Transfers	Paid or Charged	Balance Lapsed
	<u>Encumbered</u>	<u>Unencumbered</u>			
APPROPRIATIONS WITHIN "CAPS"					
CODE ENFORCEMENT AND ADMINISTRATION					
Housing and Zoning Code Enforcement:					
Salaries and Wages		\$ 12,597.58	\$ 12,597.58	\$ 6,624.75	\$ 5,972.83
Other Expenses	\$ 2,693.43	6,124.64	8,818.07	2,693.43	6,124.64
INSURANCE					
Liability Insurance		393.01	393.01		393.01
Workers' Compensation		127,451.44	127,451.44	127,451.44	
Employee Health and Group Life	377.50	336,252.81	336,630.31	336,630.31	
PUBLIC SAFETY					
Police Department:					
Salaries and Wages		73,242.51	73,242.51	73,235.93	6.58
Other Expenses	81,451.60	53,875.43	135,327.03	109,764.51	25,562.52
Office of Emergency Management:					
Salaries and Wages		3,825.04	3,825.04		3,825.04
Other Expenses	10,399.04	3,319.46	13,718.50	10,399.04	3,319.46
Fire Prevention Bureau:					
Salaries and Wages		7,535.79	7,535.79	5,662.85	1,872.94
Other Expenses	10,054.95	9,761.45	19,816.40	16,099.14	3,717.26
Municipal Court:					
Salaries and Wages		19,756.40	19,756.40	5,307.72	14,448.68
Other Expenses	2,004.96	3,096.05	5,101.01	1,882.87	3,218.14
Prosecutor:					
Other Expenses		27,595.00	27,595.00	22,339.00	5,256.00
PUBLIC WORKS					
Street and Road Maintenance:					
Salaries and Wages		72,823.69	37,823.69	33,883.70	3,939.99
Other Expenses	76,360.64	57,808.36	134,169.00	84,728.75	49,440.25
Garbage and Trash Removal:					
Salaries and Wages		68,339.66	33,339.66	28,995.30	4,344.36
Other Expenses	128,239.15	24,497.58	152,736.73	119,629.98	33,106.75

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND

APPROPRIATION RESERVES

A-19
Sheet #3

	Balance Dec. 31, 2011		Balance After Transfers	Paid or Charged	Balance Lapsed
	Encumbered	Unencumbered			
<u>APPROPRIATIONS WITHIN "CAPS"</u>					
<u>PUBLIC WORKS</u>					
Buildings and Grounds:					
Salaries and Wages		\$ 20,027.47	\$ 20,027.47	5,302.90	\$ 14,724.57
Other Expenses	43,803.58	15,856.95	59,660.53	39,058.71	20,601.82
Vehicle Maintenance:					
Other Expenses	78,099.34	40,973.27	119,072.61	90,462.40	28,610.21
Condominium Cost		270,000.00	270,000.00	259,953.40	10,046.60
Emergency - Hurricane Irene:					
Other Expenses	23,182.28	193,614.40	216,796.68	147,135.73	69,660.95
Emergency - Snow Storm:					
Other Expenses		15,000.00	15,000.00	5,936.05	9,063.95
<u>HEALTH AND HUMAN SERVICES</u>					
Public Health Services:					
Salaries and Wages		13,877.31	13,877.31	13,877.31	
Other Expenses	9,674.23	7,101.13	16,775.36	15,181.11	1,594.25
Senior Citizen Center:					
Salaries and Wages		2,318.72	2,318.72	2,318.72	
Other Expenses	8,154.72	5,935.10	14,089.82	12,752.31	1,337.51
<u>PARKS AND RECREATION</u>					
Recreation Services:					
Salaries and Wages		8,289.36	8,289.36	3,875.04	4,414.32
Other Expenses	2,130.03	359.26	2,489.29	2,180.03	309.26
Maintenance of Parks:					
Salaries and Wages		56,814.42	56,814.42	29,857.61	26,956.81
Other Expenses	65,833.50	11,320.85	77,154.35	68,202.94	8,951.41
<u>OTHER COMMON OPERATING FUNCTIONS</u>					
Celebration of Public Events		622.00	622.00		622.00

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND

A-19
Sheet #4

APPROPRIATION RESERVES

	<u>Balance</u> Dec. 31, 2011		<u>Balance</u> After <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
	<u>Encumbered</u>	<u>Unencumbered</u>			
	\$	\$	\$	\$	\$
<u>UTILITY EXPENSES</u>					
Electricity	1,286.25	68,187.96	69,474.21	24,725.55	44,748.66
Street Lighting	4,775.65	99,257.19	62,032.84	8,009.81	54,023.03
Telephone	18,323.10	8,261.99	26,585.09	18,827.61	7,757.48
Gas (Natural or Propane)	8,686.95	15,202.63	23,889.58	10,958.01	12,931.57
Gasoline	65,104.27	722.49	65,826.76	37,683.25	28,143.51
<u>SOLID WASTE DISPOSAL COSTS</u>	118,177.74	15,250.68	255,428.42	250,862.86	4,565.56
<u>UNIFORM CONSTRUCTION CODE</u>					
Department of Buildings and Inspections:					
Salaries and Wages	6,438.28	23,315.23	23,315.23	18,015.81	5,299.42
Other Expenses		12,711.73	19,150.01	8,708.11	10,441.90
<u>STATUTORY EXPENDITURES</u>					
Contribution to:					
Social Security System (OASI)		111,559.13	61,559.13	28,268.91	33,290.22
DCRP Pension		2,259.01	2,259.01	291.25	1,967.76
<u>APPROPRIATIONS EXCLUDED FROM "CAPS"</u>					
<u>OTHER OPERATIONS</u>					
Contribution to LOSAP		2,350.00	2,350.00		2,350.00
Insurance:					
Employee Health and Group Life		875,137.00	875,137.00	873,980.20	1,156.80
Matching Funds for Supplemental Municipal Alliance Grant		1,250.00	1,250.00		1,250.00
Interlocal Municipal Service Agreement:					
Shared Service Agreement - Animal Control		25,000.00	25,000.00		25,000.00
	<u>\$ 792,210.42</u>	<u>\$ 2,952,523.65</u>	<u>\$ 3,744,734.07</u>	<u>\$ 3,077,333.25</u>	<u>\$ 667,400.82</u>

APPROPRIATIONS WITHIN "CAPS"

UTILITY EXPENSES

Electricity					
Street Lighting					
Telephone					
Gas (Natural or Propane)					
Gasoline					

SOLID WASTE DISPOSAL COSTS

UNIFORM CONSTRUCTION CODE
Department of Buildings and Inspections:

Salaries and Wages					
Other Expenses					

STATUTORY EXPENDITURES

Contribution to:

Social Security System (OASI)					
DCRP Pension					

APPROPRIATIONS EXCLUDED FROM "CAPS"

OTHER OPERATIONS

Contribution to LOSAP					
Insurance:					
Employee Health and Group Life					
Matching Funds for Supplemental Municipal Alliance Grant					
Interlocal Municipal Service Agreement:					
Shared Service Agreement - Animal Control					

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND

APPROPRIATION RESERVES

A-19
Sheet #5

	<u>Ref.</u>	<u>Paid or</u> <u>Charged</u>
Cash Disbursed	A-4	\$ 2,972,833.25
Accounts Payable	A-20	<u>104,500.00</u>
	Sheet #4	<u>\$ 3,077,333.25</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND

ACCOUNTS PAYABLE

A-20

	<u>Ref.</u>		
Balance December 31, 2011	A		\$ 35,208.29
Increased by:			
Commitments:			
Appropriation Reserves	A-19		<u>104,500.00</u>
			139,708.29
Decreased by:			
Cancelled	A-1	\$ 3,078.16	
Payments	A-4	<u>32,130.13</u>	
			<u>35,208.29</u>
Balance December 31, 2012	A		<u><u>\$ 104,500.00</u></u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND

A-21

DUE TO STATE OF NEW JERSEY

	<u>Ref.</u>	<u>Total</u>	<u>Construction Training Fees</u>	<u>Marriage License Fees</u>	<u>Civil Union License Fees</u>	<u>Burial Permits</u>
Balance December 31, 2011	A	\$ 22,617.00	\$ 18,372.00	\$ 4,225.00	\$	\$ 20.00
Increased by:						
Collections	A-5	111,711.00	104,851.00	6,725.00	75.00	60.00
		<u>134,328.00</u>	<u>123,223.00</u>	<u>10,950.00</u>	<u>75.00</u>	<u>80.00</u>
Decreased by:						
Payments	A-4	<u>86,366.00</u>	<u>76,396.00</u>	<u>9,825.00</u>	<u>75.00</u>	<u>70.00</u>
Balance December 31, 2012	A	<u>\$ 47,962.00</u>	<u>\$ 46,827.00</u>	<u>\$ 1,125.00</u>	<u>\$ -</u>	<u>\$ 10.00</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND

TAX OVERPAYMENTS

A-22

	<u>Ref.</u>		
Balance December 31, 2011	A		\$ 152,102.01
Increased by:			
Collections	A-5	\$ 280,483.67	
Prior Year Paid Taxes Cancelled	A-23	<u>502,149.70</u>	
			<u>782,633.37</u>
			934,735.38
Decreased by:			
Cancelled	A-1	16,657.16	
Applied to Taxes Receivable	A-2b,10	111,551.51	
Refunds	A-4	<u>758,084.96</u>	
			<u>886,293.63</u>
Balance December 31, 2012	A		<u>\$ 48,441.75</u>

RESERVE FOR TAX APPEALS

A-23

	<u>Ref.</u>		
Balance December 31, 2011	A		\$ 667,320.63
Increased by:			
Reserve Established	A-1		<u>700,000.00</u>
			1,367,320.63
Decreased by:			
Prior Year Paid Taxes Cancelled	A-22		<u>502,149.70</u>
Balance December 31, 2012	A		<u>\$ 865,170.93</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND

A-24

INTERFUNDS PAYABLE

Ref.	Total Current Fund	Animal Control Trust Fund	General Trust Fund	Current Fund				Payroll Fund	State and Federal Grant Fund Current Fund
				General Capital Fund	Sewer Operating Fund	Golf and Recreation Operating Fund	Public Assistance Trust Fund		
Balance December 31, 2011	\$ 235,347.66	\$ 49,146.02	\$ -	\$ 185,898.94	\$ -	\$ 300.00	\$ 2.70	\$ -	
Increased by:									
A-1	192.00		192.00						
A-1,2b,10	1,273,450.17		1,273,450.17						
A-3	140,000.00	140,000.00			3,322.50			19,051.67	
A-4	22,374.17								
A-30	1,436,016.34	140,000.00	1,273,642.17		3,322.50			253.87	
Accounts Receivable Cancelled									
Open Space Tax									
Budget Appropriation									
Advances									
Reserve for Grant Expenditures									
Cancelled									
	1,671,364.00	189,146.02	1,273,642.17	185,898.94	3,322.50	300.00	2.70	19,051.67	
Decreased by:									
A-4	1,574,708.01	114,864.20	1,273,642.17	185,898.94		300.00	2.70	253.87	
Settlements									
Balance December 31, 2012	\$ 96,655.99	\$ 74,281.82	\$ -	\$ -	\$ 3,322.50	\$ -	\$ -	\$ 19,051.67	

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND

SPECIAL DISTRICT TAXES

A-25

	<u>Ref.</u>			
Increased by:				
2012 Levy:				
Fire District Taxes	A-10		\$ 2,801,812.62	
2012 Added Assessments		\$ 4,143.54		
2011 Added Assessments		<u>272.14</u>		
	A-10		<u>4,415.68</u>	
	A-1,2b			\$ 2,806,228.30
Decreased by:				
Cancelled	A-1		39,264.30	
Payments	A-4		<u>2,766,964.00</u>	
				<u>2,806,228.30</u>
				<u>\$ -</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND

COUNTY TAXES

A-26

	<u>Ref.</u>		
Balance December 31, 2011	A		\$ 29,289.89
Increased by:			
2012 Levy:			
General County		\$ 20,717,150.20	
Open Space Preservation		<u>1,356,947.62</u>	
	A-10	22,074,097.82	
2012 Added Assessments		\$ 50,409.50	
2011 Added Assessments		<u>3,632.67</u>	
	A-10	54,042.17	
	A-1,2b		<u>22,128,139.99</u>
			<u>22,157,429.88</u>
Decreased by:			
Payments	A-4		<u>22,103,387.71</u>
Balance December 31, 2012	A		<u>\$ 54,042.17</u>

LOCAL SCHOOL DISTRICT TAXES

A-27

	<u>Ref.</u>		
Increased by:			
Levy - Calendar Year	A-1,2b,10		\$ 118,837,738.00
Decreased by:			
Payments	A-4		<u>118,837,738.00</u>
			<u>\$ -</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND

PREPAID TAXES

A-28

	<u>Ref.</u>	
Balance December 31, 2011	A	\$ 1,091,073.19
Increased by:		
Collections	A-5	<u>826,858.95</u>
		1,917,932.14
Decreased by:		
Applied to Taxes Receivable	A-2b,10	<u>1,091,073.19</u>
Balance December 31, 2012	A	<u>\$ 826,858.95</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND

PREPAID REVENUE

A-29

	<u>Ref.</u>	
Balance December 31, 2011	A	\$ 104,066.41
Increased by:		
Collections	A-5	85,334.92
		<u>189,401.33</u>
Decreased by:		
Applied to Revenue	A-14	104,066.41
		<u>104,066.41</u>
Balance December 31, 2012	A	<u><u>\$ 85,334.92</u></u>

Analysis of Prepaid Revenue

Licenses - Clerk:

Amusement and Game Licenses	\$ 2,650.00
Motel Licenses	47,800.00
Sales Licenses	400.00
Taxi and Limousine Licenses	2,315.00
Entertainment Licenses	2,500.00
Miscellaneous Revenue Not Anticipated:	
Lease Rentals	<u>29,669.92</u>
	<u><u>\$ 85,334.92</u></u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND

APPROPRIATED RESERVES FOR STATE AND FEDERAL GRANTS

A-30
Sheet #1

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>2012</u> <u>Budget</u> <u>Appropriations</u>	<u>Expended</u>	<u>Cancelled</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
Drunk Driving Enforcement Fund:					
Fiscal Year 2010	\$ 4,950.45	\$	\$ 4,950.45	\$	\$
Fiscal Year 2011	4,303.08		4,303.08		
Fiscal Year 2012		24,900.21	771.47		24,128.74
Clean Communities Act:					
Fiscal Year 2011	8,166.97		8,166.97		
Fiscal Year 2012		83,403.83	76,380.64		7,023.19
Hazardous Discharge Site Remediation Grant - 1996	3,940.00				3,940.00
Tobacco Age-of-Sale Enforcement (TASE) Grant:					
Fiscal Year 2005	1,408.70		1,054.70		354.00
Fiscal Year 2007	1,099.00		961.07		137.93
Fiscal Year 2008	757.52		690.00		67.52
Fiscal Year 2009	784.32				784.32
Body Armor Fund:					
Fiscal Year 2011	5,079.73		5,079.73		
Fiscal Year 2012		8,679.92	3,779.65		4,900.27
Pedestrian Safety Education and Enforcement Grant:					
Fiscal Year 2011	8,000.00		8,000.00		
Click It or Ticket		4,000.00	3,800.00	200.00	
Hang Up Just Drive:					
Fiscal Year 2010	3,200.00		3,000.00		200.00
Drive Sober or Get Pulled Over:					
Fiscal Year 2011	5,000.00		4,700.00	300.00	
Fiscal Year 2012		4,400.00	4,400.00		
Recycling Tonnage Grant:					
Fiscal Year 2005	1,108.00				1,108.00
Fiscal Year 2006	288.00				288.00
Fiscal Year 2010	13,581.44		12,263.26		1,318.18
Fiscal Year 2011	75,891.00				75,891.00
Fiscal Year 2012		59,638.46			59,638.46
Enhanced 911 Grant:					
Fiscal Year 2006	2,279.00				2,279.00
State of N.J. Emergency Management Assistance:					
2010	868.00		340.23		527.77
2011		5,000.00			5,000.00
2012		5,000.00			5,000.00
Municipal Alliance:					
2011	24,981.01		9,071.19	14,014.99	1,894.83
2012		37,401.00	10,407.74		26,993.26
Alcohol Education, Rehabilitation and Enforcement Fund:					
2011	862.96		862.96		
2012		1,510.97	177.04		1,333.93
Local Law Enforcement Block Grant: Fiscal Year 2004	253.87			253.87	

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND

APPROPRIATED RESERVES FOR STATE AND FEDERAL GRANTS

A-30
Sheet #2

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>2012</u> <u>Budget</u> <u>Appropriations</u>	<u>Expended</u>	<u>Cancelled</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
Juvenile Accountability Incentive Block Grant (JAIBG):					
Leadership Program:					
Fiscal Year 2010	\$ 2,693.98	\$	\$ 2,693.98	\$	\$
Fiscal Year 2012		5,000.00	4,765.33		234.67
N.J. Highlands Water Protection and Planning Council:					
Plan Conformance Grant:					
2011	35,276.57		10,018.00		25,258.57
N.J. Department of Transportation:					
Safe Route to School Grant 2011	26,048.14		12,487.69	13,560.45	
Highway Safety Fund Grant - "Safe Corridors":					
2011	1,349.28		1,349.28		
2012		2,070.39			2,070.39
Justice Assistance Grant (JAG):					
2009	2,713.97		2,713.97		
U.S. Department of Energy:					
ARRA - Energy Efficiency and Conservation Block Grant:					
2010	131,590.86		131,590.86		
Hazard Mitigation Grant (FEMA)		7,220,206.00	290,325.55		6,929,880.45
Municipal Storm Water Regulation Program:					
2010	10,310.00				10,310.00
County of Morris:					
Historic Preservation Trust Fund - Bowsby-Degelleke House:					
Fiscal Year 2011	16,000.00				16,000.00
Other Grants:					
Donation for Civil Defense - Radiation Detection	1,401.62				1,401.62
N.J. Board of Public Utilities:					
Clean Energy Pay for Performance Program:					
2011	33,535.00		33,535.00		
Donation - Community Partnership		1,000.00			1,000.00
Donation - Senior Activities		1,000.00			1,000.00
	<u>\$ 427,722.47</u>	<u>\$ 7,463,210.78</u>	<u>\$ 652,639.84</u>	<u>\$ 28,329.31</u>	<u>\$ 7,209,964.10</u>

Reference

A

Sheet #3

A-4

Sheet #3

A

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND

APPROPRIATED RESERVES FOR STATE AND FEDERAL GRANTS

A-30
Sheet #3

	<u>Ref.</u>	<u>2012 Budget Appropriations</u>	<u>Cancelled</u>
2012 Budget Appropriation:			
2012 Grants	A-3	\$ 7,454,710.78	\$
Local Share	A-3,4	8,500.00	
State and Federal Grants			
Receivable	A-18		28,075.44
Interfunds Payable	A-24		253.87
		<hr/>	<hr/>
	Sheet #2	<u>\$ 7,463,210.78</u>	<u>\$ 28,329.31</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND

ACCUMULATED REVENUE - UNAPPROPRIATED

A-31

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Increase</u>	<u>Decrease</u> <u>Anticipated as</u> <u>Current Fund</u> <u>Revenue</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
Regular Fund:				
Watershed Moratorium Offset Aid	\$ 55,178.00	\$ 55,178.00	\$ 55,178.00	\$ 55,178.00
State and Federal Grant Fund:				
Recycling Tonnage Grant	59,638.46	71,495.05	59,638.46	71,495.05
Body Armor Grant	8,679.92	8,380.92	8,679.92	8,380.92
Emergency Management Assistance	5,000.00	5,000.00	5,000.00	5,000.00
	<u>73,318.38</u>	<u>79,875.97</u>	<u>73,318.38</u>	<u>79,875.97</u>
	<u>\$ 128,496.38</u>	<u>\$ 135,053.97</u>	<u>\$ 128,496.38</u>	<u>\$ 135,053.97</u>
<u>Reference</u>	<u>A</u>	<u>Below</u>	<u>A-2a,18</u>	<u>A</u>
	<u>Ref.</u>			
Collections:				
Regular Fund	A-5	\$ 55,178.00		
State and Federal Grant Fund	A-5	<u>79,875.97</u>		
	Above	<u>\$ 135,053.97</u>		

TOWNSHIP OF PARSIPPANY-TROY HILLS
TRUST FUNDS

CASH RECEIPTS AND DISBURSEMENTS

B-1

Ref.	Animal Control Trust Fund	General Trust Fund	Grant Trust Fund
	\$	\$	\$
Balance December 31, 2011		\$ 11,485,580.60	
Increased by Receipts:			
Investment Account Withdrawals			
Federal Grants Receivable	\$	425,266.36	
Due from Municipal Court	5,635.00	20,979.00	185,025.24
Other Accounts Receivable	114,864.20	685,839.50	
Interfunds Receivable	8,696.00	1,273,667.57	
Prepaid Licenses	4,434.60		
Due to State of New Jersey		1,534,540.62	
Special Deposits		148,000.00	
Premiums on Tax Sale		11,184.65	
Municipal Open Space Preservation Trust Fund		6,380.54	
Interfunds Payable			
Reserve for Contributions	1,416.64		
Dog License Fees	30,470.40		
Miscellaneous Revenue	15,953.60		
Reserve for Unemployment Insurance Trust Fund Expenditures:			
Township Contributions		171,000.00	
Payroll Deductions		100,892.08	
Reserve for Employee Health Benefit			
Fund Expenditures		8,642,415.75	
Reimbursement for Housing Rehabilitation Expenditures			18,441.27
	181,470.44	13,020,166.07	203,466.51
	181,470.44	24,505,746.67	203,466.51
Decreased by Disbursements:			
Disbursements Per Schedule	181,470.44	14,356,398.16	197,948.22
Balance December 31, 2012	\$ -	\$ 10,149,348.51	\$ 5,518.29

TOWNSHIP OF PARSIPPANY-TROY HILLS
TRUST FUNDS

DISBURSEMENTS

B-2

	<u>Ref.</u>	<u>Animal Control Trust Fund</u>	<u>General Trust Fund</u>	<u>Grant Trust Fund</u>
Investment Account Deposits	B-4	\$	\$ 803,492.79	\$
Due to State of New Jersey	B-12	4,066.60		
Special Deposits	B-13		3,938,492.03	
Premiums on Tax Sale	B-14		247,100.00	
Municipal Open Space Preservation Trust Fund	B-16		627,580.73	
Interfunds Payable	B-17		17,429.14	
Reserve for Animal Control Trust Fund Expenditures	B-20	177,403.84		
Reserve for Unemployment Insurance Trust Fund Expenditures	B-21		239,775.28	
Reserve for Employee Health Benefit Fund Expenditures	B-22		8,482,528.19	
Reserve for Grant Trust Fund Expenditures	B-23			<u>197,948.22</u>
	B-1	<u>\$181,470.44</u>	<u>\$ 14,356,398.16</u>	<u>\$197,948.22</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
TRUST FUNDS

CASH RECONCILIATIONS
DECEMBER 31, 2012

B-3

	<u>General Trust Fund</u>	<u>Grant Trust Fund</u>
Balance per Certifications:		
The Provident Bank, Parsippany, New Jersey: #9812100783	\$ 2,799,277.14	\$
Valley National Bank: Parsippany, New Jersey:		
#41321480	5,491,722.35	
#41321472	1,211,972.54	
#41347188	71,806.12	
#41347196	758,282.59	
#41495349	324,292.72	
#41495357	20,980.00	
#41347153		<u>57,007.86</u>
	<u>10,678,333.46</u>	<u>57,007.86</u>
Plus: Deposit-in-Transit	385,124.35	3,200.00
	<u>11,063,457.81</u>	<u>60,207.86</u>
Less: Outstanding Checks Due to Bank	914,108.50	54,689.57
	0.80	
	<u>914,109.30</u>	<u>54,689.57</u>
	<u>\$10,149,348.51</u>	<u>\$ 5,518.29</u>
<u>Reference</u>	<u>B-1</u>	<u>B-1</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
TRUST FUNDS

CASH
INVESTMENT ACCOUNT

B-4

		General Trust Fund			Forfeited Assets Account
<u>Ref.</u>	<u>Total</u>	<u>Trust Accounts</u>	<u>Security Deposits</u>	<u>Forfeited Assets Account</u>	
Balance December 31, 2011	\$1,388,379.87	\$1,362,967.33	\$12,089.51	\$13,323.03	
Increased by:					
Deposits	803,492.79	785,510.25		17,982.54	
Accrued Interest:					
Special Deposits	2,113.30	2,067.55	16.19	45.75	
Security Deposits	16.19		8.01		
Interfunds Payable	1,027.02	1,019.01			
	2,195,029.17	2,151,564.14	12,113.71	31,351.32	
Decreased by:					
Withdrawals	425,266.36	400,689.35	8.01	24,569.00	
Balance December 31, 2012	\$1,769,762.81	\$1,750,874.79	\$12,105.70	\$ 6,782.32	
Bank Reconciliation December 31, 2012					
Balance per Statement:					
TD Bank,					
Parsippany, New Jersey:					
	\$1,750,874.47	\$1,750,874.47	\$	\$	
#0011743	12,105.70		12,105.70		
#0011743004	1,034.83	1,034.83			
#7200156047	6,782.32			6,782.32	
#7200156056	1,770,797.32	1,751,909.30	12,105.70	6,782.32	
Less: Outstanding Checks	1,034.51	1,034.51			
	\$1,769,762.81	\$1,750,874.79	\$12,105.70	\$ 6,782.32	

TOWNSHIP OF PARSIPPANY-TROY HILLS
TRUST FUNDS

CHANGE FUND

B-5

	<u>Ref.</u>	
Balance December 31, 2011	B	<u>\$ 50.00</u>
Balance December 31, 2012	B	<u>\$ 50.00</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
TRUST FUNDS

ASSETS IN THE HANDS OF PLAN ADMINISTRATOR
WORKERS' COMPENSATION PLAN

B-6

	<u>Ref.</u>	
Balance December 31, 2011	B	\$ 56,356.12
Increased by:		
Advances from Township	B-18	<u>807,200.60</u>
		863,556.72
Decreased by:		
Payment of Claims	B-18	<u>808,863.82</u>
Balance December 31, 2012	B	<u>\$ 54,692.90</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
TRUST FUNDS

FEDERAL GRANTS RECEIVABLE

B-7

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
<u>Housing and Community Development</u>				
<u>Block Grant</u>				
<u>Housing Rehabilitation:</u>				
2010	\$ 25,596.02	\$	\$ 25,596.02	\$
2011	97,563.00		64,437.60	33,125.40
2012		169,437.00		169,437.00
<u>Program Administration:</u>				
2011	13,492.89		13,492.89	
2012		40,000.00	24,614.73	15,385.27
<u>Baldwin Museum Restoration/Rehabilitation:</u>				
2011	10,000.00		10,000.00	
<u>Park Improvements:</u>				
2011	10,000.00			10,000.00
<u>Vehicle Purchases for Seniors and</u>				
<u>Handicapped:</u>				
2011	30,000.00		30,000.00	
<u>Curbing, Drainage and Paving Improvements</u>				
<u>on Manito Avenue, Pawnee Avenue and</u>				
<u>Portion of Carlson Place:</u>				
2011	60,000.00			60,000.00
<u>ADA Accessible Improvements to Various</u>				
<u>Township Facilities:</u>				
2010	20,437.56		16,884.00	3,553.56
<u>Littleton Schoolhouse on Route 202</u>				
<u>Restoration and Rehabilitation:</u>				
2010	<u>12,949.50</u>			<u>12,949.50</u>
	<u>\$280,038.97</u>	<u>\$209,437.00</u>	<u>\$185,025.24</u>	<u>\$304,450.73</u>
<u>Reference</u>	<u>B</u>	<u>B-23</u>	<u>B-1</u>	<u>B</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
TRUST FUNDS

DUE FROM MUNICIPAL COURT

B-8

	<u>Ref.</u>	<u>Animal Control Trust Fund</u>	<u>General Trust Fund</u>
Balance December 31, 2011	B	\$ 275.00	\$ 1,318.00
Increased by:			
Parking Offenses Adjudication Act	B-13		496.00
Public Defender Fees	B-13		20,810.00
Municipal Court Fines	B-20	5,360.00	
		<u>5,360.00</u>	<u>21,306.00</u>
		5,635.00	22,624.00
Decreased by:			
Collections	B-1	<u>5,635.00</u>	<u>20,979.00</u>
Balance December 31, 2012	B	<u>\$ -</u>	<u>\$ 1,645.00</u>

OTHER ACCOUNTS RECEIVABLE

B-9

	<u>Ref.</u>		
Balance December 31, 2011	B		\$ 72,316.00
Increased by:			
2012 Accruals	B-13		643,003.00
			<u>715,319.00</u>
Decreased by:			
Collections	B-1	\$ 685,839.50	
Cancelled	B-10	<u>192.00</u>	
			<u>686,031.50</u>
Balance December 31, 2012	B		<u>\$ 29,287.50</u>
<u>Analysis of Balance</u>			
Outside Employment of Off-Duty Police Officers			<u>\$ 29,287.50</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
TRUST FUNDS

B-10

INTERFUNDS RECEIVABLE

		<u>Animal Control Trust Fund Current Fund</u>	<u>Total General Trust Fund</u>	<u>General Trust Fund Current Fund</u>	<u>Payroll Fund</u>
<u>Ref.</u>					
Balance December 31, 2011	B	\$ 49,146.02	\$ 25.40	\$	\$ 25.40
Increased by:					
Other Accounts Receivable Cancelled	B-9		192.00	192.00	
Open Space Tax	B-16	140,000.00	1,273,450.17	1,273,450.17	
Municipal Budget Appropriations	B-20	<u>140,000.00</u>	<u>1,273,642.17</u>	<u>1,273,642.17</u>	
		189,146.02	1,273,667.57	1,273,642.17	25.40
Decreased by:					
Settlements	B-1	<u>114,864.20</u>	<u>1,273,667.57</u>	<u>1,273,642.17</u>	<u>25.40</u>
Balance December 31, 2012	B	<u>\$ 74,281.82</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
TRUST FUNDS

PREPAID LICENSES

B-11

	<u>Ref.</u>	<u>Animal Control Trust Fund</u>
Balance December 31, 2011	B	\$ 5,533.80
Increased by:		
Dog License Fees: Collections	B-1	<u>8,696.00</u> 14,229.80
Decreased by:		
Applied to Revenue: Dog License Fees	B-20	<u>5,533.80</u>
Balance December 31, 2012	B	<u><u>\$ 8,696.00</u></u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
TRUST FUNDS

DUE TO STATE OF NEW JERSEY

B-12

	Ref.	Dog License Fees		
		Total	2013	2012
Balance December 31, 2011	B	<u>\$ 571.20</u>	\$	<u>\$ 571.20</u>
Increased by:				
Registration Fees		2,838.00	630.00	2,208.00
Pilot Clinic Fund		567.60	126.00	441.60
Animal Population Control Fund		1,029.00	183.00	846.00
	B-1	<u>4,434.60</u>	<u>939.00</u>	<u>3,495.60</u>
		5,005.80	939.00	4,066.80
Decreased by:				
Payments	B-2	<u>4,066.60</u>	<u> </u>	<u>4,066.60</u>
Balance December 31, 2012	B	<u>\$ 939.20</u>	<u>\$939.00</u>	<u>\$ 0.20</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
TRUST FUNDS

SPECIAL DEPOSITS

B-13

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
Developers' Deposits	\$ 1,611,379.42	\$ 400,162.79	\$ 86,198.60	\$ 1,925,343.61
Road Opening Deposits	134,440.00	61,200.00	66,475.00	129,165.00
Dedicated Fire Penalty	23,489.50	15,227.50	27,567.00	11,150.00
Parking Offenses Adjudication Act of 1985	3,513.45	496.00		4,009.45
Public Defender Fees	20,215.77	20,810.00	19,897.50	21,128.27
Planning and Zoning	235,858.98	176,570.05	165,730.00	246,699.03
Uniform Fire Safety	32,800.75	33,940.50	28,424.00	38,317.25
Forfeited Assets - Law Enforcement	13,323.03	18,028.29	24,569.00	6,782.32
Outside Employment of Police	14,834.25	643,003.00	641,775.00	16,062.25
Mandatory Developers' Fees	3,873,554.48	69,618.49	2,151,229.40	1,791,943.57
Mandatory Developers' Fees - Commercial	913,422.42			913,422.42
Federal Forfeiture Fund	56,380.29	23,308.83	7,883.00	71,806.12
Redemption of Liens		695,811.90	684,875.68	10,936.22
Recreation		40,485.57	33,867.85	6,617.72
Municipal Alliance Committee - Program Income	904.10	2,300.00		3,204.10
	<u>\$ 6,934,116.44</u>	<u>\$ 2,200,962.92</u>	<u>\$ 3,938,492.03</u>	<u>\$ 5,196,587.33</u>

Reference

B

Below

B-2

B

Ref.

Collections	B-1	\$ 1,534,540.62	
Investment Account:			
Accrued Interest	B-4	2,113.30	
Due from Municipal Court	B-8	21,306.00	
Other Accounts Receivable	B-9	<u>643,003.00</u>	
	Above	<u>\$ 2,200,962.92</u>	

TOWNSHIP OF PARSIPPANY-TROY HILLS
TRUST FUNDS

PREMIUMS ON TAX SALE

B-14
Sheet #1

	<u>Ref.</u>		<u>General Trust Fund</u>
Balance December 31, 2011	B		\$ 365,100.00
Increased by:			
Collections	B-1		148,000.00
			513,100.00
Decreased by:			
Payments	B-2	\$247,100.00	
Cancelled	B-17	9,500.00	
			256,600.00
Balance December 31, 2012	B		\$ 256,500.00

Analysis of Balance

<u>Certificate Number</u>	<u>Date</u>	<u>Purchasers</u>	<u>Amount</u>
5493	10-16-08	Aldred, Randall and Phyllis	\$ 2,000.00
5505	10-16-08	Graf, Philip and Susan	14,000.00
5526	6-18-09	Royal Tax	10,100.00
5528	6-18-09	Park Finance	11,100.00
5537	6-18-09	Royal Tax	13,000.00
5539	6-18-09	Park Finance	7,900.00
5553	6-17-10	Tower Lien LLC	300.00
5569	6-17-10	Jonathan Katz	3,600.00
5578	6-17-10	Jonathan Katz	6,500.00
5589	6-16-11	US Bank Custodian for Pro Capital I	6,100.00
5590	6-16-11	US Bank Custodian for Tower DBW	4,300.00
5591	6-16-11	US Bank Custodian for Pro Capital I	7,900.00
5593	6-16-11	US Bank Custodian for Tower DBW	7,600.00
5594	6-16-11	US Bank Custodian for Tower DBW	10,300.00
5596	6-16-11	US Bank Custodian for Pro Capital I	3,200.00
5597	6-16-11	US Bank Custodian for Pro Capital I	5,100.00
5599	6-16-11	US Bank Custodian for Pro Capital I	3,300.00
5605	6-16-11	US Bank Custodian Saaa Muni VI DTR	14,000.00
5606	6-16-11	US Bank Custodian for Tower DBW	10,800.00
5607	6-16-11	US Bank Custodian Saaa Muni VI DTR	11,700.00
5608	6-16-11	US Bank Custodian for CCTS Capital	13,000.00
5609	6-16-11	US Bank Custodian Saaa Muni VI DTR	13,000.00
11-00002	6-14-12	Vacchiano Tina	3,000.00
11-00007	6-14-12	Connolly, Muriel - L/R Thomas Connolly	4,800.00

TOWNSHIP OF PARSIPPANY-TROY HILLS
TRUST FUNDS

PREMIUMS ON TAX SALE

B-14
Sheet #2

Analysis of Balance

<u>Certificate Number</u>	<u>Date</u>	<u>Purchasers</u>	<u>Amount</u>
11-00008	6-14-12	Lee, Clifford	\$ 3,000.00
11-00010	6-14-12	Cabalar, Letha & Linda	12,000.00
11-00012	6-14-12	Bajaj, Balwinder Singh- Etals	1,600.00
11-00013	6-14-12	Chen, Wei C/O Marie Roberts	10,100.00
11-00016	6-14-12	Klein, Louis and Cynthia	6,100.00
11-00018	6-14-12	Nash, Edward and Linda	4,200.00
11-00021	6-14-12	Ingoglio, Peter	2,800.00
11-00022	6-14-12	Maszack, Conrad	6,100.00
11-00024	6-14-12	Maszack, Conrad	7,500.00
11-00029	6-14-12	Albert, Thomas	16,500.00
			<u>\$ 256,500.00</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
TRUST FUNDS

SECURITY DEPOSITS

B-15

	<u>Ref.</u>	<u>Animal Control Trust Fund</u>	<u>General Trust Fund</u>
Balance December 31, 2011	B	\$ 225.00	\$12,089.51
Increased by:			
Accrued Interest	B-4	225.00	16.19
			12,105.70
Decreased by:			
Cancelled	B-20	225.00	
Balance December 31, 2012	B	\$ -	\$12,105.70

TOWNSHIP OF PARSIPPANY-TROY HILLS
TRUST FUNDS

MUNICIPAL OPEN SPACE PRESERVATION TRUST FUND

B-16

	<u>Ref.</u>		
Balance December 31, 2011	B		\$5,492,172.23
Increased by:			
Interest on Investments	B-1	\$ 11,184.65	
Municipal Open Space Tax	B-10	<u>1,273,450.17</u>	
			<u>1,284,634.82</u>
			6,776,807.05
Decreased by:			
Loan Repayment:			
Principal		122,932.20	
Interest		11,662.19	
Other Expenditures		<u>492,986.34</u>	
	B-2		<u>627,580.73</u>
Balance December 31, 2012	B		<u><u>\$6,149,226.32</u></u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
TRUST FUNDS

INTERFUNDS PAYABLE

B-17

		Total General Trust Fund	<u>General Trust Fund</u>	
	<u>Ref.</u>		<u>Current Fund</u>	<u>Payroll Fund</u>
Balance December 31, 2011	B	<u>\$ 2,963.31</u>	<u>\$ 2,963.31</u>	\$
Increased by:				
Advances		2,307.46		2,307.46
Interest on Investments:				
Checking Account		4,073.08	4,073.08	
Investment Account	B-1	6,380.54	4,073.08	2,307.46
Premium on Tax Sale Cancelled	B-4	1,027.02	1,027.02	
	B-14	9,500.00	9,500.00	
		<u>16,907.56</u>	<u>14,600.10</u>	<u>2,307.46</u>
		19,870.87	17,563.41	2,307.46
Decreased by:				
Settlements	B-2	<u>17,429.14</u>	<u>17,429.14</u>	
Balance December 31, 2012	B	<u>\$ 2,441.73</u>	<u>\$ 134.27</u>	<u>\$ 2,307.46</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
TRUST FUNDS

RESERVE FOR WORKERS' COMPENSATION

B-18

	<u>Ref.</u>	
Balance December 31, 2011	B	\$ 56,356.12
Increased by:		
Advances from Township	B-6	<u>807,200.60</u>
		863,556.72
Decreased by:		
Payment of Claims	B-6	<u>808,863.82</u>
Balance December 31, 2012	B	<u>\$ 54,692.90</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
TRUST FUNDS

RESERVE FOR CONTRIBUTIONS

B-19

	<u>Ref.</u>	
Balance December 31, 2011	B	\$11,204.62
Increased by:		
Collections	B-1	<u>1,416.64</u>
Balance December 31, 2012	B	<u>\$12,621.26</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
TRUST FUNDS

RESERVE FOR ANIMAL CONTROL TRUST FUND EXPENDITURES

B-20

	<u>Ref.</u>		
Balance December 31, 2011	B		\$ 31,936.40
Increased by:			
Dog License Fees:			
Collections	B-1	\$ 30,470.40	
Prepaid Licenses Applied	B-11	5,533.80	
		36,004.20	
Budget Appropriations	B-10	140,000.00	
Miscellaneous Revenue:			
Impounding Fees		\$ 7,360.00	
Animal Adoption Fees		6,230.00	
Late Fees		1,425.00	
Dog Park		570.00	
Replacement Fees		40.00	
Miscellaneous		328.60	
	B-1	15,953.60	
Municipal Court Fines	B-8	5,360.00	
Security Deposits Cancelled	B-15	225.00	
		21,538.60	
			197,542.80
			229,479.20
Decreased by:			
Expenditures Under R.S. 4:19-15.11:			
Cash Disbursed	B-2		177,403.84
Balance December 31, 2012	B		\$ 52,075.36

Animal Control Trust Fund Collections

	<u>Year</u>		
	2011		\$ 200,976.24
	2010		216,474.60
			216,474.60
Maximum Reserve			\$ 417,450.84

TOWNSHIP OF PARSIPPANY-TROY HILLS
TRUST FUNDS

RESERVE FOR UNEMPLOYMENT INSURANCE TRUST FUND EXPENDITURES

B-21

	<u>Ref.</u>		
Balance December 31, 2011	B		\$141,178.38
Increased by:			
Township Contributions	B-1	\$171,000.00	
Payroll Deductions:			
Collections	B-1	<u>100,892.08</u>	
			<u>271,892.08</u>
			413,070.46
Decreased by:			
Payment of Claims and Payroll			
Deductions	B-2		<u>239,775.28</u>
Balance December 31, 2012	B		<u>\$173,295.18</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
TRUST FUNDS

RESERVE FOR EMPLOYEE HEALTH BENEFIT FUND EXPENDITURES

B-22

	<u>Ref.</u>	
Increased by:		
Budget Appropriations		\$ 8,641,578.17
Prior Year Adjustment		<u>837.58</u>
	B-1	<u>8,642,415.75</u>
Decreased by:		
Payment of Claims	B-2	<u>8,482,528.19</u>
Balance December 31, 2012	B	<u>\$ 159,887.56</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
TRUST FUNDS

RESERVE FOR GRANT TRUST FUND EXPENDITURES

B-23

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
<u>Housing and Community Development</u>				
<u>Block Grant</u>				
Housing Rehabilitation:				
2010	\$ 25,596.02	\$	\$ 25,596.02	\$
2011	97,563.00		64,437.60	33,125.40
2012		169,437.00		169,437.00
Program Administration:				
2011	13,492.89		13,492.89	
2012		40,000.00	24,614.73	15,385.27
Baldwin Museum Restoration/Rehabilitation:				
2011	10,000.00		10,000.00	
Park Improvements:				
2011	10,000.00			10,000.00
Vehicle Purchases for Seniors and Handicapped:				
2011	30,000.00		30,000.00	
Curbing, Drainage and Paving Improvements on Manito Avenue, Pawnee Avenue and Portion of Carlson Place:				
2011	60,000.00			60,000.00
ADA Accessible Improvements to Various Township Facilities:				
2010	20,437.56		16,884.00	3,553.56
Littleton Schoolhouse on Route 202 Restoration and Rehabilitation:				
2010	12,949.50			12,949.50
<u>Housing Rehabilitation Program</u>				
Reimbursements for Housing Rehabilitation:				
2012		<u>18,441.27</u>	<u>12,922.98</u>	<u>5,518.29</u>
	<u>\$280,038.97</u>	<u>\$227,878.27</u>	<u>\$197,948.22</u>	<u>\$309,969.02</u>
<u>Reference</u>	<u>B</u>	<u>Below</u>	<u>B-2</u>	<u>B</u>
	<u>Ref.</u>			
Reimbursements for Housing Rehabilitation	B-1	\$ 18,441.27		
Federal Grants Receivable	B-7	<u>209,437.00</u>		
	Above	<u>\$227,878.27</u>		

TOWNSHIP OF PARSIPPANY-TROY HILLS
GENERAL CAPITAL FUND

CASH RECEIPTS, DISBURSEMENTS AND RECONCILIATION
TREASURER

C-2

	<u>Ref.</u>		
Balance December 31, 2011	C		\$ 3,297,628.58
Increased by Receipts:			
Premium on Sale of Bond			
Anticipation Notes	C-1	\$ 60,268.00	
Grants Receivable	C-4	338,750.00	
Interfunds Receivable	C-5	185,898.94	
Capital Improvement Fund	C-9	386,850.00	
Interfunds Payable	C-11	10,114.75	
Bond Anticipation Notes	C-15	<u>12,350,000.00</u>	
			<u>13,331,881.69</u>
			16,629,510.27
Decreased by Disbursements:			
Improvement Authorizations	C-8	5,554,168.29	
Interfunds Payable	C-11	<u>17,409.75</u>	
			<u>5,571,578.04</u>
Balance December 31, 2012	C		<u>\$ 11,057,932.23</u>
<u>Bank Reconciliation December 31, 2012</u>			
Balance per Statement:			
Valley National Bank,			
Parsippany, New Jersey:			
#41321464			\$ 11,058,011.33
Less: Outstanding Checks			<u>79.10</u>
			<u>\$ 11,057,932.23</u>

TOWNSHIP OF PARSHIPPANY-TROY HILLS
GENERAL CAPITAL FUND

C-3
Sheet #1

ANALYSIS OF CAPITAL CASH

	Balance Dec. 31, 2011	Receipts		Disbursements		Transfers		Balance Dec. 31, 2012
		Bond Anticipation Notes	Other	Improvement Authorizations	Other	From	To	
Improvement Authorizations								
General Improvements:								
#94-27d	\$ 64,732.12	\$	\$	\$ 64,732.12				\$
#86-34b	149,301.07			149,301.07				132,456.36
#99-24c	138,276.85			5,820.49				9,285.32
#01-16a,02-09	(132.80)	17,000.00		7,581.88				1,612.50
#02-23d	4,263.71			2,651.21				
#03-14c	2,204.09			2,204.09				
#03-14f	1,375.00							1,375.00
#04-23b	30,000.00			30,000.00				6,180.00
#04-23c	6,180.00							100,897.05
#04-23f	100,897.05							33,318.56
#04-23h	10,818.56	22,500.00						778.10
#05-07c	868.07							130,114.29
#05-07f	170,942.81			89.97				
#06-08b	14,599.63			40,828.52				6,180.00
#06-08c	35,132.45			14,599.63				100,897.05
#06-08e	37,847.99			35,132.45				33,318.56
#06-08f	50,000.00			20,761.87				778.10
#06-08g	427,405.71			147,152.54				17,086.12
#07-18c	20,284.60			50,467.90				50,000.00
#07-18f	115,166.27			23,028.25				280,253.17
#07-18g	(31,971.75)	55,000.00						20,284.60
#08-13c	(37,500.00)	37,500.00						64,698.37
#08-13e	53,592.70							
#08-13f	637,518.30			9,474.38				44,118.32
#08-13g	(28,568.42)	142,500.00		343,385.29				294,133.01
#08-13h	(2,802.50)	166,250.00		113,931.58				163,447.50
#08-13j	3,000.00							3,000.00
#09-24a	162,048.73							162,048.73
#09-24b	26,796.94							26,796.94
#09-24c	(130,712.08)	190,000.00		59,287.92				

TOWNSHIP OF PARSIPPANY-TROY HILLS
GENERAL CAPITAL FUND

C-3
Sheet #2

ANALYSIS OF CAPITAL CASH

	Balance Dec. 31, 2011		Receipts		Disbursements		Transfers		Balance Dec. 31, 2012
	\$		Bond Anticipation Notes	Other	Improvement Authorizations	Other	From	To	
Improvement Authorizations:									
General Improvements:									
#09-24d	3,000.00		477,000.00		653,050.76				3,000.00
#09-24e	996,847.50								820,796.74
#09-24f	126,738.68								126,738.68
#09-24g	15,000.00		285,000.00						300,000.00
#09-24h	11,250.00		213,750.00						225,000.00
#10-13a	175,038.07								175,038.07
#10-13b	129,500.00								129,500.00
#10-13c	676.84		190,000.00		76,403.22				114,273.62
#10-13d	(735,265.69)		2,500,000.00		492,661.25				1,334,573.06
#10-13e	61,900.00		1,150,000.00		799,400.00				412,500.00
#11-07a	29,366.00		733,210.00		329,757.12				432,818.88
#11-07b	9,500.00		150,000.00		119,810.96				39,689.04
#11-07c	10,000.00								10,000.00
#11-07d	182,824.79		3,000,000.00		1,302,736.58				1,880,088.21
#11-07e	17,500.00		332,500.00		346,431.44				3,568.56
#11-07f	1,300.00				19,306.84				(18,006.84)
#11-07g	1,500.00								1,500.00
#12-24a			700,000.00		83.20			61,830.00	761,746.80
#12-24b			242,790.00		55,503.40			28,270.00	215,556.60
#12-24c								10,000.00	10,000.00
#12-24d			1,507,250.00		215,882.36			262,250.00	1,553,617.64
#12-24e			100,000.00		16,210.00			15,000.00	98,790.00
#12-24f			137,750.00		6,500.00			7,250.00	138,500.00
Other Accounts									
Fund Balance	593.97			60,268.00					60,861.97
Capital Improvement Fund	5,357.00			386,850.00			384,600.00		7,607.00
Grants Receivable				338,750.00			338,750.00		
Deposit for Regional Contribution Agreement	261,420.19								261,420.19
Reserve for Debt Service	68,262.39						7,295.00	276,250.00	337,217.39

TOWNSHIP OF PARSIPPANY-TROY HILLS
GENERAL CAPITAL FUND

ANALYSIS OF CAPITAL CASH

C-3
Sheet #3

	Receipts		Disbursements		Transfers		Balance Dec. 31, 2012
	Bond Anticipation Notes	Other	Improvement Authorizations	Other	From	To	
Balance Dec. 31, 2011							
\$ 79,652.68							\$ 79,652.68
(185,898.94)		196,013.69		17,409.75		7,295.00	
\$ 3,297,628.58	\$ 12,350,000.00	\$ 981,881.69	\$ 5,554,168.29	\$ 17,409.75	\$ 730,645.00	\$ 730,645.00	\$ 11,057,932.23
	C-15	Sheet #4	C-8	C-11	Contra	Contra	C

Other Accounts
Reserve for Developer Contributions -
Road Improvement
Current Fund Interfund

Reference

TOWNSHIP OF PARSIPPANY-TROY HILLS
GENERAL CAPITAL FUND

ANALYSIS OF CAPITAL CASH

C-3
Sheet #4

	<u>Ref.</u>	<u>Receipts</u> <u>Other</u>	<u>Disbursements</u> <u>Other</u>
Fund Balance	C-1	\$ 60,268.00	\$
Grants Receivable	C-4	338,750.00	
Interfunds Receivable	C-5	185,898.94	
Capital Improvement Fund	C-9	386,850.00	
Interfunds Payable	C-11	<u>10,114.75</u>	<u>17,409.75</u>
	Sheet #3	<u>\$ 981,881.69</u>	<u>\$ 17,409.75</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
GENERAL CAPITAL FUND

GRANTS RECEIVABLE

<u>Ordinance Number</u>	<u>Purpose</u>	<u>Balance Dec. 31, 2011</u>	<u>2012 Grants</u>	<u>Collections</u>	<u>Balance Dec. 31, 2012</u>
	<u>State Grants</u>				<u>C-4</u>
	New Jersey Transportation Trust Fund:				
10-13d	Park Road Improvement Project	\$ 62,500.00	\$	\$ 62,500.00	\$ 250,000.00
11-07d	Park Road Resurfacing Phase II	250,000.00			235,000.00
12-24d	Waterview Boulevard Improvement Project		235,000.00		
	Department of Environmental Protection: Green Acres Program:				
	Acquisition and Craftsman Farms		<u>276,250.00</u>	<u>276,250.00</u>	
		<u>\$ 312,500.00</u>	<u>\$ 511,250.00</u>	<u>\$ 338,750.00</u>	<u>\$ 485,000.00</u>
	<u>Reference</u>	<u>C</u>	<u>Below</u>	<u>C-2</u>	<u>C</u>
	<u>Ref.</u>				
	Improvement Authorizations		\$ 235,000.00		
	Reserve for Grants Receivable		<u>276,250.00</u>		
			<u>\$ 511,250.00</u>		

TOWNSHIP OF PARSIPPANY-TROY HILLS
GENERAL CAPITAL FUND

INTERFUNDS RECEIVABLE

C-5

	<u>Ref.</u>	<u>Current Fund</u>
Balance December 31, 2011	C	\$ 185,898.94
Decreased by: Settlements	C-2	<u>185,898.94</u>
		<u>\$ -</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION
FUNDED

C-6

	<u>Ref.</u>		
Balance December 31, 2011	C		\$ 57,509,689.92
Decreased by:			
Redemptions:			
Green Acres Loan	C-16	\$ 122,932.20	
Refunding Bonds	C-17	1,760,000.00	
Serial Bonds	C-18	3,855,000.00	
Serial Bonds Defeased	C-18	<u>980,000.00</u>	
			<u>6,717,932.20</u>
Balance December 31, 2012	C		<u>\$ 50,791,757.72</u>

TOWNSHIP OF PARISHRANY-TROY HILLS
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

C-7
Sheet #1

Ordinance Number	Date	Improvement Description	Balance Dec. 31, 2011	2012 Authorizations	Authorization Cancelled	Balance Dec. 31, 2012	Bond Anticipation Notes	Analysis of Balance Dec. 31, 2012		Unexpended Improvement Authorizations
								Expenditures		
91-27	5-14-91	Regional Contribution Agreement - City of Newark	\$ 453,643.69	\$	\$	\$ 453,643.69	\$	\$	\$	\$ 453,643.69
01-16 02-09	5-22-01 4-09-02	Multi-Purpose: a. Acquisition and Development of the Brookwood Swim Club Property	567,750.00		550,750.00	17,000.00	17,000.00			
04-23	7-20-04	Multi-Purpose: h. Manor Lake Dam Replacement	22,500.00			22,500.00	22,500.00			
06-08 07-53	5-23-06 11-28-07	Multi-Purpose: g. Various Road Improvements	40,000.00			40,000.00				40,000.00
07-18	7-24-07	Multi-Purpose: g. Design of the Rainbow Lakes Dam Project	55,000.00			55,000.00	55,000.00			
08-13	5-13-08	Multi-Purpose: c. Sidewalk and Curb Construction g. Remove and Replace Rainbow Lakes Dam h. Rockaway River Dredging j. Acquisition of a Storage Shed	37,500.00 142,500.00 166,250.00 57,000.00			37,500.00 142,500.00 166,250.00 57,000.00	37,500.00 142,500.00 166,250.00			57,000.00
09-24	6-16-09	Multi-Purpose: c. Sidewalk and Curb Construction d. Traffic Signal Design and Upgrades e. Various Road Improvements g. Replacement of Manor Lake Dam h. Rockaway River Dredging and Troy Brook Dredging	190,000.00 57,000.00 477,000.00 285,000.00 213,750.00			190,000.00 57,000.00 477,000.00 285,000.00 213,750.00	190,000.00			57,000.00

TOWNSHIP OF PARSIPPANY-TROY HILLS
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

C-7
Sheet #2

Ordinance Number	Date	Improvement Description	Analysis of Balance					Unexpended Improvement Authorizations	
			Balance Dec. 31, 2011	2012 Authorizations	Authorization Cancelled	Balance Dec. 31, 2012	Bond Anticipation Notes		Expenditures
10-13	7-20-10	Multi-Purpose: c. Sidewalk and Curb Construction d. Various Road Improvements e. Replacement of Manor Lake Dam	\$ 190,000.00 2,574,525.00 1,187,500.00	\$	\$	\$ 190,000.00 2,500,000.00 1,150,000.00	\$	\$ 74,525.00 37,500.00	
11-07	6-21-11	Multi-Purpose: a. Acquisition of Vehicles b. Acquisition of Various Equipment c. Sidewalk and Curb Construction d. Various Road Improvements e. Rainbow Lakes Dam Projects f. Purchase of a Storage Building g. Upgrade to Engineering Building	733,210.00 180,500.00 190,000.00 3,611,750.00 332,500.00 24,700.00 28,500.00			733,210.00 150,000.00 190,000.00 3,000,000.00 332,500.00			30,500.00 190,000.00 611,750.00 6,693.16 28,500.00
12-24	6-19-12	Multi-Purpose: a. Acquisition of Vehicles b. Acquisition of Various Equipment c. Sidewalk and Curb Construction d. Various Road Improvements e. Rainbow Lakes Dam Projects f. Town Hall Roof Replacement		1,174,770.00 537,130.00 190,000.00 4,982,750.00 285,000.00 137,750.00			1,174,770.00 537,130.00 190,000.00 4,982,750.00 285,000.00 137,750.00		474,770.00 294,340.00 190,000.00 3,475,500.00 185,000.00
			\$ 11,818,078.69	\$ 7,307,400.00	\$ 560,750.00	\$ 16,574,728.69	\$ 12,550,000.00	\$ 18,006.84	\$ 6,206,721.85
			C	C-8	C-8	C	C-15	C-3	
		Reference							

TOWNSHIP OF PARIPPANY-TROY HILLS
GENERAL CAPITAL FUND

IMPROVEMENT AUTHORIZATIONS

C-8
Sheet #1

Improvement Description	Number	Ordinance Date	Amount	Balance Dec. 31, 2011		2012 Authorizations	Expended	Cancelled	Balance Dec. 31, 2012	
				Funded	Unfunded				Funded	Unfunded
Regional Contribution Agreement - City of Newark	91-27	5-14-91	\$ 5,100,000.00	\$	\$ 453,643.69	\$	\$	\$	\$	\$ 453,643.69
Multi-Purpose: d. Storm Drainage Improvements at Various Locations	94-27	8-16-94	410,000.00	64,732.12		64,732.12				
Multi-Purpose: b. Storm Drainage Improvements at Various Locations	96-34	10-29-96	800,000.00	149,301.07		149,301.07				
Multi-Purpose: c. Road Resurfacing	99-24	6-22-99	2,195,350.00	138,276.85		5,820.49			132,456.36	
Multi-Purpose: a. Acquisition and Development of the Brookwood Swim Club Property	01-16 02-09	5-22-01 4-09-02	4,500,000.00 3,050,000.00		567,617.20	7,581.88	550,750.00			9,285.32
Multi-Purpose: d. Various Road Improvements	02-23	6-18-02	3,225,875.00	4,263.71		2,651.21			1,612.50	
Multi-Purpose: c. Sidewalk and Curb Construction f. Various Road Improvements	03-14	5-13-03	750,000.00 2,304,150.00	2,204.09 1,375.00		2,204.09			1,375.00	
Multi-Purpose: b. Various Park Improvements c. Sidewalk and Curb Construction f. Various Road Improvements h. Manor Lake Dam Replacement	04-23	7-20-04	1,080,000.00 340,000.00 2,405,900.00 150,000.00	30,000.00 6,180.00 100,897.05 10,818.56		30,000.00			6,180.00 100,897.05 10,818.56	22,500.00
Multi-Purpose: c. Sidewalk and Curb Construction f. Various Road Improvements	05-07	5-10-05	250,000.00 4,209,829.00	868.07 170,942.81		89.97 40,828.52			778.10 130,114.29	

TOWNSHIP OF PARSHIPPANY-TROY HILLS
GENERAL CAPITAL FUND

IMPROVEMENT AUTHORIZATIONS

C-8
Sheet #2

Improvement Description	Number	Ordinance Date	Amount	Balance Dec. 31, 2011		2012 Authorizations	Expended	Cancelled	Balance Dec. 31, 2012	
				Funded	Unfunded				Funded	Unfunded
Multi-Purpose:										
b. Various Park Improvements	06-08	5-23-06	\$ 689,000.00	\$ 14,599.63	\$	\$	\$ 14,599.63	\$	\$	\$
c. Sidewalk and Curb Construction			350,000.00	35,132.45		35,132.45				
e. Design and Development of Greystone Park			40,000.00	37,847.99		20,761.87				17,086.12
f. Traffic Signal Design and Upgrades			150,000.00	50,000.00						50,000.00
g. Various Road Improvements			3,150,000.00	427,405.71	40,000.00	147,152.54				280,253.17
40,000.00										
Multi-Purpose:										
c. Sidewalk and Curb Construction	07-18	7-24-07	325,000.00	20,284.60						20,284.60
f. Various Road Improvements			3,576,000.00	115,166.27		50,467.90				64,698.37
g. Design of the Rainbow Lakes Dam Project			100,000.00		23,028.25	23,028.25				
Multi-Purpose:										
e. Traffic Signal Design and Upgrades	08-13	5-13-08	140,000.00	53,592.70		9,474.38				44,118.32
f. Various Road Improvements			3,543,233.00	637,518.30		343,385.29				294,133.01
g. Remove and Replace Rainbow Lakes Dam			150,000.00		113,931.58	113,931.58				
h. Rockaway River Dredging			175,000.00		163,447.50					163,447.50
j. Acquisition of a Storage Shed			60,000.00	3,000.00	57,000.00					57,000.00
Multi-Purpose:										
a. Acquisition of Vehicles	09-24	6-16-09	367,000.00	162,048.73						162,048.73
b. Acquisition of Various Equipment			480,000.00	26,796.94						26,796.94
c. Sidewalk and Curb Construction			200,000.00		59,287.92	59,287.92				
d. Traffic Signal Design and Upgrades			60,000.00	3,000.00						3,000.00
e. Various Road Improvements			3,700,000.00	996,847.50	477,000.00	653,050.76				477,000.00
f. Knoll Road Resurfacing			475,000.00	126,738.68						126,738.68
g. Replacement of Manor Lake Dam			300,000.00	15,000.00	285,000.00					285,000.00
h. Rockaway River Dredging and Troy Brook Dredging			225,000.00	11,250.00	213,750.00					213,750.00
Multi-Purpose:										
a. Acquisition of Vehicles	10-13	7-20-10	538,000.00	175,038.07						175,038.07
b. Acquisition of Various Equipment			146,500.00	129,500.00						129,500.00
c. Sidewalk and Curb Construction			200,000.00	676.84	190,000.00	76,403.22				114,273.62
d. Various Road Improvements			3,840,000.00	1,901,759.31	1,901,759.31	492,661.25				1,409,098.06
e. Replacement of Manor Lake Dam			1,250,000.00	61,900.00	1,187,500.00	799,400.00				460,000.00

TOWNSHIP OF PARSIPPANY-TROY HILLS
GENERAL CAPITAL FUND

CAPITAL IMPROVEMENT FUND

C-9

	<u>Ref.</u>	
Balance December 31, 2011	C	\$ 5,357.00
Increased by:		
Budget Appropriations	C-2	<u>386,850.00</u>
		392,207.00
Decreased by:		
Appropriated to Finance Improvement		
Authorizations:		
#12-24	C-8	<u>384,600.00</u>
Balance December 31, 2012	C	<u>\$ 7,607.00</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
GENERAL CAPITAL FUND

DEPOSIT FOR REGIONAL CONTRIBUTION AGREEMENT

C-10

	<u>Ref.</u>	
Balance December 31, 2011	C	<u>\$ 261,420.19</u>
Balance December 31, 2012	C	<u><u>\$ 261,420.19</u></u>

INTERFUNDS PAYABLE

C-11

	<u>Ref.</u>	<u>Current Fund</u>
Increased by:		
Interest on Investments and Deposits	C-2	\$ 10,114.75
Reserve for Debt Service Anticipated as Current Fund Revenue	C-12	<u>7,295.00</u>
		<u>17,409.75</u>
Decreased by:		
Settlements	C-2	<u>17,409.75</u>
		<u><u>\$ -</u></u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
GENERAL CAPITAL FUND

RESERVE FOR DEBT SERVICE

C-12

	<u>Ref.</u>	
Balance December 31, 2011	C	\$ 68,262.39
Increased by:		
Transferred from Reserve for Grants Receivable	C-14	<u>276,250.00</u> 344,512.39
Decreased by:		
Anticipated as Current Fund Revenue	C-11	<u>7,295.00</u>
Balance December 31, 2012	C	<u><u>\$ 337,217.39</u></u>

RESERVE FOR DEVELOPER CONTRIBUTION - ROAD IMPROVEMENT

C-13

	<u>Ref.</u>	
Balance December 31, 2011	C	<u>\$ 79,652.68</u>
Balance December 31, 2012	C	<u><u>\$ 79,652.68</u></u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
GENERAL CAPITAL FUND

RESERVE FOR GRANTS RECEIVABLE

C-14

<u>Purpose</u>	<u>2012 Grants</u>	<u>Collections</u>
<u>State Grants</u>		
Department of Environmental Protection:		
Green Acres Program:		
Acquisition and Craftsman Farms	<u>\$ 276,250.00</u>	<u>\$ 276,250.00</u>
	<u>Reference</u>	<u>C-12</u>
	<u>C-4</u>	

TOWNSHIP OF PARSIPPANY-TROY HILLS
GENERAL CAPITAL FUND

C-15

BOND ANTICIPATION NOTES

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Increase</u>	<u>Balance Dec. 31, 2012</u>
01-16/02-09	Multi-Purpose	10-04-12	10-04-12	10-04-13	0.75%	\$ 17,000.00	\$ 17,000.00
04-23	Multi-Purpose	10-04-12	10-04-12	10-04-13	0.75	22,500.00	22,500.00
07-18	Multi-Purpose	10-04-12	10-04-12	10-04-13	0.75	55,000.00	55,000.00
08-13	Multi-Purpose	10-04-12	10-04-12	10-04-13	0.75	346,250.00	346,250.00
09-24	Multi-Purpose	10-04-12	10-04-12	10-04-13	0.75	1,165,750.00	1,165,750.00
10-13	Multi-Purpose	10-04-12	10-04-12	10-04-13	0.75	3,840,000.00	3,840,000.00
11-07	Multi-Purpose	10-04-12	10-04-12	10-04-13	0.75	4,215,710.00	4,215,710.00
12-24	Multi-Purpose	10-04-12	10-04-12	10-04-13	0.75	2,687,790.00	2,687,790.00
						<u>\$ 12,350,000.00</u>	<u>\$ 12,350,000.00</u>

Reference

C-2

C

TOWNSHIP OF PARSEPPANY-TROY HILLS
GENERAL CAPITAL FUND

C-16

GREEN ACRES TRUST ACQUISITION LOAN PAYABLE

<u>Description</u>	<u>Ordinance Number</u>	<u>Amount of Original Issue</u>	<u>Maturities of Loan Outstanding Dec. 31, 2012</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2011</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2012</u>
			<u>Date</u>	<u>Amount</u>				
Acquisition of Land	91-65	\$ 1,500,000.00		\$ 43,499.54	2.00%	\$ 399,496.74	\$ 85,711.28	\$ 313,785.46
	92-40		4-12-2013	43,934.53				
	93-35		4-12-2014	44,373.88				
			10-12-2014	44,817.62				
			4-12-2015	45,265.79				
			4-12-2016	45,718.46				
Acquisition of Land	93-35	664,482.00		46,175.64	2.00%	214,193.18	37,220.92	176,972.26
				18,890.08				
				19,078.98				
				19,269.77				
				19,462.47				
				19,657.10				
				19,853.67				
				20,052.20				
				20,252.73				
				20,455.26				
						<u>\$ 613,689.92</u>	<u>\$ 122,932.20</u>	<u>\$ 490,757.72</u>
						<u>C</u>	<u>C-6</u>	<u>C</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
GENERAL CAPITAL FUND

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

C-19
Sheet #1

Ordinance Number	Improvement Description	Balance Dec. 31, 2011	2012 Authorizations	Authorization Cancelled	Bond Anticipation Notes Issued	Balance Dec. 31, 2012
91-27	Regional Contribution Agreement - City of Newark	\$ 453,643.69	\$	\$	\$	\$ 453,643.69
01-16	Multi-Purpose:					
02-09	a. Acquisition and Development of the Brookwood Swim Club Property	567,750.00		550,750.00	17,000.00	
04-23	Multi-Purpose:					
	h. Manor Lake Dam Replacement	22,500.00			22,500.00	
06-08	Multi-Purpose:					
07-53	g. Various Road Improvements	40,000.00				40,000.00
07-18	Multi-Purpose:					
	g. Design of the Rainbow Lakes Dam Project	55,000.00			55,000.00	
08-13	Multi-Purpose:					
	c. Sidewalk and Curb Construction	37,500.00			37,500.00	
	g. Remove and Replace Rainbow Lakes Dams	142,500.00			142,500.00	
	h. Rockaway River Dredging	166,250.00			166,250.00	
	j. Acquisition of a Storage Shed	57,000.00				57,000.00
09-24	Multi-Purpose:					
	c. Sidewalk and Curb Construction	190,000.00			190,000.00	
	d. Traffic Signal Design and Upgrades	57,000.00				57,000.00
	e. Various Road Improvements	477,000.00			477,000.00	
	g. Replacement of Manor Lake Dam	285,000.00			285,000.00	
	h. Rockaway River Dredging and Troy Brook Dredging	213,750.00			213,750.00	
10-13	Multi-Purpose:					
	c. Sidewalk and Curb Construction	190,000.00			190,000.00	
	d. Various Road Improvements	2,574,525.00			2,500,000.00	74,525.00
	e. Replacement of Manor Lake Dam	1,187,500.00			1,150,000.00	37,500.00

TOWNSHIP OF PARSIPPANY-TROY HILLS
GENERAL CAPITAL FUND

C-19
Sheet #2

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ordinance Number	Improvement Description	Balance Dec. 31, 2011	2012 Authorizations	Authorization Cancelled	Bond Anticipation Notes Issued	Balance Dec. 31, 2012	Reference
11-07	Multi-Purpose: a. Acquisition of Vehicles b. Acquisition of Various Equipment c. Sidewalk and Curb Construction d. Various Road Improvements e. Rainbow Lakes Dam Projects f. Purchase of a Storage Building g. Upgrade to Engineering Building	\$ 733,210.00 180,500.00 190,000.00 3,611,750.00 332,500.00 24,700.00 28,500.00	\$	\$	\$ 733,210.00 150,000.00 3,000,000.00 332,500.00	\$ 30,500.00 190,000.00 611,750.00 24,700.00 28,500.00	
12-24	Multi-Purpose: a. Acquisition of Vehicles b. Acquisition of Various Equipment c. Sidewalk and Curb Construction d. Various Road Improvements e. Rainbow Lakes Dam Projects f. Town Hall Roof Replacement		1,174,770.00 537,130.00 190,000.00 4,982,750.00 285,000.00 137,750.00		700,000.00 242,790.00 1,507,250.00 100,000.00 137,750.00	474,770.00 294,340.00 190,000.00 3,475,500.00 185,000.00	
		\$ 11,818,078.69	\$ 7,307,400.00	\$ 550,750.00	\$ 12,350,000.00	\$ 6,224,728.69	C C-Z C-Z C-15 C-7 C

TOWNSHIP OF PARSIPPANY-TROY HILLS
WATER UTILITY

CASH RECEIPTS AND DISBURSEMENTS
TREASURER

D-5

	<u>Ref.</u>	<u>Operating Fund</u>		<u>Capital Fund</u>
Balance December 31, 2011	D	\$ 3,181,968.08		\$ 576,160.96
Increased by Receipts:				
Premium on Sale of Notes	D-2	\$	\$ 5,856.00	
Interest on Deposits	D-3	12,019.28		
Collector	D-6	7,862,309.43		
Interfunds Receivable	D-8	2,059.16		
Capital Improvement Fund	D-22		36,250.00	
Interfunds Payable	D-23		2,059.16	
Bond Anticipation Notes	D-27		1,200,000.00	
Contra Item:				
Petty Cash	Contra	<u>150.00</u>		
		7,876,537.87		1,244,165.16
		<u>11,058,505.95</u>		<u>1,820,326.12</u>
Decreased by Disbursements:				
Budget Appropriations	D-4	5,652,781.96		
Appropriation Reserves	D-15	324,211.11		
Accrued Interest on Bonds	D-17	203,998.29		
Accrued Interest on Loans	D-18	7,516.93		
Water Rent Overpayments	D-20	2,109.57		
Improvement Authorizations	D-21		400,044.12	
Interfunds Payable	D-23		2,059.16	
Contra Item	Contra	<u>150.00</u>		
		6,190,767.86		402,103.28
Balance December 31, 2012	D	<u>\$ 4,867,738.09</u>		<u>\$ 1,418,222.84</u>
<u>Bank Reconciliation December 31, 2012</u>				
Balance per Statement:				
The Provident Bank,				
Parsippany, New Jersey:				
#9812100395		\$ 4,843,785.03		\$
#9812100437				1,384,032.00
Plus: Deposit-in-Transit		<u>58,143.90</u>		<u>34,190.84</u>
		4,901,928.93		1,418,222.84
Less: Outstanding Checks		<u>34,190.84</u>		
		<u>\$ 4,867,738.09</u>		<u>\$ 1,418,222.84</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
WATER UTILITY

CASH RECEIPTS AND DISBURSEMENTS
COLLECTOR

D-6

	<u>Ref.</u>	
Increased by Receipts:		
Miscellaneous Revenue Not Anticipated	D-3	\$ 188,472.89
Consumer Accounts Receivable	D-9	7,645,541.08
Water Rent Overpayments	D-20	<u>28,295.46</u>
		<u>7,862,309.43</u>
Decreased by Disbursements:		
Turnovers to Treasurer	D-5	<u>7,862,309.43</u>
		<u>\$ -</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
WATER UTILITY

INTERFUNDS RECEIVABLE

D-8

	<u>Ref.</u>	<u>Water Operating Fund</u> <u>Water Capital Fund</u>
Increased by:		
Interest on Investments and Deposits	D-3	\$ 2,059.16
Decreased by:		
Settlements	D-5	<u>2,059.16</u>
		<u>\$ -</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
WATER UTILITY

CONSUMER ACCOUNTS RECEIVABLE

D-9

	<u>Ref.</u>		
Balance December 31, 2011	D		\$ 290,447.23
Increased by:			
Adjusted Billings:			
Water Rents	Reserve		<u>7,712,444.94</u>
			<u>8,002,892.17</u>
Decreased by:			
Collections	D-3,6	\$ 7,645,541.08	
Overpayments Applied	D-20	<u>17,732.89</u>	
		<u>7,663,273.97</u>	
Cancellations	Reserve	<u>128,158.39</u>	
			<u>7,791,432.36</u>
Balance December 31, 2012	D		<u><u>\$ 211,459.81</u></u>

WATER LIENS RECEIVABLE

D-10

	<u>Ref.</u>		
Balance December 31, 2011	D		<u>\$ 252.57</u>
Balance December 31, 2012	D		<u><u>\$ 252.57</u></u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
WATER UTILITY

INVENTORY - MATERIALS AND SUPPLIES

D-11

	<u>Ref.</u>	
Balance December 31, 2011	D	\$ 91,100.00
Decreased by:		
Adjustment to Inventory	Reserve	<u>8,159.00</u>
Balance December 31, 2012	D	<u>\$ 82,941.00</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
WATER UTILITY

DEFERRED CHARGES
N.J.S.A. 40A:4-53(d) SPECIAL EMERGENCY - WATER SUPPLY MASTER PLAN

D-12

<u>Date Authorized</u>	<u>Purpose</u>	<u>Net Amount Authorized</u>	1/5 of	<u>Net Amount Authorized</u>	<u>Balance Dec. 31, 2011</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2012</u>
5-13-08	Water Supply Master Plan	<u>\$ 125,000.00</u>		<u>\$ 25,000.00</u>	<u>\$ 50,000.00</u>	<u>\$ 25,000.00</u>	<u>\$ 25,000.00</u>
	<u>Reference</u>				D	D-4	D

TOWNSHIP OF PARSIPPANY-TROY HILLS
WATER UTILITY

FIXED CAPITAL

D-13

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
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	868,299.00	868,299.00
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	316,632.09	316,632.09
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	22,011,177.16	22,011,177.16
Meter Reader System	2,526,000.00	2,526,000.00
Issuance Costs - Various	572,645.00	572,645.00
	<u>\$32,818,448.10</u>	<u>\$32,818,448.10</u>

Reference

D

D

TOWNSHIP OF PARSIPPANY-TROY HILLS
WATER UTILITY

D-14

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Improvement Description	Number	Ordinance		Balance Dec. 31, 2011	2012 Authorizations	Balance Dec. 31, 2012
		Date	Amount			
Acquisition of Equipment	03-15	5-13-03	\$ 150,000.00	\$ 150,000.00	\$	\$ 150,000.00
Multi-Purpose:						
a. Improvements to Water System	05-08	5-10-05	1,580,000.00	1,580,000.00		1,580,000.00
b. Acquisition of a Remote Meter Reading System	06-15	6-20-06	80,000.00	80,000.00		80,000.00
Multi-Purpose:						
d. Well Redevelopment and Miscellaneous Capital Improvements	06-09	5-23-06	40,000.00	40,000.00		40,000.00
Multi-Purpose:						
b. Various Major Information Technology and Telecommunications Equipment	08-14	5-13-08	60,000.00	60,000.00		60,000.00
Improvements to Water Utility System	09-25	6-16-09	990,000.00	990,000.00		990,000.00
Improvements to Water Utility System	10-14	7-20-10	265,000.00	265,000.00		265,000.00
Improvements to Water Utility System	11-08	6-21-11	595,000.00	595,000.00		595,000.00
Improvements to Water Utility System	12-25	6-19-12	725,000.00	725,000.00	725,000.00	725,000.00
				<u>\$ 3,760,000.00</u>	<u>\$ 725,000.00</u>	<u>\$ 4,485,000.00</u>

Reference

D

D-21

D

TOWNSHIP OF PARSIPPANY-TROY HILLS
WATER UTILITY

APPROPRIATION RESERVES

D-15

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
	<u>Encumbered</u>	<u>Unencumbered</u>		
Operating:				
Salaries and Wages	\$ 92,824.26	\$ 50,662.06	\$ 39,143.50	\$ 11,518.56
Other Expenses		506,552.65	283,737.31	315,639.60
Statutory Expenditures:				
Contribution to:				
Public Employees' Retirement System		8,869.00		8,869.00
Social Security System (OASI)		43,748.07	1,330.30	42,417.77
	<u>\$ 92,824.26</u>	<u>\$ 609,831.78</u>	<u>\$ 324,211.11</u>	<u>\$ 378,444.93</u>

D

D

D-5

D-1

Reference

TOWNSHIP OF PARSIPPANY-TROY HILLS
WATER UTILITY

RESERVE FOR WATER MASTER PLAN

D-16

	<u>Ref.</u>	
Balance December 31, 2011	D	<u>\$ 24,250.03</u>
Balance December 31, 2012	D	<u><u>\$ 24,250.03</u></u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
WATER UTILITY

ACCRUED INTEREST ON BONDS

D-17

	<u>Ref.</u>	
Balance December 31, 2011	D	\$ 55,932.50
Increased by:		
Budget Appropriation	D-4	198,702.46
		254,634.96
Decreased by:		
Payments	D-5	203,998.29
		203,998.29
Balance December 31, 2012	D	\$ 50,636.67

Analysis of Balance

<u>Principal Outstanding Dec. 31, 2012</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
<u>Serial Bonds</u>					
\$ 31,000.00	4.00 %	7-15-12	12-31-12	5.5 Months	\$ 568.33
300,000.00	3.50	7-01-12	12-31-12	6 Months	5,250.00
600,000.00	3.75	7-01-12	12-31-12	6 Months	11,250.00
400,000.00	4.00	7-01-12	12-31-12	6 Months	8,000.00
583,000.00	2.00	11-01-12	12-31-12	2 Months	1,943.33
175,000.00	2.25	11-01-12	12-31-12	2 Months	656.25
175,000.00	2.50	11-01-12	12-31-12	2 Months	729.17
175,000.00	2.75	11-01-12	12-31-12	2 Months	802.08
700,000.00	3.00	11-01-12	12-31-12	2 Months	3,500.00
<u>Refunding Bonds</u>					
\$ 125,000.00	4.00	12-01-12	12-31-12	1 Month	416.67
445,000.00	4.00	12-01-12	12-31-12	1 Month	1,483.33
95,000.00	3.125	12-01-12	12-31-12	1 Month	247.40
190,000.00	2.875	12-01-12	12-31-12	1 Month	455.21
190,000.00	4.125	12-01-12	12-31-12	1 Month	653.13
15,000.00	2.00	10-01-12	12-31-12	3 Months	75.00
415,000.00	3.00	10-01-12	12-31-12	3 Months	3,112.50
205,000.00	2.875	10-01-12	12-31-12	3 Months	1,473.44
110,000.00	4.00	10-01-12	12-31-12	3 Months	1,100.00
380,000.00	5.00	10-01-12	12-31-12	3 Months	4,750.00
105,000.00	3.00	5-15-12	12-31-12	5.5 Months	1,443.75
105,000.00	4.00	5-15-12	12-31-12	5.5 Months	1,925.00
35,000.00	5.00	5-15-12	12-31-12	5.5 Months	802.08
					802.08
					\$ 50,636.67

TOWNSHIP OF PARSIPPANY-TROY HILLS
WATER UTILITY

ACCRUED INTEREST ON LOANS

D-18

	<u>Ref.</u>	
Balance December 31, 2011	D	\$ 3,239.58
Increased by:		
Budget Appropriation	D-4	7,287.77
		<u>10,527.35</u>
Decreased by:		
Payments	D-5	7,516.93
		<u>7,516.93</u>
Balance December 31, 2012	D	<u>\$ 3,010.42</u>

Analysis of Balance

Loans Outstanding <u>Dec. 31, 2012</u>	Interest <u>Rate</u>	<u>Accrued</u>		<u>Period</u>	<u>Amount</u>
		<u>From</u>	<u>To</u>		
\$ 15,000.00	5.50%	8-01-12	12-31-12	5 Months	\$ 343.75
90,000.00	5.00	8-01-12	12-31-12	5 Months	1,875.00
40,000.00	4.75	8-01-12	12-31-12	5 Months	791.67
					<u>\$ 3,010.42</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
WATER UTILITY

ACCRUED INTEREST ON NOTES

D-19

	<u>Ref.</u>	
Increased by:		
Budget Appropriation	D-4	<u>\$ 2,160.00</u>
Balance December 31, 2012	D	<u><u>\$ 2,160.00</u></u>

Analysis of Balance

Notes Outstanding <u>Dec. 31, 2012</u>	Interest <u>Rate</u>	<u>Accrued</u>		<u>Period</u>	<u>Amount</u>
		<u>From</u>	<u>To</u>		
\$ 1,200,000.00	0.75%	10-04-12	12-31-12	86 Days	<u><u>\$ 2,160.00</u></u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
WATER UTILITY

WATER RENT OVERPAYMENTS

D-20

	<u>Ref.</u>		
Balance December 31, 2011	D		\$ 17,732.89
Increased by:			
Collections	D-6		<u>28,295.46</u>
			46,028.35
Decreased by:			
Applied to Consumer Accounts Receivable	D-3,9	\$ 17,732.89	
Refunded	D-5	<u>2,109.57</u>	
			<u>19,842.46</u>
Balance December 31, 2012	D		<u>\$ 26,185.89</u>

TOWNSHIP OF PARSEPPANY-TROY HILLS
WATER UTILITY

IMPROVEMENT AUTHORIZATIONS

D-21
Sheet #1

Improvement Description	Ordinance Date	Amount	Balance Dec. 31, 2011		2012 Authorizations	Expended	Balance Dec. 31, 2012	
			Funded	Unfunded			Funded	Unfunded
Acquisition of Equipment	03-15	\$ 150,000.00	\$ 4,547.29	\$	\$	\$ 4,547.29	\$	
Multi-Purpose:								
a. Improvements to Water System	05-08	1,580,000.00	920.00			920.00		
b. Acquisition of a Remote Meter Reading System	06-15	80,000.00	25,855.00			25,855.00		
Multi-Purpose:								
d. Well Redevelopment and Miscellaneous Capital Improvements	06-09	40,000.00	19,466.95			19,466.95		
Multi-Purpose:								
b. Various Major Information Technology and Telecommunications Equipment	08-14	60,000.00	23,248.37			23,248.37		
Improvements to Water Utility System	09-25	990,000.00	69,276.65		2,967.80	66,308.85		
Improvements to Water Utility System	10-14	265,000.00	124,765.00	101,750.00	105,030.44	19,734.56	101,750.00	
Improvements to Water Utility System	11-08	595,000.00	29,750.00	565,250.00	292,045.88	302,954.12		
Improvements to Water Utility System	12-25	725,000.00		725,000.00		36,250.00	688,750.00	
			\$ 297,829.26	\$ 667,000.00	\$ 400,044.12	\$ 196,331.02	\$ 1,093,454.12	
		Reference	D	D	D-5	D	D	
				D-14, Sheet #2				

TOWNSHIP OF PARSIPPANY-TROY HILLS
WATER UTILITY

IMPROVEMENT AUTHORIZATIONS

D-21
Sheet #2

	<u>Ref.</u>	2012 <u>Authorizations</u>
Capital Improvement Fund	D-22	\$ 36,250.00
Bonds and Notes Authorized but Not Issued	D-31	<u>688,750.00</u>
	Sheet #1	<u><u>\$ 725,000.00</u></u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
WATER UTILITY

CAPITAL IMPROVEMENT FUND

D-22

	<u>Ref.</u>	
Balance December 31, 2011	D	\$ 14,498.22
Increased by:		
Budget Appropriation	D-5	<u>36,250.00</u>
		50,748.22
Decreased by:		
Appropriated to Finance Improvement		
Authorizations:		
#12-25	D-21,26	<u>36,250.00</u>
Balance December 31, 2012	D	<u>\$ 14,498.22</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
WATER UTILITY

INTERFUNDS PAYABLE

D-23

	<u>Ref.</u>	<u>Water Capital Fund</u> <u>Water Operating Fund</u>
Increased by:		
Interest on Deposits	D-5	\$ 2,059.16
Decreased by:		
Settlements	D-5	<u>2,059.16</u>
		<u>\$ -</u>

RESERVE FOR DEBT SERVICE

D-24

	<u>Ref.</u>	
Balance December 31, 2011	D	<u>\$ 204,438.21</u>
Balance December 31, 2012	D	<u>\$ 204,438.21</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
WATER UTILITY

RESERVE FOR AMORTIZATION

D-25

	<u>Ref.</u>		
Balance December 31, 2011	D		\$ 28,051,858.58
Increased by:			
N.J. Environmental Infrastructure Trust Loan Paid by Operating Budget	D-28	\$ 21,450.59	
Refunding Bonds Paid by Operating Budget	D-29	495,000.00	
Serial Bonds Paid by Operating Budget	D-30	220,000.00	
Serial Bonds Paid from Third Party Escrow Trust Funds	D-30	<u>10,000.00</u>	
			<u>746,450.59</u>
Balance December 31, 2012	D		<u>\$ 28,798,309.17</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
WATER UTILITY

D-26

DEFERRED RESERVE FOR AMORTIZATION

<u>Description</u>	<u>Ordinance</u>	<u>Balance</u>	<u>Increase</u>	<u>Balance</u>
	<u>Number</u> <u>Date</u>	<u>Dec. 31, 2011</u>		<u>Dec. 31, 2012</u>
Acquisition of Equipment	03-15 5-13-03	\$ 31,250.00	\$	\$ 31,250.00
Multi-Purpose:				
a. Improvements to Water System	05-08 5-10-05	1,050,000.00		1,050,000.00
b. Acquisition of a Remote Meter Reading System	06-15 6-20-06	80,000.00		80,000.00
Multi-Purpose:				
d. Well Redevelopment and Miscellaneous Capital Improvements	06-09 5-23-06	40,000.00		40,000.00
Multi-Purpose:				
b. Various Major Information Technology and Telecommunications Equipment	08-14 5-13-08	3,000.00		3,000.00
Various Improvements to Water Utility System	09-25 6-16-09	49,500.00		49,500.00
Various Improvements to Water Utility System	10-14 7-20-10	13,250.00		13,250.00
Various Improvements to Water Utility System	11-08 6-21-11	29,750.00		29,750.00
Various Improvements to Water Utility System	12-25 6-19-12	36,250.00	36,250.00	36,250.00
		<u>\$ 1,296,750.00</u>	<u>\$ 36,250.00</u>	<u>\$ 1,333,000.00</u>
<u>Reference</u>		<u>D</u>	<u>D-22</u>	<u>D</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
WATER UTILITY

D-27

BOND ANTICIPATION NOTES

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Increase</u>	<u>Balance Dec. 31, 2012</u>
10-14	Improvements to Water Utility System	10-04-12	10-04-12	10-04-13	0.75%	\$ 101,750.00	\$ 101,750.00
11-08	Improvements to Water Utility System	10-04-12	10-04-12	10-04-13	0.75	423,250.00	423,250.00
12-25	Improvements to Water Utility System	10-04-12	10-04-12	10-04-13	0.75	675,000.00	675,000.00
						<u>\$ 1,200,000.00</u>	<u>\$ 1,200,000.00</u>

Reference

D-5

D

TOWNSHIP OF PARSIPPANY-TROY HILLS
WATER UTILITY

D-28

N.J. ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN PAYABLE

	Original Issue		Loan Maturities Outstanding Dec. 31, 2012		Interest Rate	Balance Dec. 31, 2011	Decrease	Balance Dec. 31, 2012
	Date	Amount	Date	Amount				
Trust Share	11-01-01	\$ 245,000.00	8-01-13	\$ 15,000.00	5.50%			
			8-01-14/19	15,000.00	5.00			
			8-01-20/21	20,000.00	4.75	\$ 155,000.00	\$ 10,000.00	\$ 145,000.00
Fund Share	11-01-01	254,039.00	2-01-13	2,327.16	*			
			8-01-13	11,990.12	*			
			2-01-14	2,061.43	*			
			8-01-14	11,724.38	*			
			2-01-15	1,819.85	*			
			8-01-15	11,482.81	*			
			2-01-16	1,578.28	*			
			8-01-16	11,241.24	*			
			2-01-17	1,336.70	*			
			8-01-17	10,999.66	*			
			2-01-18	1,095.13	*			
			8-01-18	10,758.09	*			
			2-01-19	853.56	*			
			8-01-19	10,516.51	*			
			2-01-20	611.98	*			
			8-01-20	13,495.93	*			
			2-01-21	305.99	*			
			8-01-21	13,190.11	*	128,839.52	11,450.59	117,388.93
						<u>\$ 283,839.52</u>	<u>\$ 21,450.59</u>	<u>\$ 262,388.93</u>

Reference D D-25 D

*Interest Free

TOWNSHIP OF PARSIPPANY-TROY HILLS
WATER UTILITY

REFUNDING BONDS

D-29

Purpose	Original Issue		Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2011	Increase	Budget Appropriation	Balance Dec. 31, 2012
	Date	Amount	Date	Amount					
Water Improvements	2-01-03	\$ 1,185,000.00	12-01-2013	\$ 125,000.00	4.00 %	\$ 245,000.00	\$	\$ 120,000.00	\$ 125,000.00
Water Improvements	4-28-09	1,630,000.00	12-01-2013	95,000.00	3.125				
			12-01-2013	80,000.00	4.00				
			12-01-2014	180,000.00	4.00				
			12-01-2015	185,000.00	4.00				
			12-01-2016	190,000.00	2.875				
			12-01-2017	190,000.00	4.125	1,095,000.00		175,000.00	920,000.00
Water Improvements	5-04-10	1,524,000.00	10-01-2013	5,000.00	2.00				
			10-01-2013	205,000.00	2.875				
			10-01-2014	10,000.00	2.00				
			10-01-2014	180,000.00	3.00				
			10-01-2014	25,000.00	4.00				
			10-01-2015	170,000.00	3.00				
			10-01-2015	55,000.00	4.00				
			10-01-2016	55,000.00	3.00				
			10-01-2016	30,000.00	4.00				
			10-01-2016	150,000.00	5.00				
			10-01-2017	10,000.00	3.00				
			10-01-2017	230,000.00	5.00	1,325,000.00		200,000.00	1,125,000.00
Water Improvements	5-15-12	245,000.00	7-15-2014/15	35,000.00	3.00				
			7-15-2016/17	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		245,000.00		245,000.00
						\$ 2,665,000.00	\$ 245,000.00	\$ 495,000.00	\$ 2,415,000.00

Reference

D

D-25

D-30

TOWNSHIP OF PARSIPPANY-TROY HILLS
WATER UTILITY

D-31

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2011</u>	<u>2012 Authorizations</u>	<u>Bond Anticipation Notes Issued</u>	<u>Balance Dec. 31, 2012</u>
10-14	Improvements to Water Utility System	\$ 101,750.00	\$	\$ 101,750.00	\$
11-08	Improvements to Water Utility System	565,250.00		423,250.00	142,000.00
12-25	Improvements to Water Utility System		<u>688,750.00</u>	<u>675,000.00</u>	<u>13,750.00</u>
		<u>\$ 667,000.00</u>	<u>\$ 688,750.00</u>	<u>\$ 1,200,000.00</u>	<u>\$ 155,750.00</u>
	<u>Reference</u>	<u>D</u>	<u>D-21</u>	<u>D-27</u>	<u>D</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
SEWER UTILITY

CASH RECEIPTS, DISBURSEMENTS AND RECONCILIATION
TREASURER

E-5

	<u>Ref.</u>	<u>Operating Fund</u>		<u>Capital Fund</u>
Balance December 31, 2011	E	\$ 9,426,048.05		\$ 2,551,501.67
Increased by Receipts:				
Premium on Sale of Notes	E-2	\$	\$ 41,480.00	
Interest on Investments	E-3	14,921.42		
Collector	E-6	16,144,122.42		
Loans Receivable	E-8		4,895,215.00	
Interfunds Receivable	E-9	10,832.54	90.00	
Capital Improvement Fund	E-21		331,750.00	
Interfunds Payable	E-22		10,832.54	
Bond Anticipation Notes	E-25		8,500,000.00	
Contra Item:				
Petty Cash	Contra	<u>200.00</u>		
		<u>16,170,076.38</u>		<u>13,779,367.54</u>
		25,596,124.43		16,330,869.21
Decreased by Disbursements:				
Prior Year Revenue Refunds	E-1	285,426.01		
Budget Appropriations	E-4	10,736,217.89		
Interfunds Receivable	E-9	3,322.50		
Appropriation Reserves	E-15	884,264.97		
Accrued Interest on Loans	E-16	255,831.48		
Accrued Interest on Bonds	E-17	266,009.92		
Sewer Overpayments	E-19	5,109.41		
Improvement Authorizations	E-20		4,932,639.41	
Interfunds Payable	E-22	550,090.00	10,832.54	
Contra Item	Contra	<u>200.00</u>		
		<u>12,986,472.18</u>		<u>4,943,471.95</u>
Balance December 31, 2012	E	<u>\$ 12,609,652.25</u>		<u>\$ 11,387,397.26</u>
<u>Bank Reconciliation December 31, 2012</u>				
Balance per Statement:				
The Provident Bank,				
ParsIPPany, New Jersey:				
#9812100411		\$ 12,933,495.40		\$
#9812100429				11,066,389.80
Plus: Deposit-in-Transit				
		<u>12,933,495.40</u>		<u>321,007.46</u>
				11,387,397.26
Less: Outstanding Checks				
		<u>323,843.15</u>		
		<u>\$ 12,609,652.25</u>		<u>\$ 11,387,397.26</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
SEWER UTILITY

CASH RECEIPTS AND DISBURSEMENTS
COLLECTOR

E-6

	<u>Ref.</u>	
Increased by:		
Capacity and Connection Fees	E-3	\$ 322,808.81
Miscellaneous Revenue Not Anticipated	E-3	624,230.82
Sewer Revenue Accounts Receivable	E-10	14,864,814.23
Sewer Overpayments	E-19	<u>332,268.56</u>
		16,144,122.42
Decreased by:		
Turnovers to Treasurer	E-5	<u>16,144,122.42</u>
		<u>\$ -</u>

TOWNSHIP OF PARSHIPPANY-TROY HILLS
SEWER UTILITY

ANALYSIS OF CAPITAL CASH

E-7

	Receipts		Disbursements		Transfers		Balance Dec. 31, 2012
	Bond Anticipation Notes	Other	Improvement Authorizations	Other	From	To	
<u>Improvement Authorizations</u>							
General Improvements:							
#06-10a	\$ 1,355.24		\$ 1,355.24				\$ 166,105.76
#07-20a	171,545.76		5,440.00			90.00	2,933.00
#07-20b	(90.00)						1,111,960.61
#07-20c	(3,567.00)						65.18
#08-15a	980,745.44	173,168.00		41,952.83			346,221.13
#08-15b	(47,434.82)			496,027.66			1,596,048.01
#09-26	302,248.79			3,303,790.30			253,561.82
#09-28	177,791.31	4,722,047.00		887,711.35			2,000,000.00
#10-15	(258,726.83)						4,741,387.97
#11-09	100,000.00			196,362.03		331,750.00	
#12-26	4,606,000.00						
<u>Other Accounts</u>							
Fund Balance	103,883.78						145,363.78
Capital Improvement Fund	1,023,750.00				331,750.00		1,023,750.00
Sewer Operating Fund							
Interfund					90.00		
	\$ 2,551,501.67	\$ 5,279,367.54	\$ 4,932,639.41	10,832.54	\$ 331,840.00	\$ 331,840.00	\$ 11,387,397.26
Reference	E	Below	E-20	E-22	Contra	Contra	E
Fund Balance		\$ 41,480.00					
Loans Receivable		4,895,215.00					
Interfunds Receivable		90.00					
Capital Improvement Fund		331,750.00					
Interfunds Payable		10,832.54					
		\$ 5,279,367.54					

TOWNSHIP OF PARSIPPANY-TROY HILLS
SEWER UTILITY

LOANS RECEIVABLE

E-8

	<u>Ref.</u>	
Balance December 31, 2011	E	\$ 7,771,001.00
Decreased by:		
Collections	E-5	<u>4,895,215.00</u>
Balance December 31, 2012	E	<u>\$ 2,875,786.00</u>

Analysis of Balance

N.J. Environmental Infrastructure Trust Loan:

Ordinance #08-15a	\$ 1,732.00
Ordinance #09-28:	
State Share	<u>2,874,054.00</u>
	<u>\$ 2,875,786.00</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
SEWER UTILITY

INTERFUNDS RECEIVABLE

E-9

		<u>Total Sewer Operating Fund</u>	<u>Sewer Operating Fund</u>		<u>Sewer Capital Fund</u>
	<u>Ref.</u>		<u>Current Fund</u>	<u>Sewer Capital Fund</u>	<u>Sewer Operating Fund</u>
Increased by:					
Interest on Deposits	E-3	\$ 10,832.54	\$	\$10,832.54	\$
Advances	E-5	3,322.50	3,322.50		
Budget Appropriation:					
Unfunded Improvement					
Authorizations	E-23				90.00
		<u>14,155.04</u>	<u>3,322.50</u>	<u>10,832.54</u>	<u>90.00</u>
Decreased by:					
Settlements	E-5	<u>10,832.54</u>		<u>10,832.54</u>	<u>90.00</u>
Balance December 31, 2012	E	<u>\$ 3,322.50</u>	<u>\$ 3,322.50</u>	<u>\$ -</u>	<u>\$ -</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
SEWER UTILITY

E-10

SEWER REVENUE ACCOUNTS RECEIVABLE

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Adjusted</u> <u>Billings</u>	<u>Collections</u>	<u>Overpayments</u> <u>Applied</u>	<u>Cancelled</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
Sewer Rents:						
Residential and Industrial	\$ 515,478.81	\$ 11,252,520.21	\$ 11,428,312.36	\$ 28,803.93	\$ 3,766.32	\$ 307,116.41
Municipalities:						
Township of East Hanover		1,280,009.64	1,280,009.64			
Township of Montville		1,170,804.38	1,170,804.38			
Borough of Mountain Lakes		305,818.32	305,818.32			
Township of Denville		46,488.50	46,488.50			
	<u>515,478.81</u>	<u>14,055,641.05</u>	<u>14,231,433.20</u>	<u>28,803.93</u>	<u>3,766.32</u>	<u>307,116.41</u>
Septage Removal	<u>175,600.80</u>	<u>911,631.36</u>	<u>633,381.03</u>	<u>9,067.18</u>		<u>444,783.95</u>
	<u>\$ 691,079.61</u>	<u>\$ 14,967,272.41</u>	<u>\$ 14,864,814.23</u>	<u>\$ 37,871.11</u>	<u>\$ 3,766.32</u>	<u>\$ 751,900.36</u>

	<u>E</u>	<u>Reserve</u>	<u>E-6, Below</u>	<u>E-19</u>	<u>Reserve</u>	<u>E</u>
--	----------	----------------	-------------------	-------------	----------------	----------

Cash Receipts:						
Sewer Rents		E-3	\$ 14,231,433.20			
Septage Removal		E-3	633,381.03			
		Above	<u>\$ 14,864,814.23</u>			

TOWNSHIP OF PARSIPPANY-TROY HILLS
SEWER UTILITY

SEWER LIENS RECEIVABLE

E-11

	<u>Ref.</u>	
Balance December 31, 2011	E	<u>\$ 721.81</u>
Balance December 31, 2012	E	<u>\$ 721.81</u>

INVENTORY
MATERIALS AND SUPPLIES

E-12

	<u>Ref.</u>	
Balance December 31, 2011	E	\$ 79,041.00
Increased by:		
Adjustment to Inventory Record	Reserve	<u>27,745.75</u>
Balance December 31, 2012	E	<u>\$ 106,786.75</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
SEWER UTILITY

FIXED CAPITAL

E-13

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Additions</u> <u>by</u> <u>Ordinance</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
Sanitary Sewer Facilities	\$ 132,780,188.85	\$ 330,000.00	\$ 133,110,188.85
Equipment	674,000.00		674,000.00
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>\$ 135,903,319.44</u>	<u>\$ 330,000.00</u>	<u>\$ 136,233,319.44</u>

Reference

E

E-14

E

TOWNSHIP OF PARSIPPANY-TROY HILLS
SEWER UTILITY

E-14

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>Ordinance Number</u>	<u>Description</u>	<u>Balance</u> Dec. 31, 2011	<u>2012</u> <u>Authorizations</u>	<u>Costs to</u> <u>Fixed Capital</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
06-10	Multi-Purpose: a. Improvements to Sewer Utility System	\$ 330,000.00	\$	\$ 330,000.00	\$
07-20	Multi-Purpose: a. Various Equipment and Structural Improvements c. Various Major Information Technology and Telecommunications Equipment	426,405.00 50,000.00			426,405.00 50,000.00
08-15	Multi-Purpose: a. Various Sewer Utility Improvements and Equipment Acquisitions b. Various Major Information Technology and Telecommunications Equipment	3,130,000.00 50,000.00			3,130,000.00 50,000.00
09-26	Various Sewer Utility Improvements	1,900,000.00			1,900,000.00
09-28	Improvements and Upgrades to the Township's Waste Water Treatment Plant	33,200,000.00			33,200,000.00
10-15	Various Sewer Utility Improvements	1,925,000.00			1,925,000.00
11-09	Various Sewer Utility Improvements	2,000,000.00			2,000,000.00
12-26	Various Sewer Utility Improvements	<u>6,635,000.00</u>	<u>6,635,000.00</u>	<u>6,635,000.00</u>	<u>6,635,000.00</u>
		<u>\$ 43,011,405.00</u>	<u>\$ 6,635,000.00</u>	<u>\$ 330,000.00</u>	<u>\$ 49,316,405.00</u>
	<u>Reference</u>	<u>E</u>	<u>E-20</u>	<u>E-13</u>	<u>E</u>

TOWNSHIP OF PARSEPPANY-TROY HILLS
SEWER UTILITY

E-15

APPROPRIATION RESERVES

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Unencumbered</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:					
Salaries and Wages	\$ 274,344.38	\$ 125,641.02	\$ 125,641.02	\$ 64,510.18	\$ 61,130.84
Other Expenses	<u>274,344.38</u>	<u>1,302,908.93</u>	<u>1,577,253.31</u>	<u>817,094.18</u>	<u>760,159.13</u>
		<u>1,428,549.95</u>	<u>1,702,894.33</u>	<u>881,604.36</u>	<u>821,289.97</u>
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System		13,515.00	13,515.00		13,515.00
Social Security System (OASI)		<u>55,621.02</u>	<u>55,621.02</u>	<u>2,660.61</u>	<u>52,960.41</u>
	<u>\$ 274,344.38</u>	<u>\$ 1,497,685.97</u>	<u>\$ 1,772,030.35</u>	<u>\$ 884,264.97</u>	<u>\$ 887,765.38</u>

Reference

E

E

E-5

E-1

TOWNSHIP OF PARSIPPANY-TROY HILLS
SEWER UTILITY

ACCRUED INTEREST ON LOANS

E-16

	<u>Ref.</u>	
Balance December 31, 2011	E	\$ 106,596.45
Increased by:		
Budget Appropriation	E-4	<u>251,241.20</u>
		357,837.65
Decreased by:		
Payments	E-5	<u>255,831.48</u>
Balance December 31, 2012	E	<u>\$ 102,006.17</u>

Analysis of Balance

Principal Outstanding <u>Dec. 31, 2012</u>	<u>Interest Rate</u>	<u>Accrued</u>		<u>Period</u>	<u>Amount</u>
		<u>From</u>	<u>To</u>		
\$ 1,957.57	1.15%	8-01-12	12-31-12	5 Months	\$ 9.39
1,980.08	1.55	8-01-12	12-31-12	5 Months	12.79
2,010.78	1.94	8-01-12	12-31-12	5 Months	16.25
2,049.78	2.28	8-01-12	12-31-12	5 Months	19.47
2,096.52	2.57	8-01-12	12-31-12	5 Months	22.45
2,150.40	2.75	8-01-12	12-31-12	5 Months	24.64
2,209.54	2.95	8-01-12	12-31-12	5 Months	27.16
2,274.72	3.14	8-01-12	12-31-12	5 Months	29.76
2,346.14	3.27	8-01-12	12-31-12	5 Months	31.97
2,422.86	3.46	8-01-12	12-31-12	5 Months	34.93
2,506.69	3.60	8-01-12	12-31-12	5 Months	37.60
2,596.93	3.69	8-01-12	12-31-12	5 Months	39.93
2,692.76	3.79	8-01-12	12-31-12	5 Months	42.52
2,794.82	3.89	8-01-12	12-31-12	5 Months	45.30
2,903.54	3.98	8-01-12	12-31-12	5 Months	48.15
3,019.10	4.07	8-01-12	12-31-12	5 Months	51.20
3,141.97	4.15	8-01-12	12-31-12	5 Months	54.33
3,105,000.00	4.00	8-01-12	12-31-12	5 Months	51,750.00
1,895,000.00	5.00	8-01-12	12-31-12	5 Months	39,479.17
340,000.00	3.00	8-01-12	12-31-12	5 Months	4,250.00
410,000.00	3.50	8-01-12	12-31-12	5 Months	<u>5,979.17</u>
					<u>\$ 102,006.17</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
SEWER UTILITY

ACCRUED INTEREST ON BONDS

E-17

	<u>Ref.</u>	
Balance December 31, 2011	E	\$ 61,232.67
Increased by:		
Budget Appropriation	E-4	259,005.75
		320,238.42
Decreased by:		
Payments	E-5	266,009.92
		266,009.92
Balance December 31, 2012	E	\$ 54,228.50

Analysis of Balance

Principal Outstanding <u>Dec. 31, 2012</u>	Interest <u>Rate</u>	<u>Accrued</u>		<u>Period</u>	<u>Amount</u>
		<u>From</u>	<u>To</u>		
<u>Serial Bonds</u>					
\$ 88,000.00	4.00 %	7-15-12	12-31-12	5.5 Month	\$ 1,613.33
130,000.00	3.50	7-01-12	12-31-12	6 Months	2,275.00
230,000.00	3.75	7-01-12	12-31-12	6 Months	4,312.50
200,000.00	4.00	7-01-12	12-31-12	6 Months	4,000.00
1,188,300.00	2.00	11-01-12	12-31-12	2 Months	3,961.00
310,000.00	2.25	11-01-12	12-31-12	2 Months	1,162.50
325,000.00	2.50	11-01-12	12-31-12	2 Months	1,354.17
350,000.00	2.75	11-01-12	12-31-12	2 Months	1,604.17
1,460,000.00	3.00	11-01-12	12-31-12	2 Months	7,300.00

Refunding Bonds

170,000.00	4.00	12-01-12	12-31-12	1 Month	566.67
330,000.00	2.875	12-01-12	12-31-12	1 Month	790.63
180,000.00	3.125	12-01-12	12-31-12	1 Month	468.75
775,000.00	4.00	12-01-12	12-31-12	1 Month	2,583.33
330,000.00	4.125	12-01-12	12-31-12	1 Month	1,134.38
20,000.00	2.00	10-01-12	12-31-12	3 Month	100.00
365,000.00	3.00	10-01-12	12-31-12	3 Month	2,737.50
180,000.00	2.875	10-01-12	12-31-12	3 Month	1,293.75
100,000.00	4.00	10-01-12	12-31-12	3 Month	1,000.00
350,000.00	5.00	10-01-12	12-31-12	3 Month	4,375.00
275,000.00	3.00	7-15-12	12-31-12	5.5 Month	3,781.25
295,000.00	4.00	7-15-12	12-31-12	5.5 Month	5,408.33
105,000.00	5.00	7-15-12	12-31-12	5.5 Month	2,406.25

\$ 54,228.50 200

TOWNSHIP OF PARSIPPANY-TROY HILLS
SEWER UTILITY

ACCRUED INTEREST ON NOTES

E-18

	<u>Ref.</u>	
Increased by:		
Budget Appropriation	E-4	<u>\$ 15,300.00</u>
Balance December 31, 2012	E	<u>\$ 15,300.00</u>

Analysis of Balance

<u>Notes</u> <u>Outstanding</u> <u>Dec. 31, 2012</u>	<u>Interest</u> <u>Rate</u>	<u>Accrued</u>		<u>Period</u>	<u>Amount</u>
		<u>From</u>	<u>To</u>		
\$ 8,500,000.00	0.75%	10-04-12	12-31-12	86 Days	<u>\$ 15,300.00</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
SEWER UTILITY

SEWER OVERPAYMENTS

E-19

	<u>Ref.</u>		
Balance December 31, 2011	E		\$ 37,871.11
Increased by:			
Collections	E-6		<u>332,268.56</u>
			370,139.67
Decreased by:			
Applied to Revenue:			
Sewer Rents	E-3	\$ 28,803.93	
Septage Removal	E-3	<u>9,067.18</u>	
	E-10	37,871.11	
Refunded	E-5	<u>5,109.41</u>	
			<u>42,980.52</u>
Balance December 31, 2012	E		<u><u>\$ 327,159.15</u></u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
SEWER UTILITY

IMPROVEMENT AUTHORIZATIONS

E-20
Sheet #1

Improvement Description	Ordinance Date	Amount	Balance Dec. 31, 2011		2012 Authorizations	Expended	Balance Dec. 31, 2012	
			Funded	Unfunded			Funded	Unfunded
Multi-Purpose: a. Improvements to Sewer Utility System	06-10 5-23-06	\$ 330,000.00	\$ 1,355.24	\$	\$ 1,355.24	\$	\$	
Multi-Purpose: a. Various Equipment and Structural Improvements c. Various Major Information Technology and Telecommunications Equipment	07-20 7-24-07	426,405.00	171,545.76		5,440.00	166,105.76	44,048.00	
Multi-Purpose: a. Various Sewer Utility Improvements and Equipment Acquisitions b. Various Major Information Technology and Telecommunications Equipment	08-15 5-13-08	3,130,000.00	980,745.44	174,900.00	41,952.83	1,111,960.61	1,732.00	
Various Sewer Utility Improvements	09-26 6-15-09	1,900,000.00	302,248.79	840,000.00	496,027.66	646,221.13	65.18	
Improvements and Upgrades to the Township's Waste Water Treatment Plant	09-28 6-16-09	33,200,000.00	15,785,682.31		3,303,790.30	1,596,048.01	10,885,844.00	
Various Sewer Utility Improvements	10-15 7-20-10	1,925,000.00	1,570,023.17		887,711.35		682,311.82	
Various Sewer Utility Improvements	11-09 6-21-11	2,000,000.00	1,900,000.00			100,000.00	1,900,000.00	
Various Sewer Utility Improvements	12-26 6-19-12	6,635,000.00			196,362.03	155,387.97	6,303,250.00	
			\$ 1,555,895.23	\$ 20,314,718.66	\$ 4,832,639.41	\$ 3,109,502.35	\$ 20,463,472.13	
Reference			E	E	E-5	E	E	

TOWNSHIP OF PARSIPPANY-TROY HILLS
SEWER UTILITY

IMPROVEMENT AUTHORIZATIONS

E-20
Sheet #2

	<u>Ref.</u>	<u>2012</u> <u>Authorizations</u>
Capital Improvement Fund	E-21	\$ 331,750.00
Bonds and Notes Authorized but Not Issued	E-29	<u>6,303,250.00</u>
	Sheet #1	<u>\$ 6,635,000.00</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
SEWER UTILITY

CAPITAL IMPROVEMENT FUND

E-21

	<u>Ref.</u>	
Balance December 31, 2011	E	\$ 1,023,750.00
Increased by:		
Budget Appropriations	E-5	<u>331,750.00</u>
		1,355,500.00
Decreased by:		
Appropriated to Finance Improvement		
Authorizations:		
#12-26	E-20,24	<u>331,750.00</u>
Balance December 31, 2012	E	<u>\$ 1,023,750.00</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
SEWER UTILITY

E-22

INTERFUNDS PAYABLE

<u>Ref.</u>	<u>Total Sewer Operating Fund</u>	<u>Sewer Operating Fund Current Fund</u>	<u>Sewer Capital Fund</u>	<u>Sewer Operating Fund</u>
Increased by:				
Sewer Operating Fund Balance Anticipated in Current Fund Budget	\$ 550,000.00	\$ 550,000.00	\$	\$
Budget Appropriation:				
Unfunded Improvement Authorizations	90.00		90.00	
Interest on Deposit	<u>550,090.00</u>	<u>550,000.00</u>	<u>90.00</u>	<u>10,832.54</u>
				<u>10,832.54</u>
Decreased by:				
Settlements	<u>550,090.00</u>	<u>550,000.00</u>	<u>90.00</u>	<u>10,832.54</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
SEWER UTILITY

RESERVE FOR AMORTIZATION

E-23

	<u>Ref.</u>		
Balance December 31, 2011	E		\$ 131,413,024.94
Increased by:			
Budget Appropriation:			
Unfunded Improvement Authorizations	E-9	\$ 90.00	
Transferred from Deferred Reserve for Amortization	E-24	16,500.00	
Refunding Bonds Paid by Operating Budget	E-27	670,000.00	
Serial Bonds Paid by Operating Budget	E-28	132,895.50	
Serial Bonds Paid from Third Party Escrow Trust Funds	E-28	<u>30,000.00</u>	
			<u>849,485.50</u>
Balance December 31, 2012	E		<u><u>\$ 132,262,510.44</u></u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
SEWER UTILITY

DEFERRED RESERVE FOR AMORTIZATION

E-24

Ordinance _Number_	Description	Balance Dec. 31, 2011	Increase	Loans Paid by Operating _Budget_	Bonds Paid by Operating _Budget_	To Reserve for Amortization	Balance Dec. 31, 2012
06-10	Multi-Purpose: a. Improvements to Sewer Utility System	\$ 16,500.00	\$	\$	\$	\$ 16,500.00	\$
07-20	Multi-Purpose: a. Various Equipment and Structural Improvements c. Various Major Information Technology and Telecommunications Equipment	38,491.00			18,186.00		56,677.00
08-15	Multi-Purpose: a. Various Sewer Utility Improvements and Equipment Acquisitions b. Various Major Information Technology and Telecommunications Equipment	298,768.84		8,544.73	129,333.50		436,647.07
09-26	Various Sewer Utility Improvements	139,585.00			44,585.00		184,170.00
09-28	Improvements to the Township's Waste Water Treatment Plant	6,397,136.42		932,281.85			7,329,418.27
10-15	Various Sewer Utility Improvements	96,250.00					96,250.00
11-09	Various Sewer Utility Improvements	100,000.00					100,000.00
12-26	Various Sewer Utility Improvements	331,750.00					331,750.00
		<u>\$ 7,091,616.26</u>	<u>\$ 331,750.00</u>	<u>\$ 940,826.58</u>	<u>\$ 192,104.50</u>	<u>\$ 16,500.00</u>	<u>\$ 8,539,797.34</u>
	Reference	E	E-21	E-26	E-28	E-23	E

TOWNSHIP OF PARSIPPANY-TROY HILLS
SEWER UTILITY

E-25

BOND ANTICIPATION NOTES

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Increase</u>	<u>Balance Dec. 31, 2012</u>
07-20	Multi-Purpose	10-04-12	10-04-12	10-04-13	0.75%	\$ 6,500.00	\$ 6,500.00
08-15	Multi-Purpose	10-04-12	10-04-12	10-04-13	0.75	47,500.00	47,500.00
09-26	Improvements to Sewer Utility System	10-04-12	10-04-12	10-04-13	0.75	540,000.00	540,000.00
10-15	Various Sewer Utility Improvements	10-04-12	10-04-12	10-04-13	0.75	1,400,000.00	1,400,000.00
11-09	Various Sewer Utility Improvements	10-04-12	10-04-12	10-04-13	0.75	1,900,000.00	1,900,000.00
12-26	Various Sewer Utility Improvements	10-04-12	10-04-12	10-04-13	0.75	4,606,000.00	4,606,000.00
						<u>\$ 8,500,000.00</u>	<u>\$ 8,500,000.00</u>

E

E-5

Reference

TOWNSHIP OF PARSIPPANY-TROY HILLS
SEWER UTILITY

E-26
Sheet #1

N.J. ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN PAYABLE

	<u>Original Issue</u>		<u>Loan Maturities Outstanding</u>		<u>Interest Rate</u>	<u>Balance</u>	
	<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>		<u>Dec. 31, 2011</u>	<u>Dec. 31, 2012</u>
Trust Share	2-17-10	\$ 45,024.00	8-01-2013	\$ 1,957.57	1.15%		
			8-01-2014	1,980.08	1.55		
			8-01-2015	2,010.78	1.94		
			8-01-2016	2,049.78	2.28		
			8-01-2017	2,096.52	2.57		
			8-01-2018	2,150.40	2.75		
			8-01-2019	2,209.54	2.95		
			8-01-2020	2,274.72	3.14		
			8-01-2021	2,346.14	3.27		
			8-01-2022	2,422.86	3.46		
			8-01-2023	2,506.69	3.60		
			8-01-2024	2,596.93	3.69		
			8-01-2025	2,692.76	3.79		
			8-01-2026	2,794.82	3.89		
			8-01-2027	2,903.54	3.98		
			8-01-2028	3,019.10	4.07		
			8-01-2029	3,141.97	4.15		
						\$ 43,095.08	\$ 41,154.20
Fund Share	2-17-10	129,876.00	2-01-2013	2,201.28	*		
			8-01-2013	4,402.57	*		
			2-01-2014	2,201.28	*		
			8-01-2014	4,402.57	*		
			2-01-2015	2,201.28	*		
			8-01-2015	4,402.57	*		
			2-01-2016	2,201.28	*		
			8-01-2016	4,402.57	*		
			2-01-2017	2,201.28	*		
			8-01-2017	4,402.57	*		
			2-01-2018	2,201.28	*		
			8-01-2018	4,402.57	*		
			2-01-2019	2,201.28	*		
			8-01-2019	4,402.57	*		
			2-01-2020	2,201.28	*		

TOWNSHIP OF PARSIPPANY-TROY HILLS
SEWER UTILITY

E-26
Sheet #2

N.J. ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN PAYABLE

	Original Issue		Loan Maturities Outstanding Dec. 31, 2012		Interest Rate	Balance Dec. 31, 2011		Balance Dec. 31, 2012	
	Date	Amount	Date	Amount		Decrease	Decrease		
Fund Share	2-17-10	\$ 129,876.00	8-01-2020	\$ 4,402.57	*				
			2-01-2021	2,201.28	*				
			8-01-2021	4,402.57	*				
			2-01-2022	2,201.28	*				
			8-01-2022	4,402.57	*				
			2-01-2023	2,201.28	*				
			8-01-2023	4,402.57	*				
			2-01-2024	2,201.28	*				
			8-01-2024	4,402.57	*				
			2-01-2025	2,201.28	*				
			8-01-2025	4,402.57	*				
			2-01-2026	2,201.28	*				
			8-01-2026	4,402.57	*				
			2-01-2027	2,201.28	*				
			8-01-2027	4,402.57	*				
			2-01-2028	2,201.28	*				
			8-01-2028	4,402.57	*				
			2-01-2029	2,201.28	*				
			8-01-2029	4,402.85	*				
						\$	118,869.58	\$	6,603.85
									\$ 112,265.73
Trust Share	3-10-10	6,180,000.00	8-01-2013	230,000.00	5.00				
			8-01-2014	245,000.00	5.00				
			8-01-2015	255,000.00	5.00				
			8-01-2016	270,000.00	5.00				
			8-01-2017	280,000.00	5.00				
			8-01-2018	295,000.00	5.00				
			8-01-2019	310,000.00	4.00				
			8-01-2020	320,000.00	5.00				
			8-01-2021	340,000.00	3.00				
			8-01-2022	350,000.00	4.00				
			8-01-2023	365,000.00	4.00				
			8-01-2024	375,000.00	4.00				
			8-01-2025	390,000.00	4.00				

TOWNSHIP OF PARSIPPANY-TROY HILLS
SEWER UTILITY

E-26
Sheet #3

N.J. ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN PAYABLE

	Original Issue		Loan Maturities Outstanding		Interest Rate	Balance Dec. 31, 2011	Decrease	Balance Dec. 31, 2012
	Date	Amount	Date	Amount				
Trust Share	3-10-10	\$ 6,180,000.00	8-01-2026	\$ 410,000.00	3.50%			
			8-01-2027	420,000.00	4.00			
			8-01-2028	440,000.00	4.00			
			8-01-2029	455,000.00	4.00	\$ 5,970,000.00	\$ 220,000.00	\$ 5,750,000.00
Fund Share	3-10-10	14,008,210.00	2-01-2013	237,427.28	*			
			8-01-2013	474,854.57	*			
			2-01-2014	237,427.28	*			
			8-01-2014	474,854.57	*			
			2-01-2015	237,427.28	*			
			8-01-2015	474,854.57	*			
			2-01-2016	237,427.28	*			
			8-01-2016	474,854.57	*			
			2-01-2017	237,427.28	*			
			8-01-2017	474,854.57	*			
			2-01-2018	237,427.28	*			
			8-01-2018	474,854.57	*			
			2-01-2019	237,427.28	*			
			8-01-2019	474,854.57	*			
			2-01-2020	237,427.28	*			
			8-01-2020	474,854.57	*			
			2-01-2021	237,427.28	*			
			8-01-2021	474,854.57	*			
			2-01-2022	237,427.28	*			
			8-01-2022	474,854.57	*			
			2-01-2023	237,427.28	*			
			8-01-2023	474,854.57	*			
			2-01-2024	237,427.28	*			
			8-01-2024	474,854.57	*			
			2-01-2025	237,427.28	*			
			8-01-2025	474,854.57	*			
			2-01-2026	237,427.28	*			
			8-01-2026	474,854.57	*			

TOWNSHIP OF PARSIPPANY-TROY HILLS
SEWER UTILITY

E-26
Sheet #4

N.J. ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN PAYABLE

Fund Share	Original Issue		Loan Maturities Outstanding		Interest Rate	Balance Dec. 31, 2011	Decrease	Balance Dec. 31, 2012
	Date	Amount	Date	Amount				
	3-10-10	\$ 14,008,210.00	2-01-2027	\$ 237,427.28	*			
			8-01-2027	474,854.57	*			
			2-01-2028	237,427.28	*			
			8-01-2028	474,854.57	*			
			2-01-2029	237,427.28	*			
			8-01-2029	474,854.85	*	\$ 12,821,073.58	\$ 712,281.85	\$ 12,108,791.73
						<u>\$ 18,953,038.24</u>	<u>\$ 940,826.58</u>	<u>\$ 18,012,211.66</u>
					Reference	E	E-24	E

*Interest Free

TOWNSHIP OF PARSIPPANY-TROY HILLS
SEWER UTILITY

SEWER SERIAL BONDS

E-28

	Original Issue		Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2011	Decrease		Balance Dec. 31, 2012
	Date	Amount	Date	Amount			Budget Appropriation	Bonds Defeased	
Sewer Improvements	6-01-05	\$ 603,000.00	7-15-2013	\$ 88,000.00	4.00%	\$ 878,000.00	\$ 80,000.00	\$ 710,000.00	\$ 88,000.00
Sewer Improvements	7-01-08	800,000.00	7-01-2013	60,000.00	3.50				
			7-01-2014	70,000.00	3.50				
			7-01-2015	70,000.00	3.75				
			7-01-2016/2017	80,000.00	3.75				
			7-01-2018/2019	100,000.00	4.00	620,000.00	60,000.00		560,000.00
Sewer Improvements	10-26-10	4,003,300.00	11-01-2013	275,000.00	2.00				
			11-01-2014	298,300.00	2.00				
			11-01-2015	305,000.00	2.00				
			11-01-2016	310,000.00	2.00				
			11-01-2017	310,000.00	2.25				
			11-01-2018	325,000.00	2.50				
			11-01-2019	350,000.00	2.75				
			11-01-2020	350,000.00	3.00				
			11-01-2021/2023	370,000.00	3.00	3,818,300.00	185,000.00		3,633,300.00
						\$ 5,316,300.00	\$ 325,000.00	\$ 710,000.00	\$ 4,281,300.00
					Reference	E	Below	Below	E
					Ref.				
			Reserve for Amortization				\$ 132,895.50	\$	
			Paid from Third Party Escrow Trust Fund					30,000.00	
			Deferred Reserve for Amortization				192,104.50		
			Refunding Bonds					680,000.00	
						Above	\$ 325,000.00	\$ 710,000.00	

TOWNSHIP OF PARSIPPANY-TROY HILLS
SEWER UTILITY

E-29

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Ordinance Number</u>	<u>Description</u>	<u>Balance Dec. 31, 2011</u>	<u>2012 Authorizations</u>	<u>Funded by Budget Appropriation</u>	<u>Bond Anticipation Notes Issued</u>	<u>Balance Dec. 31, 2012</u>
07-20	Multi-Purpose: b. Acquisition of Various Equipment and Vehicles c. Various Major Information Technology and Telecommunications Equipment	\$ 90.00	\$	\$ 90.00	\$	41,115.00
08-15	Multi-Purpose: b. Various Major Information Technology and Telecommunications Equipment	47,500.00			47,500.00	
09-26	Various Sewer Utility Improvements	840,000.00			540,000.00	300,000.00
09-28	Improvements to the Township's Waste Water Treatment Plant	8,011,790.00				8,011,790.00
10-15	Various Sewer Utility Improvements	1,828,750.00			1,400,000.00	428,750.00
11-09	Various Sewer Utility Improvements	1,900,000.00			1,900,000.00	
12-26	Various Sewer Utility Improvements	1,697,250.00	6,303,250.00		4,606,000.00	1,697,250.00
		<u>\$ 12,675,745.00</u>	<u>\$ 6,303,250.00</u>	<u>\$ 90.00</u>	<u>\$ 8,500,000.00</u>	<u>\$ 10,478,905.00</u>
	<u>Reference</u>	<u>E</u>	<u>E-20</u>	<u>E-23</u>	<u>E-25</u>	<u>E</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
GOLF AND RECREATION UTILITY

CASH RECEIPTS, DISBURSEMENTS AND RECONCILIATION
TREASURER

F-5

	<u>Ref.</u>	<u>Operating Fund</u>	<u>Capital Fund</u>
Balance December 31, 2011	F	\$ 793,687.17	\$
Increased by Receipts:			
Premium on Sale of Notes	F-2	\$	\$ 2,196.00
Interest on Deposits and Investments	F-3	3,478.39	
Collector	F-6	4,198,516.39	
Money Market Account Withdrawals	F-7	61,500.00	38,252.75
Interfunds Receivable	F-9	40,542.75	
Capital Improvement Fund	F-21		6,750.00
Bond Anticipation Notes	F-25		450,000.00
Contra Item:			
Change Fund	Contra	<u>1,800.00</u>	
		<u>4,305,837.53</u>	<u>497,198.75</u>
		5,099,524.70	497,198.75
Decreased by Disbursements:			
Prior Year Revenue Refunds	F-1	3,508.00	
Budget Appropriations	F-4	3,922,429.98	
Money Market Account Deposits	F-7	80,213.90	452,196.00
Appropriation Reserves	F-13	160,084.43	
Sales Tax Payable	F-14	38,109.42	
Accrued Interest on Bonds	F-15	80,611.50	
Membership Overpayments	F-17	578.00	
Security Deposits	F-19	428,000.00	
Improvement Authorizations	F-20		4,760.00
Interfunds Payable	F-22		40,242.75
Contra Item	Contra	<u>1,800.00</u>	
		<u>4,715,335.23</u>	<u>497,198.75</u>
Balance December 31, 2012	F	<u>\$ 384,189.47</u>	<u>\$</u>
<u>Bank Reconciliation December 31, 2012</u>			
Balance per Statement:			
Valley National Bank, Parsippany, New Jersey: #41347218		\$ 383,026.46	
Plus: Deposit- in-Transit		<u>1,167.01</u>	
		384,193.47	
Less: Due to Bank		<u>4.00</u>	
		<u>\$ 384,189.47</u>	

TOWNSHIP OF PARSIPPANY-TROY HILLS
GOLF AND RECREATION UTILITY

CASH RECEIPTS AND DISBURSEMENTS
COLLECTOR

F-6

	<u>Ref.</u>	
Increased by Receipts:		
Room Rentals	F-3	\$ 15,011.24
Concession:		
Utilities	F-3	15,428.88
Rental	F-3	779,154.00
Miscellaneous Revenue Not		
Anticipated	F-3	1,779.91
Revenue Accounts Receivable	F-10	3,341,576.90
Sales Tax Payable	F-14	39,724.50
Membership Overpayments	F-17	2,280.96
Prepaid Revenue	F-18	3,560.00
		<u>4,198,516.39</u>
Decreased by Disbursements:		
Turnovers to Treasurer	F-5	<u>4,198,516.39</u>
		<u>\$ -</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
GOLF AND RECREATION UTILITY

CASH - MONEY MARKET ACCOUNT

F-7

	<u>Ref.</u>	<u>Operating Fund</u>	<u>Capital Fund</u>
Balance December 31, 2011	F	<u>\$ 382,496.63</u>	<u>\$ 676.95</u>
Increased by:			
Accrued Interest	F-3,22	965.10	241.61
Deposits	F-5	<u>80,213.90</u>	<u>452,196.00</u>
		<u>81,179.00</u>	<u>452,437.61</u>
		463,675.63	453,114.56
Decreased by:			
Withdrawals	F-5	<u>61,500.00</u>	<u>38,252.75</u>
Balance December 31, 2012	F	<u><u>\$ 402,175.63</u></u>	<u><u>\$ 414,861.81</u></u>

Bank Reconciliation December 31, 2012

Balance per Statement:

The Provident Bank,

Parsippany, New Jersey:

#9812100445

#9812100452

\$ 354,687.96

\$

448,354.56

Plus: Deposits-in-Transit

47,487.67

402,175.63

448,354.56

Less: Outstanding Checks

33,492.75

\$ 402,175.63

\$ 414,861.81

TOWNSHIP OF PARIPPANY-TROY HILLS
GOLF AND RECREATION UTILITY

ANALYSIS OF CAPITAL CASH AND INVESTMENTS

F-8

	Balance		Receipts		Disbursements		Transfers		Balance Dec. 31, 2012
	Dec. 31, 2011		Bond Anticipation Notes	Other	Improvement Authorizations	Other	From	To	
<u>Improvement Authorizations</u>									
Ordinance Numbers:									
#07-21	\$ 526.79		\$		\$		\$		\$ 526.79
#08-16a	95,181.63				4,760.00				90,421.63
#09-27	(3,500.00)	7,500.00							4,000.00
#10-16	(90,052.10)	121,500.00							31,447.90
#11-10	(104,346.00)	192,500.00							88,154.00
#12-27		128,500.00					250.00	6,750.00	135,000.00
<u>Other Accounts</u>									
Fund Balance	34,522.44			2,196.00					36,718.44
Capital Improvement Fund	28,343.05			6,750.00			6,750.00		28,343.05
Golf and Recreation Operating									
Fund Interfund	40,001.14			241.61		40,242.75			
Bond Anticipation Note Cash:									
Ordinance #12-27								250.00	250.00
	<u>\$ 676.95</u>		<u>\$ 450,000.00</u>	<u>\$ 9,187.61</u>	<u>\$ 4,760.00</u>	<u>\$ 40,242.75</u>	<u>\$ 7,000.00</u>	<u>\$ 7,000.00</u>	<u>\$ 414,861.81</u>
Reference	F	F-25	Below	F-20	F-22	Contra	Contra	E	
Fund Balance			Ref.						
Capital Improvement Fund			F-2	\$ 2,196.00					
Interfunds Payable			F-21	6,750.00					
			F-22	241.61					
			Above	\$ 9,187.61					

TOWNSHIP OF PARSIPPANY-TROY HILLS
GOLF AND RECREATION UTILITY

INTERFUNDS RECEIVABLE

F-9

		Total Golf and Recreation Operating Fund	<u>Golf and Recreation Operating Fund</u> Current Fund	<u>Golf and Recreation Capital Fund</u>
Balance December 31, 2011	F	\$ 40,301.14	\$ 300.00	\$ 40,001.14
Increased by:				
Interest on Investments	F-3	241.61 <u>40,542.75</u>	<u>300.00</u>	241.61 <u>40,242.75</u>
Decreased by:				
Settlements	F-5	<u>40,542.75</u>	<u>300.00</u>	<u>40,242.75</u>
		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
GOLF AND RECREATION UTILITY

REVENUE ACCOUNTS RECEIVABLE

F-10

	<u>Ref.</u>		
Balance December 31, 2011	F		\$ 62,901.78
Increased by:			
Revenue:			
Membership Fees		\$ 816,039.74	
Other Fees		1,971,022.65	
Cart Rentals		<u>566,050.67</u>	
	Reserve		<u>3,353,113.06</u>
			<u>3,416,014.84</u>
Decreased by:			
Collections	F-6	3,341,576.90	
Membership Overpayments Applied	F-17	1,145.08	
Prepaid Revenue Applied	F-18	<u>2,000.00</u>	
	F-3	3,344,721.98	
Cancelled	Reserve	<u>4,529.92</u>	
			<u>3,349,251.90</u>
Balance December 31, 2012	F		<u>\$ 66,762.94</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
GOLF AND RECREATION UTILITY

FIXED CAPITAL

F-11

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
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	2,212,760.66	2,212,760.66
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	<u>186,451.50</u>	<u>186,451.50</u>
	<u>\$ 23,852,276.61</u>	<u>\$ 23,852,276.61</u>

Reference

F

F

TOWNSHIP OF PARSIPPANY-TROY HILLS
GOLF AND RECREATION UTILITY

F-12

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>Improvement Description</u>	<u>Number</u>	<u>Ordinance Date</u>	<u>Amount</u>	<u>Balance Dec. 31, 2011</u>	<u>2012 Authorizations</u>	<u>Balance Dec. 31, 2012</u>
Various Improvements to and Equipment for the Golf Course and Recreational Utility	07-21	7-24-07	\$ 1,160,000.00	\$ 1,160,000.00	\$	\$ 1,160,000.00
Multi-Purpose:						
a. Various Improvements and Equipment	08-16	5-13-08	250,000.00	250,000.00		250,000.00
Various Improvements and Purchase of Equipment for Golf Course and Recreation Utility	09-27	6-16-09	151,000.00	151,000.00		151,000.00
Various Improvements to and Equipment for Golf Course and Recreational Utility	10-16	7-20-10	300,000.00	300,000.00		300,000.00
Golf Course and Recreation Utility Improvements	11-10	6-21-11	202,677.00	202,677.00		202,677.00
Golf Course and Recreation Utility Improvements	12-27	6-19-12	135,000.00	135,000.00	135,000.00	135,000.00
				<u>\$ 2,063,677.00</u>	<u>\$ 135,000.00</u>	<u>\$ 2,198,677.00</u>
			<u>Reference</u>	<u>E</u>	<u>F-20</u>	<u>E</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
GOLF AND RECREATION UTILITY

SALES TAX PAYABLE

F-14

	<u>Ref.</u>	
Balance December 31, 2011	F	\$ 457.70
Increased by:		
Collections	F-6	<u>39,724.50</u>
		40,182.20
Decreased by:		
Payments	F-5	<u>38,109.42</u>
Balance December 31, 2012	F	<u><u>\$ 2,072.78</u></u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
GOLF AND RECREATION UTILITY

ACCRUED INTEREST ON BONDS

F-15

	<u>Ref.</u>	
Balance December 31, 2011	F	\$ 27,251.92
Increased by:		
Budget Appropriation	F-4	77,344.83
		104,596.75
Decreased by:		
Payments	F-5	80,611.50
		80,611.50
Balance December 31, 2012	F	\$ 23,985.25

Analysis of Balance

Principal Outstanding <u>Dec. 31, 2012</u>	<u>Interest Rate</u>	<u>Accrued</u>		<u>Period</u>	<u>Amount</u>
		<u>From</u>	<u>To</u>		
<u>Serial Bonds</u>					
\$ 300,000.00	3.50%	7-01-12	12-31-12	6 Months	\$ 5,250.00
480,000.00	3.75	7-01-12	12-31-12	6 Months	9,000.00
340,000.00	4.00	7-01-12	12-31-12	6 Months	6,800.00
188,700.00	2.00	11-01-12	12-31-12	2 Months	629.00
55,000.00	2.25	11-01-12	12-31-12	2 Months	206.25
60,000.00	2.50	11-01-12	12-31-12	2 Months	250.00
60,000.00	2.75	11-01-12	12-31-12	2 Months	275.00
315,000.00	3.00	11-01-12	12-31-12	2 Months	1,575.00
					\$ 23,985.25

TOWNSHIP OF PARSIPPANY-TROY HILLS
GOLF AND RECREATION UTILITY

ACCRUED INTEREST ON NOTES

F-16

	<u>Ref.</u>	
Increased by:		
Budget Appropriation	F-4	<u>\$ 810.00</u>
Balance December 31, 2012	F	<u><u>\$ 810.00</u></u>

Analysis of Balance

Notes Outstanding <u>Dec. 31, 2012</u>	Interest <u>Rate</u>	<u>Accrued</u>		<u>Period</u>	<u>Amount</u>
		<u>From</u>	<u>To</u>		
\$ 450,000.00	0.75%	10-04-12	12-31-12	86 Days	<u><u>\$ 810.00</u></u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
GOLF AND RECREATION UTILITY

MEMBERSHIP OVERPAYMENTS

F-17

	<u>Ref.</u>		
Balance December 31, 2011	F		\$ 1,145.08
Increased by:			
Collections	F-6		<u>2,280.96</u>
			3,426.04
Decreased by:			
Refunds	F-5	\$ 578.00	
Applied to Revenue Accounts Receivable	F-10	<u>1,145.08</u>	
			<u>1,723.08</u>
Balance December 31, 2012	F		<u><u>\$ 1,702.96</u></u>

PREPAID REVENUE

F-18

	<u>Ref.</u>		
Balance December 31, 2011	F		\$ 2,000.00
Increased by:			
Collections	F-6		<u>3,560.00</u>
			5,560.00
Decreased by:			
Applied to Revenue Accounts Receivable	F-10		<u>2,000.00</u>
Balance December 31, 2012	F		<u><u>\$ 3,560.00</u></u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
GOLF AND RECREATION UTILITY

SECURITY DEPOSIT

F-19

	<u>Ref.</u>	
Balance December 31, 2011	F	\$ 648,000.00
Decreased by:		
Payments	F-5	<u>428,000.00</u>
Balance December 31, 2012	F	<u>\$ 220,000.00</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
GOLF AND RECREATION UTILITY

IMPROVEMENT AUTHORIZATIONS

F-20
Sheet #1

Improvement Description	Number	Ordinance Date	Amount	Balance Dec. 31, 2011		2012 Authorizations	Expended	Balance Dec. 31, 2012	
				Funded	Unfunded			Funded	Unfunded
Various Improvements to and Equipment for Golf Course and Recreational Utility	07-21	7-24-07	\$ 1,160,000.00	\$ 526.79	\$	\$	\$	526.79	\$
Multi-Purpose: a. Various Improvements and Equipment	08-16	5-13-08	250,000.00	95,181.63	50,000.00	4,760.00	90,421.63	50,000.00	
Various Improvements and Purchase of Equipment	09-27	6-16-09	151,000.00		44,000.00			44,000.00	
Various Improvements to and Equipment for Golf Course and Recreational Utility	10-16	7-20-10	300,000.00		194,947.90			194,947.90	
Golf Course and Recreation Utility Improvements	11-10	6-21-11	202,677.00		88,197.00			88,197.00	
Golf Course and Recreation Utility Improvements	12-27	6-19-12	135,000.00			135,000.00	6,750.00	128,250.00	
				\$ 95,708.42	\$ 377,144.90	\$ 135,000.00	\$ 4,760.00	\$ 97,698.42	\$ 505,394.90
			Reference	E	F	F-12, Sheet #2	F-5	E	F

TOWNSHIP OF PARSIPPANY-TROY HILLS
GOLF AND RECREATION UTILITY

IMPROVEMENT AUTHORIZATIONS

F-20
Sheet #2

	<u>Ref.</u>	<u>2012</u> <u>Authorizations</u>
Capital Improvement Fund	F-21	\$ 6,750.00
Bonds and Notes Authorized but Not Issued	F-28	<u>128,250.00</u>
	Sheet #1	<u><u>\$ 135,000.00</u></u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
GOLF AND RECREATION UTILITY

CAPITAL IMPROVEMENT FUND

F-21

	<u>Ref.</u>	
Balance December 31, 2011	F	\$ 28,343.05
Increased by:		
Budget Appropriations	F-5	<u>6,750.00</u>
		35,093.05
Decreased by:		
Appropriated to Finance Improvement		
Authorizations:		
#12-27	F-20,24	<u>6,750.00</u>
Balance December 31, 2012	F	<u>\$ 28,343.05</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
GOLF AND RECREATION UTILITY

INTERFUNDS PAYABLE

F-22

	<u>Ref.</u>	Golf and Recreation Capital Fund <hr style="width: 100%;"/> Golf and Recreation Operating Fund <hr style="width: 100%;"/>
Balance December 31, 2011	F	\$ 40,001.14
Increased by:		
Interest on Investments	F-7	241.61 <hr style="width: 100%;"/> 40,242.75
Decreased by:		
Settlements	F-5	40,242.75 <hr style="width: 100%;"/>
		<hr style="width: 100%;"/> \$ - <hr style="width: 100%;"/>

TOWNSHIP OF PARSIPPANY-TROY HILLS
GOLF AND RECREATION UTILITY

RESERVE FOR AMORTIZATION

F-23

	<u>Ref.</u>		
Balance December 31, 2011	F		\$ 22,684,526.61
Increased by:			
Refunding Bonds Paid by Operating Budget	F-26	\$ 215,000.00	
Refunding Bonds Paid by Open Space Trust Fund	F-26	200,000.00	
Serial Bonds Paid by Operating Budget	F-27	<u>140,000.00</u>	
			<u>555,000.00</u>
Balance December 31, 2012	F		<u>\$ 23,239,526.61</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
GOLF AND RECREATION UTILITY

F-24

DEFERRED RESERVE FOR AMORTIZATION

<u>Improvement Description</u>	<u>Ordinance Number</u>	<u>Date</u>	<u>Balance Dec. 31, 2011</u>	<u>Increase</u>	<u>Balance Dec. 31, 2012</u>
Various Improvements to and Equipment for Golf Course and Recreational Utility	07-21	7-24-07	\$ 257,500.00	\$	\$ 257,500.00
Multi-Purpose: a. Various Improvements and Equipment	08-16	5-13-08	12,500.00		12,500.00
Various Improvements and Purchase of Equipment	09-27	6-16-09	7,550.00		7,550.00
Various Improvements to and Equipment for Golf Course and Recreational Utility	10-16	7-20-10	15,000.00		15,000.00
Golf Course and Recreation Utility Improvements	11-10	6-21-11	10,134.00		10,134.00
Golf Course and Recreation Utility Improvements	12-27	6-19-12		6,750.00	6,750.00
			<u>\$ 302,684.00</u>	<u>\$ 6,750.00</u>	<u>\$ 309,434.00</u>
	<u>Reference</u>		<u>F</u>	<u>F-21</u>	<u>F</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
GOLF AND RECREATION UTILITY

F-25

BOND ANTICIPATION NOTES

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Increase</u>	<u>Balance Dec. 31, 2012</u>
09-27	Various Improvements and Purchase of Equipment	10-04-12	10-04-12	10-4-13	0.75%	\$ 7,500.00	\$ 7,500.00
10-16	Various Improvements to and Equipment for Golf Course and Recreational Utility	10-04-12	10-04-12	10-4-13	0.75	121,500.00	121,500.00
11-10	Golf Course and Recreation Utility Improvements	10-04-12	10-04-12	10-4-13	0.75	192,500.00	192,500.00
12-27	Golf Course and Recreation Utility Improvements	10-04-12	10-04-12	10-4-13	0.75	128,500.00	128,500.00
						<u>\$ 450,000.00</u>	<u>\$ 450,000.00</u>
				<u>Reference</u>		<u>F-5</u>	<u>F</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
GOLF AND RECREATION UTILITY

F-27

SERIAL BONDS

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding Dec. 31, 2012</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2011</u>	<u>Decrease Budget Appropriation</u>	<u>Balance Dec. 31, 2012</u>
			<u>Date</u>	<u>Amount</u>				
General Improvement	7-01-08	\$ 1,500,000.00	7-01-2013/2014	\$ 150,000.00	3.5%			
			7-01-2015	150,000.00	3.75			
			7-01-2016	160,000.00	3.75			
			7-01-2017	170,000.00	3.75			
			7-01-2018/2019	170,000.00	4.00	\$ 1,220,000.00	\$ 100,000.00	\$ 1,120,000.00
General Improvement	10-26-10	758,700.00	11-01-2013	40,000.00	2.00			
			11-01-2014	40,700.00	2.00			
			11-01-2015	53,000.00	2.00			
			11-01-2016	55,000.00	2.00			
			11-01-2017	55,000.00	2.25			
			11-01-2018	60,000.00	2.50			
			11-01-2019	60,000.00	2.75			
			11-01-2020	75,000.00	3.00			
			11-01-2021/2023	80,000.00	3.00	718,700.00	40,000.00	678,700.00
						\$ 1,938,700.00	\$ 140,000.00	\$ 1,798,700.00

Reference E

F-23

F

TOWNSHIP OF PARSIPPANY-TROY HILLS
GOLF AND RECREATION UTILITY

F-28

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2011</u>	<u>2012 Authorization</u>	<u>Cash on Hand</u>	<u>Bond Anticipation Notes Issued</u>	<u>Balance Dec. 31, 2012</u>
08-16	Multi-Purpose: a. Various Improvements and Equipment	\$ 50,000.00	\$	\$	\$	\$ 50,000.00
09-27	Various Improvements and Purchase of Equipment	47,500.00			7,500.00	40,000.00
10-16	Various Improvements to and Equipment for Golf Course and Recreational Utility	285,000.00			121,500.00	163,500.00
11-10	Golf Course and Recreation Utility Improvements	192,543.00			192,500.00	43.00
12-27	Golf Course and Recreation Utility Improvements		128,250.00	250.00	128,500.00	
		<u>\$ 575,043.00</u>	<u>\$ 128,250.00</u>	<u>\$ 250.00</u>	<u>\$ 450,000.00</u>	<u>\$ 253,543.00</u>
	<u>Reference</u>	E	F-20	F-8	F-25	F

TOWNSHIP OF PARSIPPANY-TROY HILLS
PUBLIC ASSISTANCE TRUST FUND

CASH RECEIPTS, DISBURSEMENTS AND RECONCILIATION

G-1

	<u>Ref.</u>		
Balance December 31, 2011	G		\$ 8,563.31
Increased by:			
Interfunds Receivable	G-2	\$ 2.70	
Interfunds Payable	G-3	20.13	
Reserve for Public Assistance Trust			
Fund Expenditures	G-4	<u>19,289.00</u>	
			<u>19,311.83</u>
			27,875.14
Decreased by:			
Interfunds Payable	G-3	20.13	
Reserve for Public Assistance Trust			
Fund Expenditures	G-4	<u>8,944.05</u>	
			<u>8,964.18</u>
Balance December 31, 2012	G		<u><u>\$ 18,910.96</u></u>
 <u>Bank Reconciliation December 31, 2012</u>			
Balance per Statement:			
Valley National Bank,			
Parsippany, New Jersey:			
Account #41347161			\$ 18,914.48
Less: Outstanding Checks			<u>3.52</u>
			<u><u>\$ 18,910.96</u></u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
PUBLIC ASSISTANCE TRUST FUND

INTERFUNDS RECEIVABLE

G-2

	<u>Ref.</u>	<u>Current Fund</u>
Balance December 31, 2011	G	\$ 2.70
Decreased by:		
Settlements	G-1	<u>2.70</u>
		<u>\$ -</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
PUBLIC ASSISTANCE TRUST FUND

INTERFUNDS PAYABLE

G-3

	<u>Ref.</u>	<u>Current Fund</u>
Increased by:		
Interest on Deposits	G-1	\$ 20.13
Decreased by:		
Settlements	G-1	<u>20.13</u>
		<u>\$ -</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
PUBLIC ASSISTANCE TRUST FUND

RESERVE FOR PUBLIC ASSISTANCE TRUST FUND EXPENDITURES

G-4

	<u>Ref.</u>	
Balance December 31, 2011	G	\$ 8,566.01
Increased by:		
Donations	G-1	<u>19,289.00</u>
		27,855.01
Decreased by:		
Public Assistance Expenditures	G-1	<u>8,944.05</u>
Balance December 31, 2012	G	<u>\$ 18,910.96</u>

PART II
REPORT ON INTERNAL CONTROL
SINGLE AUDIT ATTACHMENTS
ROSTER OF OFFICIALS
LETTER OF TRANSMITTAL, COMMENTS AND RECOMMENDATIONS
(MANAGEMENT LETTER)
YEAR ENDED DECEMBER 31, 2013

SAMUEL KLEIN AND COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

550 BROAD STREET, 11TH FLOOR
NEWARK, N.J. 07102-4543
PHONE (973) 624-6100
FAX (973) 624-6101

36 WEST MAIN STREET, SUITE 301
FREEHOLD, N.J. 07728-2291
PHONE (732) 780-2600
FAX (732) 780-1030

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 AUDITOR'S REPORT

The Honorable Mayor and Members
of the Township Council
Township of Parsippany-Troy Hills
Parsippany, New Jersey 07054

We have audited the financial statements - regulatory basis of the various funds of the Township of Parsippany-Troy Hills, in the County of Morris, as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements and have issued our report thereon dated June 5, 2013. These financial statements have been prepared in conformity with accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit 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, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

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 our 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.

Compliance and Other Matters

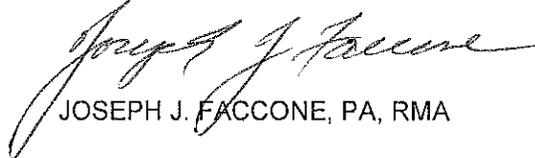
As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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*. However, we noted certain matters that we reported to management in the comments and recommendations section of this report.

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.



SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS



JOSEPH J. FACCONI, PA, RMA

Newark, New Jersey
June 5, 2013

SAMUEL KLEIN AND COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

550 BROAD STREET, 11TH FLOOR
NEWARK, N.J. 07102-4543
PHONE (973) 624-6100
FAX (973) 624-6101

36 WEST MAIN STREET, SUITE 301
FREEHOLD, N.J. 07728-2291
PHONE (732) 780-2600
FAX (732) 780-1030

REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS REQUIRED BY OMB CIRCULAR A-133 AND NEW JERSEY CIRCULAR OMB 04-04

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Township Council
Township of Parsippany-Troy Hills
Parsippany, New Jersey 07054

Report on Compliance for Each Major Federal and State Program

We have audited the Township of Parsippany-Troy Hills in the County of Morris, State of New Jersey, compliance with the types of compliance requirements described in the OMB Circular -133 *Compliance Supplement*, and the New Jersey State Office of Management and Budget's *State Grant Compliance Supplement* that could have a direct and material effect on each of the Township's major federal and state programs for the year ended December 31, 2012. The Township's major federal and state programs are identified in the *Summary of Auditor's 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 each of its major federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Township's major federal and state programs 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; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and OMB Circular A-133, and the provisions of State Treasury Circular Letter 04-04 OMB, *Audits of State, Local Governments, and Nonprofit Organizations* and the New Jersey State Office of Management and Budget's *State Grant Compliance Supplement*. Those standards and OMB Circular A-133 and NJOMB 04-04 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 or state 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 each major federal and state program. However, our audit does not provide a legal determination on the Township's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Township of Parsippany-Troy Hills complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2012.

Report on Internal Control Over Compliance

Management of the Township of Parsippany-Troy Hills 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 a major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and NJOMB 04-04, 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 of Parsippany-Troy Hills' 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 and 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 and 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 and 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.

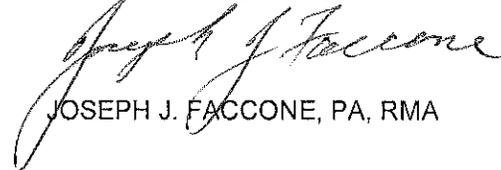
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on the requirements of OMB Circular -133 AND NJOMB 04-04. Accordingly, this communication is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal and State Awards Required by OMB Circular A-133 and NJOMB 04-04

We have audited the financial statements of the Township of Parsippany-Troy Hills - regulatory basis as of and for the year ended December 31, 2012 and have issued our report thereon dated June 5, 2013, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by OMB Circular A-133 and NJOMB 04-04 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal and state awards is fairly stated in all material respects in relation to the financial statements as a whole.



SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS



JOSEPH J. FACCONI, PA, RMA

Newark, New Jersey
June 5, 2013

TOWNSHIP OF PARSIPPANY-TROY HILLS
COUNTY OF MORRIS

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2012

SCHEDULE B
Sheet #1

<u>State Funding</u> <u>Department and Description</u>	<u>State</u> <u>Account Number</u>	<u>Program</u> <u>Amount</u>	<u>Funds</u> <u>Received</u>	<u>Disbursements</u>	
				<u>Fiscal</u> <u>Year</u>	<u>Total</u>
<u>Department of Health</u> Municipal Alcohol Education, Rehabilitation Program:					
1-01-11 to 12-31-11		\$ 862.96		\$ 862.96	\$ 862.96
1-01-12 to 12-31-12		1,510.97	1,510.97	177.04	177.04
<u>Tobacco Age-of-Sale Enforcement Grant:</u>					
1-01-05 to 12-31-05		4,380.00		1,054.70	4,026.00
1-01-07 to 12-31-07		3,720.00		961.07	3,582.07
1-01-08 to 12-31-08		2,280.00		690.00	2,212.48
1-01-09 to 12-31-09		2,280.00			1,495.68
<u>Passed-Through County of Morris:</u>					
<u>Municipal Alliance:</u>					
1-01-11 to 12-31-11		14,886.01	6,940.89	6,508.52	14,886.01
1-01-12 to 12-31-12		28,901.00	8,263.80	10,407.74	10,407.74
<u>Environmental Protection</u> Clean Communities Act:					
1-01-11 to 12-31-11	042-4900-765-004-6020	84,283.23		8,166.97	84,283.23
1-01-12 to 12-31-12		83,403.83	83,403.83	76,380.64	76,380.64
<u>Recycling Tonnage Grant:</u>					
1-01-05 to 12-31-05	042-4900-752-001-6020	28,449.29			27,341.29
1-01-06 to 12-31-06		22,796.80			22,508.80
1-01-10 to 12-31-10		62,600.38		12,263.26	61,282.20
1-01-11 to 12-31-11		75,891.00			
1-01-12 to 12-31-12		59,638.46	59,638.46		
<u>Green Acres Program:</u>					
Acquisition of Craftsman Farms		276,250.00	276,250.00	276,250.00	276,250.00

TOWNSHIP OF PARSIPPANY-TROY HILLS
COUNTY OF MORRIS

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2012

SCHEDULE B
Sheet #2

<u>State Funding</u> <u>Department and Description</u>	<u>State Account</u> <u>Number</u>	<u>Program</u> <u>Amount</u>	<u>Funds</u> <u>Received</u>	<u>Disbursements</u>	
				<u>Fiscal</u> <u>Year</u>	<u>Total</u>
<u>Environmental Protection</u> N.J. Environmental Infrastructure Trust Loan: Improvements to Waste Water Treatment Plant (Ordinance #09-28)	042-4860-711-001-6020	\$ 17,688,210.00	\$ 4,722,047.00	\$ 3,823,116.17	\$ 14,956,921.05
<u>Economic Development Authority</u> Hazardous Discharge Site Remediation Grant - 1996		43,345.00			39,405.00
<u>Transportation</u> New Jersey Transportation Trust Fund: Park Road Resurfacing Phase II (Ordinance # 11-07d) Waterview Boulevard Improvement Project (Ordinance # 12-24d) Safe Routes to School: 1-01-11 to 12-31-11 Highway Safety Fund Grant - "Safe Corridors": 1-01-11 to 12-31-11 1-01-12 to 12-31-12	078-6320-480-AK3-6010	250,000.00 235,000.00 13,339.55 1,349.28 2,070.39	12,487.69	12,487.69	250,000.00 250,000.00 13,339.55 1,349.28 1,349.28
<u>Division of Motor Vehicles</u> Drunk Driving Enforcement Program: 1-01-10 to 12-31-10 1-01-11 to 12-31-11 1-01-12 to 12-31-12		12,407.66 9,103.08 24,900.21		4,950.45 4,303.08 771.47	12,407.66 9,103.08 771.47

TOWNSHIP OF PARSIPPANY-TROY HILLS
COUNTY OF MORRIS

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2012

SCHEDULE B
Sheet #3

<u>State Funding</u> <u>Department and Description</u>	<u>State Account</u> <u>Number</u>	<u>Program</u> <u>Amount</u>	<u>Funds</u> <u>Received</u>	<u>Disbursements</u>	
				<u>Fiscal</u> <u>Year</u>	<u>Total</u>
<u>Division of Highway Traffic Safety</u>					
Click It or Ticket Grant:	066-1160-100-113-6020	\$ 3,800.00	\$ 3,800.00	\$ 3,800.00	\$ 3,800.00
1-01-12 to 12-31-12					
<u>Pedestrian Safety Education and</u>					
<u>Enforcement Grant:</u>	066-1160-100-146-6010	8,000.00		8,000.00	8,000.00
1-01-11 to 12-31-11					
<u>Hang Up Just Drive:</u>					
1-01-10 to 12-31-10		4,000.00		3,000.00	3,800.00
<u>Drive Sober or Get Pulled Over</u>					
1-01-11 to 12-31-11		4,700.00	4,700.00	4,700.00	4,700.00
1-01-12 to 12-31-12		4,400.00	4,400.00	4,400.00	4,400.00
<u>Department of Law and Public Safety</u>					
<u>Body Armor Fund:</u>	066-1020-718-001-6120				
1-01-11 to 12-31-11		8,542.39		5,079.73	8,542.39
1-01-12 to 12-31-12		8,679.92	8,679.92	3,779.65	3,779.65
<u>Emergency Management Assistance Grant:</u>					
1-01-10 to 12-31-10		5,000.00		340.23	4,472.23
1-01-11 to 12-31-11		5,000.00	5,000.00		
1-01-12 to 12-31-12		5,000.00	5,000.00		
<u>N.J. Offices of Information Technology</u>					
<u>Enhanced 911 General Assistance Grant:</u>					
1-01-06 to 12-31-06		47,079.00			44,800.00

TOWNSHIP OF PARSIPPANY-TROY HILLS
COUNTY OF MORRIS

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2012

SCHEDULE B
Sheet #4

<u>State Funding</u> <u>Department and Description</u>	<u>State Account</u> <u>Number</u>	<u>Program</u> <u>Amount</u>	<u>Funds</u> <u>Received</u>	<u>Disbursements</u>	
				<u>Fiscal</u> <u>Year</u>	<u>Total</u>
New Jersey Highlands Council					
N.J. Highlands Water Protection and Planning Council:					
Plan Conformance Grant:					
1-01-11 to 12-31-11		\$ 100,000.00	\$ 10,018.00	\$ 10,018.00	\$ 74,741.43
Department of Human Services					
Passed-Through County of Morris:					
Juvenile Accountability Incentive Block Grant:					
1-01-10 to 12-31-10		3,120.00		2,693.98	3,120.00
1-01-12 to 12-31-12		5,000.00	5,000.00	4,765.33	4,765.33
		<u>\$ 19,244,180.41</u>	<u>\$ 5,243,390.05</u>	<u>\$ 4,541,277.96</u>	<u>\$ 16,037,914.26</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS

**NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE**

DECEMBER 31, 2012

1. GENERAL

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance present the activity of all federal and state financial assistance programs of the Township of Parsippany-Troy Hills. The Township of Parsippany-Troy Hills is defined in Note 1(A) to the Township's regulatory basis financial statements. All federal and state financial assistance received directly from federal and state agencies as well as federal and state financial assistance, passed-through other government agencies, is included on the Schedule of Expenditures of Federal Awards and State Financial Assistance.

2. BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented on the prescribed basis of accounting, modified accrual basis with certain exceptions, prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the budget laws of New Jersey, which is a comprehensive basis of accounting other than generally accepted accounting principles. This basis of accounting is described in Note 1(C) and 1(D) to the Township's regulatory basis financial statements.

3. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

4. RELATIONSHIP TO REGULATORY BASIS FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules agree with amounts reported in the Township's regulatory basis financial statements. Matching contributions expended by the Township in accordance with terms of the various grants are not reported in the accompanying schedules.

**TOWNSHIP OF PARSIPPANY-TROY HILLS
COUNTY OF MORRIS, NEW JERSEY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2012**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: Qualified

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes √ No

Significant deficiency(ies) identified? _____ Yes √ None Reported

Noncompliance material to financial statements noted? _____ Yes √ No

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified? _____ Yes √ No

Significant deficiency(ies) identified? _____ Yes √ None Reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of Circular A-133? _____ Yes √ No

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program</u>
97.036	Federal Emergency Management Grant
81.128	ARRA - Energy Efficient and Conservation Block Grant

Dollar threshold used to distinguish between Type A and Type B Programs: \$ 300,000.00

Auditee qualified as low-risk auditee? √ Yes _____ No

**TOWNSHIP OF PARSIPPANY-TROY HILLS
COUNTY OF MORRIS, NEW JERSEY
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2012**

Federal Awards

There were no prior year audit findings for Federal Award Programs.

State Awards

There were no prior year audit findings for State Financial Assistance.

**ROSTER OF OFFICIALS AND CERTAIN EMPLOYEES
FOR THE YEAR 2012 AND REPORT ON SURETY BONDS**

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
James R. Barberio	Mayor	\$
Michael J. dePierro	Council President	
Brian S. Stanton	Council Vice President	
Paul Carifi, Jr.	Councilperson	
John Cesaro	Councilperson to June 12, 2012	
Vincent Ferrara	Councilperson	
Jonathan Nelson	Councilperson from November 20, 2012	
Yancy Wazirmas	Township Clerk from September 4, 2012	
John P. Inglesino	Township Attorney	
Jasmine Lim	Business Administrator Acting Clerk to September 4, 2012	
Michael Hardie	Director of Purchasing	
Ruby Malcolm	Chief Financial Officer Treasurer	1,000,000.00
Terence Whalen	Tax Collector	1,000,000.00
Helen B. Scarnato	Deputy Tax Collector to December 31, 2012	
Daniel Cassese	Tax Assessor	
Anthony J. Frese	Judge	1,000,000.00
Gerald P. Scala	Judge	1,000,000.00
Alvaro Leal	Court Administrator	1,000,000.00
Justin Lizza	Engineer	

All of the above surety bonds were issued by Garden State Municipal Joint Insurance Fund.

A Public Employee Dishonesty Bond issued by Garden State Municipal Joint Insurance Fund in the amount of \$1,000,000.00 is part of a multi-peril policy and covers all employees.

SAMUEL KLEIN AND COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

550 BROAD STREET, 11TH FLOOR
NEWARK, N.J. 07102-4543
PHONE (973) 624-6100
FAX (973) 624-6101

36 WEST MAIN STREET, SUITE 301
FREEHOLD, N.J. 07728-2291
PHONE (732) 780-2600
FAX (732) 780-1030

The Honorable Mayor and Members
of the Township Council
Township of Parsippany-Troy Hills
Parsippany, New Jersey 07054

Madam and Gentlemen:

We have audited the financial statements, Federal and State Financial Assistance Programs and supplemental schedules and data of the

TOWNSHIP OF PARSIPPANY-TROY HILLS COUNTY OF MORRIS

for the years ended December 31, 2012 and December 31, 2011 and have issued our report thereon. As part of our audit, we reviewed and tested the municipality's system of internal accounting control to the extent we considered necessary to evaluate the system as required by auditing standards generally accepted in the United States of America; by the Division of Local Government Services of the Department of Community Affairs, State of New Jersey; by the *Government Auditing Standards* issued by the U.S. General Accounting Office; and by the provisions of the "Single Audit Act of 1984". Compliance requirements were also reviewed in accordance with the requirements of the aforementioned standards and guidelines or, where applicable, the terms and conditions of particular grant agreements and as approved by the Cognizant Audit Agency.

Our comments with respect to the audit, internal control, and any error, omission, irregularity, violation of law, discrepancy or other nonconformity to the law or regulation found during the audit are herewith set forth.

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

N.J.S. 40A:11-4a 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, 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."

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

The statutory bidding threshold for the year 2012 was the sum of \$36,000.00, effective July 1, 2010 in accordance with the provisions of N.J.S.A. 40A:11-3a, based on the appointment of a qualified purchasing agent.

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

It is further noted that contracts between \$17,500.00 and the municipal bidding threshold known as "window contracts", can be issued by resolution of the governing body without competitive bidding if a non-fair and open process is implemented which prohibits reportable contributions by the business entity.

The minutes indicate that bids were requested by public advertising for the following items:

Service and Construction Contracts:

- Rainbow Lakes Dam Spillway and Embankment Protection Improvements
- Catering and Banquet Facilities
- Reconstruction of Madison Avenue
- Prescription Insurance Benefits
- Interior Restoration of the Bowlsby - DeGelleke House
- Park Road Resurfacing Project - Phase II
- Park Road Resurfacing Project - Phase II
- Sylvan Way South Interceptor Sewer Replacement
- Supply and Installation of a 50' by 60' Pole Building
- Reconstruction of Roosevelt Avenue - Phase II
- Valve Replacement in Dry Well
- Hector Road and Puddingstone Water Storage Tank Rehabilitation
- Reconstruction of Curbs and Sidewalks
- Replacement of the Accessible Ramp
- Roof Replacement
- Operation of Pro Shops and Provisions of Golf Professional
- Yard Waste Transportation and Disposal/Recycling

Material and Supplies:

- Supply of Bioxide
- Supply of Mannich Polymer

Vehicles and Equipment:

Walk-In Rescue/Drive Apparatus
Trailer Mounted Drum Style Brush Chipper
Gas Engine Modular Ambulance
Wheelbase Modular Ambulance
Emergency Medical Vehicle
Kubota L-39 TLB Tractor with Loader and Backhoe

The minutes indicate that proposals were solicited for professional services in accordance with N.J.S.A. 19:44A-20.5.

Collection of Interest on Delinquent Taxes and Assessments

N.J.S. 54:4-67, as amended, provides the method for authorizing interest and the maximum rate to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The Governing Body on June 11, 1991 adopted the following resolution authorizing interest to be charged on delinquent taxes and other municipal liens:

"BE IT RESOLVED by the Township Council of the Township of Parsippany-Troy Hills, the Tax Collector is hereby authorized and directed to charge 8 percent per annum on the first \$1,500.00 of taxes becoming delinquent after due date and 18% per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date and if a delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31st, an additional penalty of 6% shall be charged against the delinquency. Effective January 1, 1991, there will be a ten day grace period of quarterly tax payments."

Our test of the records of the Tax Collector indicated that computerized interest for taxes was generally collected in accordance with the provisions of the foregoing resolution.

Collection of Interest on Delinquent Water and Sewer Contracts

The Governing Body adopted Ordinance #90-23 on April 24, 1990 which authorized interest to be charged on delinquent water bills, which reads as follows:

BE IT ORDAINED by the Township Council of the Township of Parsippany-Troy Hills, Morris County that Chapter XII, entitled "WATER" of the Code is hereby amended and supplemented as follows:

Section 1. Section 12.2-3 entitled "Method of Payment" is hereby amended and supplemented to provide as follows:

"12-2.3 Method of Payment. Payments for use and consumption of water and for all other fees and charges incurred shall be paid to the Water Utility of the Township. All bills for continuous service shall be rendered quarterly. Any bill not paid within thirty (30) days will be considered delinquent and service may be discontinued after ten (10) days final notice. Interest at a rate of eight (8%) percent per annum on the first fifteen hundred (\$1,500.00) dollars and eighteen (18%) percent per annum on amounts in excess of fifteen hundred (\$1,500.00) dollars will be charged on delinquent accounts".

The Governing Body adopted Ordinance #84-66 on October 9, 1984 which authorized interest to be charged on delinquent sewer bills. The ordinance states:

BE IT ORDAINED, by the Township Council of the Township of Parsippany-Troy Hills, in the County of Morris, and State of New Jersey, as follows:

Section 2. Chapter XIII, Sewage, of "The Revised General Ordinances of the Township of Parsippany-Troy Hills, 1972" is hereby amended by the addition of a new subsection 13-16.4, Interest on Late Payments, to read as follows:

"13-16.4 Interest on Late Payments. Unpaid sewer rental fees shall be subject to the same interest rate for late payments as unpaid municipal taxes. Any sewer rental fees which are unpaid after 30 days from the date of the sewer rental bill shall be subject to interest for late payment."

Our test of the records of the Tax Collector indicated that interest on delinquent water and sewer bills were generally collected in accordance with the provisions of the foregoing ordinances.

Delinquent Taxes

Delinquent taxes in the sum of \$1,000.00, exclusive of 2012, are summarized as follows:

<u>Year</u>	<u>Amount</u>
2011	<u>\$ 1,000.00</u>

A tax sale was held on June 14, 2012 and was complete.

Tax Title and Utility Liens

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

<u>Year</u>	<u>Title Liens</u>	<u>Water Liens</u>	<u>Sewer Liens</u>
2012	4	1	1
2011	4	1	1
2010	4	1	1

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>Number of Confirmations Written</u>
Payment of 2012 and 2013 Taxes	210
Delinquent Taxes	20
Tax Title Liens	2
Payment of Water and Sewer Utility Charges	209
Unpaid Water Utility Charges	20
Unpaid Sewer Utility Charges	<u>20</u>
	<u>481</u>

There were no exceptions developed in connection with our examination.

Revenue Collecting Officials

Construction Code Official:

Receipting and record maintenance procedures implemented in the Office of the Construction Code Official appear to be in accordance with the provisions of the Uniform Construction Code of New Jersey and the precepts and directives of the New Jersey Division of Housing and Development in the Department of Community Affairs. The system mandates the use of standardized forms prepared and distributed by the State to all Chief Construction Code Officials. Private contractors may also maintain supplies of application forms. The forms are not prenumbered and their prescribed use eliminates such time-proven and inherent assurances of accountability, control of inspections and fiscal activity thus afforded. Reliance of the accuracy and integrity of all departmental activity is therefore necessarily placed upon internal numbering systems and recording practices.

Recreation Department:

Revenue collected by the Recreation Department was not turned over to the Tax Collector within 48 hours after receipt, in accordance with the provisions of N.J.S.A. 40A:5-15.

It is recommended that departmental collection procedures be reviewed for the Recreation Department to ensure compliance with deposit provisions of N.J.S.A. 40A:5-15.

Golf and Recreation Utility

The Governing Body on October 21, 2008 adopted Ordinance Number 2008:31 authorizing a late payment surcharge for individual and corporate membership renewal applications received after February 14th of each year.

Our review of the records of the Golf and Recreation Utility indicated that several late payment surcharges were not collected in accordance with the provisions of the foregoing ordinance.

It is recommended that the late payment surcharge at the golf course be collected in accordance with the provisions of the ordinance adopted by the Township Council.

Outside Employment of Off-Duty Police Officers

The Governing Body, on March 16, 2010, adopted Ordinance #2010:03 amending rules and regulations for employment of off-duty police officers from which the following is quoted:

“(F) All work will be paid for in advance and deposited in an escrow account to be held with the Finance Department of the Township of Parsippany-Troy Hills, with the exception of work performed for the Parsippany Board of Education, the Township and the New Jersey Department of Transportation and work related to emergencies.”

During our review it was noted that several entities received service prior to depositing money with the Township of Parsippany-Troy Hills.

It is recommended that fees for the employment of off-duty police officers be collected by the Township before services are rendered to ensure compliance with the provisions of Ordinance #2010:03.

Municipal Court

A segment of the Report of the Municipal Court for 2012, which is filed under separate cover with the New Jersey Administrative Office of the Courts, the Division of Local Government Services, the Municipal Court and the Township Clerk, is presented herewith for information purposes. The statement of receipts and disbursements is summarized as follows:

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
Municipal Treasurer	\$ 34,877.88	\$ 580,439.68	\$ 582,208.45	\$ 33,109.11
County Treasurer	11,338.50	217,986.16	219,615.66	9,709.00
State Treasurer	31,096.62	650,516.27	640,988.00	40,624.89
Bail	26,595.00	243,863.00	257,436.00	13,022.00
Other Items	<u>9,893.00</u>	<u>127,685.15</u>	<u>126,657.15</u>	<u>10,921.00</u>
	<u>\$113,801.00</u>	<u>\$1,820,490.26</u>	<u>\$1,826,905.26</u>	<u>\$107,386.00</u>

Our review of the records of the Municipal Court resulted in the following finding:

The report “Tickets Assigned but Not Issued” listed 20 unissued tickets in excess of six months.

The following recommendation with respect to the Municipal Court is noted as follows:

That Tickets Assigned but Not Issued in excess of six months be reviewed for proper disposition.

Corrective Action Plan

In accordance with regulations promulgated by the Single Audit Act and the Division of Local Government Services, all municipalities are required to prepare and submit to the Division of Local Government Services, a Corrective Action Plan with regard to audit deficiencies. This plan must be approved by formal resolution of the Governing Body and submitted within 60 days from the date the audit is received.

A Corrective Action Plan was prepared by the Chief Financial Officer and approved by resolution of the Governing Body and submitted to the Division within the time period provided in the regulations.

Status of Prior Years' Audit Recommendations

A review was performed on all prior years' recommendations and corrective action was taken on all with the exception of the following, which are included in this year's recommendations:

General

That fees for the employment of off-duty police officers be collected by the Township before services are rendered to ensure compliance with the provisions of Ordinance #2010:03.

Municipal Court

That tickets assigned but not issued in excess of six months be reviewed for proper disposition.

Miscellaneous

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

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

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

Individual payments of the Local School District Tax by the Township for the year 2012 were confirmed as received by the Secretary of the Board of Education.

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

A separate trust fund, established for State Unemployment Compensation Insurance, is detailed in Section "B" herein.

All sums of outstanding checks, reflected in cash reconciliations herein, are in agreement with the records of the Treasurer.

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

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

RECOMMENDATIONS

Page
Reference

General

That departmental collection procedures be reviewed for the Recreation Department to ensure compliance with deposit provisions of N.J.S.A. 40A:5-15. 265

That the late payment surcharge at the golf course be collected in accordance with the provisions of the ordinance adopted by the Township Council. 265

That fees for the employment of off-duty police officers be collected by the Township before services are rendered to ensure compliance with the provisions of Ordinance #2010:03. 266

Municipal Court

That Tickets Assigned but Not Issued in excess of six months be reviewed for proper disposition. 266

* * *

The foregoing comments and resultant recommendations are not of sufficient materiality whereby they would affect our ability to express an opinion on the financial statements taken as a whole.

We shall be pleased to confer on questions that might arise with respect to any matters in this report.

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

Respectfully submitted,



SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS



JOSEPH J. FACCONI, RMA, PA

Newark, New Jersey
June 5, 2013

