

*TOWNSHIP OF  
PARSIPPANY-TROY HILLS*

*COUNTY OF MORRIS*

*REPORT OF AUDIT*

*2014*

*NISIVOCCIA LLP  
CERTIFIED PUBLIC ACCOUNTANTS*

TOWNSHIP OF PARSIPPANY-TROY HILLS

COUNTY OF MORRIS

REPORT OF AUDIT

2014

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TOWNSHIP OF PARSIPPANY-TROY HILLS

PART I

FINANCIAL STATEMENTS AND

SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2014



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## Independent Auditors' Report

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

### **Report on the Financial Statements**

We have audited the financial statements – *regulatory basis* - of the various funds of the Township of Parsippany-Troy Hills, in the County of Morris (the "Township") as of and for the year ended December 31, 2014, and the related notes to the financial statements, as listed in the foregoing table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the 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.

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

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

As described in Note 1, the financial statements are prepared by the Township on the basis of accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for the Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly in accordance with accounting principles generally accepted in the United States of America the financial position of each fund of the Township as of December 31, 2014, or the changes in financial position or where applicable, cash flows thereof for the year then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the various funds of the Township of Parsippany Troy Hills as of December 31, 2014, and the results of operations and changes in fund balance, where applicable, of such funds, thereof for the year then ended on the basis of the accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, as described in Note 1.

***Other Matters***

The financial statements of the Township as of December 31, 2013 were audited by other auditors whose report dated October 30, 2014 expressed an unmodified opinion on those statements.

***Supplementary Information***

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

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

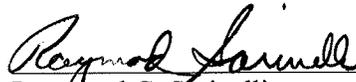
The Honorable Mayor and Members  
of the Township Council  
Township of Parsippany-Troy Hills  
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**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 1, 2015 on our consideration of the Township of Parsippany-Troy Hills' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Parsippany-Troy Hills' internal control over financial reporting and compliance.

Mt Arlington, NJ  
April 1, 2015

NISIVOCCIA LLP



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

TOWNSHIP OF PARSIPPANY-TROY HILLS  
COUNTY OF MORRIS  
2014  
CURRENT FUND

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

	Ref.	December 31,	
		2014	2013
<u>ASSETS</u>			
Regular Fund:			
Cash - Checking		\$ 12,497,790.57	\$ 29,723,292.56
Cash -Investments		6,056,329.52	284,500.82
	A-4	<u>18,554,120.09</u>	<u>30,007,793.38</u>
Change Funds		815.00	815.00
Due from State of N.J. for Veterans' and Senior Citizens' Deductions		35,708.61	60,757.88
		<u>18,590,643.70</u>	<u>30,069,366.26</u>
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-7	1,264,731.50	1,218,529.56
Tax Title Liens Receivable	A-8	113,879.45	107,763.44
Property Acquired for Taxes at Assessed Valuation		1,428,800.00	1,428,800.00
Revenue Accounts Receivable	A-9	175,823.12	223,151.68
Other Liens Receivable	A-10	191,926.95	191,926.95
Due from:			
Federal and State Grant Fund	A	48,187.09	72,179.77
Water Utility Operating Fund	D	45,937.75	
Water Utility Capital Fund	D		258,657.51
Golf and Recreation Utility Operating Fund	F	63,515.34	
Golf and Recreation Utility Capital Fund	F		23,035.51
Public Assistance Trust Fund	G	3.06	3.36
Payroll		53,272.50	
Total Receivables and Other Assets With Full Reserves		<u>3,386,076.76</u>	<u>3,524,047.78</u>
Deferred Charges:			
Special Emergency Authorization		2,735,429.00	2,526,304.00
Overexpenditure of Appropriation Reserve		20,140.70	
Total Deferred Charges		<u>2,755,569.70</u>	<u>2,526,304.00</u>
Total Regular Fund		<u>24,732,290.16</u>	<u>36,119,718.04</u>
Federal and State Grant Fund:			
Federal and State Grants Receivable	A-13	409,129.59	408,775.52
Total Federal and State Grant Fund		<u>409,129.59</u>	<u>408,775.52</u>
<u>TOTAL ASSETS</u>		<u>\$ 25,141,419.75</u>	<u>\$ 36,528,493.56</u>

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

	Ref.	December 31	
		2014	2013
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Regular Fund:			
Current Appropriations			
Appropriation Reserves:			
Encumbered	A-3;A-11	\$ 963,921.77	\$ 605,151.27
Unencumbered	A-3;A-11	6,610,047.08	5,038,010.50
		<u>7,573,968.85</u>	<u>5,643,161.77</u>
Accounts Payable		52,107.79	98,748.01
County Taxes Payable		56,179.60	95,048.53
School Taxes Payable	A-12	3,490,205.00	10,480,244.00
Prepaid Taxes		1,170,269.63	958,878.48
Tax Overpayments		194,445.96	114,954.66
Reserve for Tax Appeals		1,001,911.81	1,074,694.83
Prepaid Revenue		83,608.53	97,560.32
Due to State of New Jersey:			
Construction Code Fees		31,804.00	37,477.00
Marriage License Fees		1,300.00	1,825.00
Burial Fees		5.00	
Due to:			
Animal Control Fund	B	67,888.55	72,236.77
Other Trust Fund	B	1,586,417.12	861,226.72
General Capital Fund	C	4,358.14	2,459,943.32
Water Utility Operating Fund	D		1,544,646.69
Sewer Utility Operating Fund	E	116,562.98	1,416,121.13
Sewer Utility Capital Fund	E		597,118.83
Payroll Account			13,829.51
Reserve for:			
Accumulated Revenue Unappropriated		55,178.00	578,236.73
		<u>15,486,210.96</u>	<u>26,145,952.30</u>
Reserve for Receivables and Other Assets	A	3,386,076.76	3,524,047.78
Fund Balance	A-1	5,860,002.44	6,449,717.96
		<u>24,732,290.16</u>	<u>36,119,718.04</u>
Total Regular Fund			
Federal and State Grant Fund:			
Due to Current Fund	A	48,187.09	72,179.77
Unappropriated Reserves	A-14	104,388.03	72,441.40
Appropriated Reserves	A-15	256,554.47	264,154.35
		<u>409,129.59</u>	<u>408,775.52</u>
Total Federal and State Grant Fund		<u>409,129.59</u>	<u>408,775.52</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 25,141,419.75</u>	<u>\$ 36,528,493.56</u>

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

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

	Ref.	Year Ended December 31,	
		2014	2013
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 3,580,000.00	\$ 3,600,000.00
Miscellaneous Revenue Anticipated		15,334,272.68	15,717,409.04
Receipts from:			
Delinquent Taxes		1,237,601.54	1,458,179.37
Current Taxes		193,110,200.02	189,762,822.49
Nonbudget Revenue		1,174,110.73	1,342,610.19
Other Credits to Income:			
Unexpended Balance of Appropriation			
Reserves		632,310.22	1,423,581.77
Other Liens Receivable Realized			100.00
Tax Overpayments Cancelled			14,216.40
Accounts Payable Cancelled			6,596.04
Special District Taxes Cancelled		31,890.02	22,531.51
Interfunds Returned		353,876.15	
		<u>215,454,261.36</u>	<u>213,348,046.81</u>
Total Income			
<u>Expenditures</u>			
Budget and Emergency Appropriations:			
Municipal Purposes		63,470,203.87	61,815,532.46
County Taxes		21,618,328.19	21,352,944.13
Local School District Taxes		124,231,081.00	121,870,709.00
Open Space Taxes		1,437,200.73	1,267,040.33
Special District Taxes		3,073,254.02	2,842,113.51
Reserve for Pending Tax Appeals		240,000.00	1,000,000.00
Prior Year Senior Citizens Deductions Disallowed		24,543.83	58,037.67
Overexpenditure of Appropriation Reserve		20,140.70	
Interfunds and Other Receivables Advanced		210,915.74	353,741.88
Refund of Prior Year Revenue		23,729.50	5,512.65
		<u>214,349,397.58</u>	<u>210,565,631.63</u>
Total Expenditures			
Excess in Revenue		1,104,863.78	2,782,415.18
Adjustments to Excess Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year		1,885,420.70	1,181,397.00
Statutory Excess to Fund Balance		2,990,284.48	3,963,812.18
<u>Fund Balance</u>			
Balance January 1		6,449,717.96	6,085,905.78
		<u>9,440,002.44</u>	<u>10,049,717.96</u>
Decreased by:			
Utilized as Anticipated Revenue		3,580,000.00	3,600,000.00
Balance December 31	A	<u>\$ 5,860,002.44</u>	<u>\$ 6,449,717.96</u>

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

TOWNSHIP OF PARSIPPANY-TROY HILLS  
CURRENT FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014

	<u>Budget</u>	<u>Added by NJSA 40A:4-87</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Fund Balance Anticipated	\$ 3,580,000.00		\$ 3,580,000.00	
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	87,999.60		89,810.00	\$ 1,810.40
Other	200,000.00		211,575.00	11,575.00
Fees and Permits	1,050,000.00		1,152,287.28	102,287.28
Fines and Costs:				
Municipal Court	570,000.00		542,514.66	27,485.34 *
Interest and Costs on Taxes	325,000.00		349,815.76	24,815.76
Interest of Investments and Deposits	30,000.00		62,035.18	32,035.18
Garbage and Trash Removal	1,400,000.00		1,618,587.98	218,587.98
Community Center Revenue - Concession Rents	155,000.00		197,667.00	42,667.00
Hotel Tax	2,320,000.00		2,060,720.88	259,279.12 *
Ambulance Service Billing	702,600.00		790,994.18	88,394.18
Consolidated Municipal Property Tax Relief Aid	475,485.00		475,485.00	
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	4,019,538.00		4,019,538.00	
Watershed Moratorium	55,178.00		55,178.00	
Uniform Construction Code Fees	2,000,000.00		2,151,569.50	151,569.50
Shared Services - Animal Control	30,000.00		25,107.00	4,893.00 *
Uniform Fire Safety Act - Ch. 383, P.L. 1985	133,173.00		131,921.23	1,251.77 *
General Capital Fund Balance	174,587.00		174,587.00	
Sewer Utility Operating Surplus of Prior Year	155,000.00		155,000.00	
Cablevision Franchise Fees	284,146.00		299,145.51	14,999.51
Reserve for Emergency - Hurricane Sandy	240,000.00		516,694.57	276,694.57
Reserve for Emergency - Hurricane Irene	450,000.00		6,364.16	443,635.84 *

TOWNSHIP OF PARSIPPANY-TROY HILLS  
CURRENT FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

	<u>Budget</u>	<u>Added by NJSA 40A:4-87</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Miscellaneous Revenue (Cont'd):				
State of New Jersey:				
Recycling Tonnage Grant	\$ 67,441.40		\$ 67,441.40	
No Net Loss Grant	54,000.00		54,000.00	
ROID Grant	20,000.00		20,000.00	
Municipal Alliance Grant	14,450.50		14,450.50	
Clean Communities Grant		\$ 91,782.89	91,782.89	
Total Miscellaneous Revenue	<u>15,013,598.50</u>	<u>91,782.89</u>	<u>15,334,272.68</u>	<u>\$ 228,891.29</u>
Receipts from Delinquent Taxes	<u>1,240,000.00</u>		<u>1,237,601.54</u>	<u>2,398.46 *</u>
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	40,764,358.00		41,797,594.08	1,033,236.08
Minimum Library Tax	2,827,742.00		2,827,742.00	
	<u>43,592,100.00</u>		<u>44,625,336.08</u>	<u>1,033,236.08</u>
Budget Totals	63,425,698.50	91,782.89	64,777,210.30	<u>\$ 1,259,728.91</u>
Nonbudget Revenue			1,174,110.73	
	<u>\$ 63,425,698.50</u>	<u>\$ 91,782.89</u>	<u>\$ 65,951,321.03</u>	

TOWNSHIP OF PARSIPPANY-TROY HILLS  
CURRENT FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

Allocation of Current Tax Collections:		
Collection of Current Taxes		\$ 193,110,200.02
Allocated to:		
School, Open Space, Special District and County Taxes		150,359,863.94
		42,750,336.08
Add: Appropriation "Reserve for Uncollected Taxes"		1,875,000.00
Realized for Support of Municipal Budget		\$ 44,625,336.08
 <u>Receipts from Delinquent Taxes:</u>		
Delinquent Tax Collections		\$ 1,221,806.88
Tax Title Lien Collections		15,794.66
		\$ 1,237,601.54
 <u>Miscellaneous Revenue Not Anticipated:</u>		
Reimbursements	\$ 97,760.78	
Prior Year Refunds	122,175.03	
Insurance Claims	25,758.46	
Miscellaneous Receipts	181,872.35	
Administrative Fee - Senior Citizens and Veterans Deductions	7,499.88	
Donations - Fall Festival Concert Series	3,000.00	
Lease of Township Assets	633,213.91	
		\$ 1,071,280.41
Prepaid Revenue Applied - Lease of Township Assets		46,230.32
Prior Year Revenue Realized - Lease of Township Assets		500.00
Due from Other Trust Fund - Tax Sale Premiums Cancelled		56,100.00
		\$ 1,174,110.73

TOWNSHIP OF PARSIPPANY-TROY HILLS  
CURRENT FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

Analysis of Other Fees and Permits:

Registrar	\$ 9,047.50
Health	9,035.00
Board of Adjustment	16,433.30
Zoning	54,476.06
Engineering	40,034.50
Fire Prevention	278,134.97
Police	8,315.30
Planning Board	28,895.00
Off Duty Police	75,918.07
Recreation	378,527.58
Board of Housing	220,370.00
Department of Public Works	22,455.00
Mayor	1,740.00
Purchasing	8,325.00
Tax Collector	580.00
	<u>\$ 1,152,287.28</u>

Analysis of Other Licenses:

Clerk	\$ 21,235.00
Health	139,010.00
Prepaid Licenses Applied	51,330.00
	<u>\$ 211,575.00</u>

Analysis of Interest on Investments and Deposits:

Deposited into Current Fund	\$ 53,261.95
Deposited into Other Trust Fund	3,382.00
Deposited into General Capital Fund	5,351.03
Deposited into Public Assistance Fund	40.20
	<u>\$ 62,035.18</u>

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

TOWNSHIP OF PARSIPPANY-TROY HILLS  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS":					
GENERAL GOVERNMENT:					
General Administration:					
Salaries and Wages	\$ 559,736.00	\$ 529,736.00	\$ 442,552.51	\$ 87,183.49	
Other Expenses	62,050.00	62,050.00	33,452.79	28,597.21	
Township Council:					
Salaries and Wages	41,470.00	41,470.00	39,548.59	1,921.41	
Other Expenses	2,500.00	2,500.00		2,500.00	
Municipal Clerk:					
Salaries and Wages	116,403.00	116,403.00	106,659.87	9,743.13	
Other Expenses	91,150.00	91,150.00	71,495.29	19,654.71	
Treasury:					
Salaries and Wages	101,521.00	71,521.00	59,026.81	12,494.19	
Other Expenses	25,199.60	55,199.60	37,015.36	18,184.24	
Audit	66,500.00	81,500.00	73,589.75	7,910.25	
Tax Collection:					
Salaries and Wages	100,261.00	65,261.00	34,141.68	31,119.32	
Other Expenses	29,260.00	29,260.00	22,632.09	6,627.91	
Tax Assessment Administration:					
Salaries and Wages	239,777.00	244,777.00	230,343.00	14,434.00	
Other Expenses	54,100.00	54,100.00	30,626.32	23,473.68	
Legal Services and Costs:					
Other Expenses	672,900.00	697,900.00	628,662.79	69,237.21	
Engineering Services and Costs:					
Salaries and Wages	453,195.00	453,195.00	425,342.50	27,852.50	
Other Expenses	63,005.00	63,005.00	25,017.27	37,987.73	

TOWNSHIP OF PARSIPPANY-TROY HILLS  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operations Within "CAPS" (Continued):					
GENERAL GOVERNMENT (continued):					
Department of Planning:					
Salaries and Wages	\$ 45,024.00	\$ 45,024.00	\$ 42,788.93	\$ 2,235.07	
Other Expenses	47,050.00	47,050.00	46,051.57	998.43	
Board of Adjustment:					
Salaries and Wages	60,819.00	60,819.00	57,813.28	3,005.72	
Other Expenses	20,150.00	20,150.00	18,408.15	1,741.85	
Housing and Zoning Code Enforcement:					
Salaries and Wages	395,455.00	394,955.00	353,091.52	41,863.48	
Other Expenses	24,000.00	24,000.00	20,084.61	3,915.39	
Insurance:					
Unemployment Insurance	48,000.00	48,000.00	48,000.00		
Liability Insurance	493,850.00	493,850.00	446,827.35	47,022.65	
Worker Compensation	678,100.00	728,100.00	682,809.91	45,290.09	
Employee Group Health	9,655,300.00	9,655,300.00	6,080,742.73	3,574,557.27	
Police Department:					
Salaries and Wages	12,799,492.00	12,549,492.00	12,254,870.91	294,621.09	
Other Expenses	610,210.00	860,210.00	801,187.91	59,022.09	
Office of Emergency Management:					
Salaries and Wages	20,260.00	22,760.00	20,947.29	1,812.71	
Other Expenses	28,635.00	28,635.00	25,114.62	3,520.38	
Aid to First Aid Organization	210,000.00	210,000.00	210,000.00		

TOWNSHIP OF PARSIPPANY-TROY HILLS  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operations Within "CAPS" (Continued):					
PUBLIC SAFETY (Cont'd):					
Fire Prevention Bureau:					
Salaries and Wages	\$ 293,074.00	\$ 293,074.00	\$ 273,001.40	\$ 20,072.60	
Other Expenses	59,848.00	59,848.00	33,254.83	26,593.17	
Municipal Court:					
Salary and Wages	438,249.00	428,249.00	374,984.15	53,264.85	
Other Expenses	25,419.00	25,419.00	15,904.37	9,514.63	
Prosecutor:					
Other Expenses	45,500.00	45,500.00	45,500.00		
Streets and Road Maintenance:					
Salaries and Wages	1,787,613.00	1,787,613.00	1,738,748.24	48,864.76	
Other Expenses	850,450.00	850,450.00	713,125.35	137,324.65	
Garbage and Trash Removal:					
Salary and Wages	1,677,935.00	1,650,935.00	1,506,707.32	144,227.68	
Other Expenses	378,359.00	378,359.00	360,963.40	17,395.60	
Buildings and Grounds:					
Salary and Wages	338,866.00	323,866.00	259,172.89	64,693.11	
Other Expenses	291,300.00	321,300.00	303,758.75	17,541.25	

TOWNSHIP OF PARSIPPANY-TROY HILLS  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operations Within "CAPS" (Continued):					
Vehicle Maintenance:					
Other Expenses	\$ 658,526.00	\$ 658,526.00	\$ 583,425.55	\$ 75,100.45	
Condominium Costs	350,000.00	350,000.00	8,120.94	341,879.06	
Public Health Services:					
Salaries and Wages	732,135.00	732,135.00	688,570.06	43,564.94	
Other Expenses	173,300.00	173,300.00	140,314.94	32,985.06	
Senior Citizen Center:					
Salaries and Wages	162,453.00	172,453.00	155,458.05	16,994.95	
Other Expenses	44,900.00	44,900.00	42,667.01	2,232.99	
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		
Recreation Services:					
Salaries and Wages	507,097.00	507,097.00	483,527.34	23,569.66	
Other Expenses	173,250.00	173,250.00	163,163.60	10,086.40	
Maintenance of Parks:					
Salaries and Wages	1,530,725.00	1,530,725.00	1,448,074.88	82,650.12	
Other Expenses	240,150.00	240,150.00	233,699.13	6,450.87	

TOWNSHIP OF PARSIPPANY-TROY HILLS  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operations Within "CAPS" (Continued):					
Electricity	\$ 339,000.00	\$ 339,000.00	\$ 266,082.45	\$ 72,917.55	
Street Lighting	523,000.00	523,000.00	498,457.33	24,542.67	
Telephone	255,500.00	255,500.00	242,403.76	13,096.24	
Gas (Natural or Propane)	131,000.00	131,000.00	117,647.24	13,352.76	
Gasoline	846,200.00	846,200.00	661,419.37	184,780.63	
Solid Waste Disposal Costs	1,600,000.00	1,600,000.00	1,399,287.79	200,712.21	
Department of Buildings and Inspections:					
Salaries and Wages	961,261.00	941,261.00	889,590.18	51,670.82	
Other Expenses	118,200.00	118,200.00	103,175.50	15,024.50	
Salary Adjustment	275,000.00	275,000.00		275,000.00	
Retirement Payout (Special Emergency + \$1,865,280.00)		1,865,280.00	1,865,280.00		
Total Operations Within "CAPS"	43,811,682.60	45,676,962.60	39,172,331.22	6,504,631.38	
Contingent	15,000.00	15,000.00	14,820.00	180.00	
Total Operations Including Contingent Within "CAPS"	43,826,682.60	45,691,962.60	39,187,151.22	6,504,811.38	
Detail:					
Salaries and Wages	23,637,821.00	23,237,821.00	21,884,961.40	1,352,859.60	
Other Expenses (Including Contingent)	20,188,861.60	22,454,141.60	17,302,189.82	5,151,951.78	

TOWNSHIP OF PARSIPPANY-TROY HILLS  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Deferred Charges and Statutory Expenditures-					
Municipal within "CAPS":					
Statutory Expenditures:					
Contributions to:					
Social Security System (O.A.S.I.)	\$ 1,201,000.00	\$ 1,201,000.00	\$ 1,200,977.05	\$ 22.95	
Public Employees' Retirement System	1,070,982.00	1,070,982.00	1,065,966.07	5,015.93	
Police and Firemen's Retirement System of N.J.	2,516,975.00	2,516,975.00	2,516,974.22	0.78	
Defined Contribution Retirement Program	7,000.00	7,000.00	5,804.04	1,195.96	
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	<u>4,795,957.00</u>	<u>4,795,957.00</u>	<u>4,789,721.38</u>	<u>6,235.62</u>	
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>48,622,639.60</u>	<u>50,487,919.60</u>	<u>43,976,872.60</u>	<u>6,511,047.00</u>	
Operations Excluded from "CAPS":					
Maintenance of Free Public Library	2,869,742.00	2,869,742.00	2,827,741.92	42,000.08	
LOSAP:					
Other Expenses	57,000.00	57,000.00		57,000.00	
Shared Service Agreements:					
Shared Services Agreement - Health Office	66,000.00	66,000.00	66,000.00		
Shared Services Agreement - Animal Control	30,000.00	30,000.00	30,000.00		

TOWNSHIP OF PARSIPPANY-TROY HILLS  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Excluded from "CAPS" (Continued):					
Public and Private Programs Offset by Revenues:					
Recycling Tonnage Grant	\$ 67,441.40	\$ 67,441.40	\$ 67,441.40		
Clean Communities Grant (N.J.S.A. 40A:4-87 + \$91,782.89)		91,782.89	91,782.89		
ROID Grant	20,000.00	20,000.00	20,000.00		
No Net Less Grant	54,000.00	54,000.00	54,000.00		
Municipal Alliance Grant	14,450.50	14,450.50	14,450.50		
Municipal Alliance Grant - Match	8,500.00	8,500.00	8,500.00		
Total Operations Excluded from "CAPS"	<u>3,187,133.90</u>	<u>3,278,916.79</u>	<u>3,179,916.71</u>	<u>\$ 99,000.08</u>	
Detail:					
Other Expenses	<u>3,187,133.90</u>	<u>3,278,916.79</u>	<u>3,179,916.71</u>	<u>99,000.08</u>	
Capital Improvements Excluded from "CAPS":					
Capital Improvement Fund	<u>440,150.00</u>	<u>440,150.00</u>	<u>440,150.00</u>		
Total Capital Improvements Excluded from "CAPS"	<u>440,150.00</u>	<u>440,150.00</u>	<u>440,150.00</u>		
Municipal Debt Service Excluded from "CAPS":					
Payment of Bond Principal	5,665,000.00	5,665,000.00	5,665,000.00		
Payment of Bond Anticipation Notes and Capital Notes	142,050.00	142,050.00	142,000.00		\$ 50.00
Interest on Bonds	1,591,630.00	1,591,630.00	1,591,625.00		5.00
Interest on Notes	245,940.00	245,940.00	208,437.48		37,502.52
Total Municipal Debt Service Excluded from "CAPS"	<u>7,644,620.00</u>	<u>7,644,620.00</u>	<u>7,607,062.48</u>		<u>37,557.52</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Deferred Charges - Municipal - Excluded from "CAPS"					
Special Emergency Authorizations - 5 Years (N.J.S.A.40A:4-55) - Retirement Payout 2011	\$ 179,189.00	\$ 179,189.00	\$ 179,189.00		
Special Emergency Authorizations - 5 Years (N.J.S.A.40A:4-55) - Retirement Payout 2012	177,610.00	177,610.00	177,610.00		
Special Emergency Authorizations - 5 Years (N.J.S.A.40A:4-55) - Retirement Payout 2013	236,300.00	236,300.00	236,300.00		
Special Emergency Authorizations - 5 Years (N.J.S.A.40A:4-55) - Retirement Payout 2014	373,056.00	373,056.00	373,056.00		
5 Years (N.J.S.A.40A:4-55) - Hurricane Irene	450,000.00	450,000.00	450,000.00		
5 Years (N.J.S.A.40A:4-55) - Hurricane Sandy	240,000.00	240,000.00	240,000.00		
Total Deferred Charges - Municipal - Excluded from "CAPS"	1,656,155.00	1,656,155.00	1,656,155.00		
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	12,928,058.90	13,019,841.79	12,883,284.19	\$ 99,000.08	\$ 37,557.52
Subtotal General Appropriations	61,550,698.50	63,507,761.39	56,860,156.79	6,610,047.08	37,557.52
Reserve for Uncollected Taxes	1,875,000.00	1,875,000.00	1,875,000.00		
Total General Appropriations	\$ 63,425,698.50	\$ 65,382,761.39	\$ 58,735,156.79	\$ 6,610,047.08	\$ 37,557.52

A

TOWNSHIP OF PARSIPPANY-TROY HILLS  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

		Analysis of	
	Ref.	Budget After Modification	Paid or Charged
Adopted Budget		\$ 63,425,698.50	
Special Emergency		1,865,280.00	
Added by NJSA 40A:4-87		91,782.89	
		\$ 65,382,761.39	
Cash Disbursed			\$ 53,983,905.23
Due to Federal and State Grant Fund			256,174.79
Deferred Charges			1,656,155.00
Encumbrances	A		963,921.77
Reserve for Uncollected Taxes			1,875,000.00
			\$ 58,735,156.79

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

TOWNSHIP OF PARSIPPANY-TROY HILLS  
COUNTY OF MORRIS  
2014  
TRUST FUNDS

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

	Ref.	December 31,	
		2014	2013
<u>ASSETS</u>			
Animal Control Fund:			
Change Fund		\$ 50.00	\$ 50.00
Due from Current Fund	A	67,888.55	72,236.77
Due from Municipal Court		525.00	
		<u>68,463.55</u>	<u>72,286.77</u>
Other Trust Funds:			
Cash and Cash Equivalents	B-4	12,521,396.02	12,705,545.59
Assets in the Hands of Plan Administrator:			
Workers' Compensation Plan		95,494.93	90,965.83
Due from Municipal Court		1,520.00	646.00
Due from Current Fund	A	1,586,417.12	861,226.72
Due from Water Utility Operating Fund	D		25,200.00
Due from Sewer Utility Operating Fund	E	262,000.00	25,200.00
Due from Golf and Recreation Utility Operating Fund	F		50,300.00
Due Payroll		2,178.12	2,178.12
Off Duty Police Receivable			74,487.50
Federal Grants Receivable		316,139.69	307,368.33
		<u>14,785,145.88</u>	<u>14,143,118.09</u>
<u>TOTAL ASSETS</u>		<u>\$ 14,853,609.43</u>	<u>\$ 14,215,404.86</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Fund:			
Reserve for Animal Control Expenditures	B-5	\$ 46,471.29	\$ 58,062.11
Reserve for Donations		16,124.26	14,181.26
Due to State of NJ		462.00	43.40
Prepaid Licenses		5,406.00	
		<u>68,463.55</u>	<u>72,286.77</u>
General Trust Funds:			
Due to General Capital Fund	C		1,501,600.00
Reserve for:			
Special Deposits		6,152,062.77	5,380,314.75
Premiums on Tax Sale		1,031,400.00	777,800.00
Security Deposits		17,009.66	12,121.36
Off Duty Police		21,703.36	41,762.25
Municipal Open Space Preservation Trust Fund		6,226,446.16	5,387,844.18
Workers' Compensation		95,494.93	90,965.83
State Unemployment Insurance Fund		113,403.25	120,416.77
Employee Health Benefit Fund		99,486.06	322,924.62
Snow Removal		400,000.00	200,000.00
Accumulated Sick and Vacation Compensation		312,000.00	
Grant Trust Fund Expenditures		316,139.69	307,368.33
		<u>14,785,145.88</u>	<u>14,143,118.09</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 14,853,609.43</u>	<u>\$ 14,215,404.86</u>

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

TOWNSHIP OF PARSIPPANY-TROY HILLS  
ASSESSMENT TRUST FUND  
STATEMENT OF FUND BALANCE - REGULATORY BASIS

NOT APPLICABLE

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

TOWNSHIP OF PARSIPPANY-TROY HILLS  
ASSESSMENT TRUST FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014

NOT APPLICABLE

ASSESSMENT TRUST FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014

NOT APPLICABLE

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

TOWNSHIP OF PARSIPPANY-TROY HILLS  
COUNTY OF MORRIS  
2014  
GENERAL CAPITAL FUND

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

	Ref.	December 31,	
		2014	2013
<u>ASSETS</u>			
Cash and Cash Equivalents	C-2	\$ 3,360,202.54	\$ 2,067,027.63
Due from Current Fund	A	4,358.14	2,459,943.32
Due from General Trust Fund	B		1,501,600.00
Federal Emergency Management Agency Grant Receivable		7,220,206.00	7,220,206.00
New Jersey Department of Transportation Grant Receivable		460,000.00	470,000.00
County of Morris Open Space Grant Receivable		1,593,415.50	1,593,415.50
Deferred Charges to Future Taxation:			
Funded		39,257,430.85	45,050,354.59
Unfunded	C-4	35,995,228.69	28,199,228.69
<u>TOTAL ASSETS</u>		<u>\$ 87,890,841.72</u>	<u>\$ 88,561,775.73</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds Payable	C-8	\$ 19,465,000.00	\$ 22,380,000.00
Refunding Bonds	C-8A	19,555,000.00	22,305,000.00
Green Acres Trust Acquisition Loan Payable	C-9	237,430.85	365,354.59
Bond Anticipation Notes Payable	C-7	20,198,000.00	16,675,000.00
Improvement Authorizations:			
Funded	C-5	6,683,892.29	2,912,106.10
Unfunded	C-5	21,152,894.46	23,392,968.56
Reserve for:			
Deposit for Regional Contribution Agreement		261,420.19	261,420.19
Developer Contributions		79,652.68	79,652.68
Payment of Debt Service		7,217.39	7,217.39
Capital Improvement Fund	C-6	33,757.00	7,607.00
Fund Balance	C-1	216,576.86	175,449.22
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 87,890,841.72</u>	<u>\$ 88,561,775.73</u>

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

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

	<u>Ref.</u>	
Balance December 31, 2013	C	\$ 175,449.22
Increased by:		
Premium on Note Sale		215,714.64
		<u>391,163.86</u>
Decreased by:		
Utilized as Anticipated Revenue in the Current Fund		174,587.00
		<u>174,587.00</u>
Balance December 31, 2014	C	<u><u>\$ 216,576.86</u></u>

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

TOWNSHIP OF PARSIPPANY-TROY HILLS  
COUNTY OF MORRIS  
2014  
WATER UTILITY FUND

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

	Ref.	December 31,	
		2014	2013
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents	D-4	\$ 6,299,712.67	\$ 4,875,041.24
Due from Current Fund	A		1,544,646.69
Receivables and Inventory with Full Reserves:			
Consumer Accounts Receivable	D-6	213,775.78	202,684.31
Water Utility Liens Receivable	D-6A	252.57	252.57
Inventory	D-6B	127,410.00	88,874.00
Total Receivables and Inventory with Full Reserves		<u>341,438.35</u>	<u>291,810.88</u>
Deferred Charges:			
Overexpenditure of Appropriation Reserves		25,898.10	25,898.10
Total Deferred Charges		<u>25,898.10</u>	<u>25,898.10</u>
Total Operating Fund		<u>6,667,049.12</u>	<u>6,737,396.91</u>
Capital Fund:			
Cash and Cash Equivalents	D-4	1,672,008.33	1,420,351.62
Due from Water Operating	D		647,871.22
Fixed Capital	D-7	34,648,448.10	32,858,448.10
Fixed Capital Authorized and Uncompleted	D-8	5,135,000.00	6,045,000.00
Total Capital Fund		<u>41,455,456.43</u>	<u>40,971,670.94</u>
<u>TOTAL ASSETS</u>		<u>\$ 48,122,505.55</u>	<u>\$ 47,709,067.85</u>

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

	Ref.	December 31,	
		2014	2013
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Appropriation Reserves:			
Encumbered	D-3;D-9	\$ 195,370.85	\$ 177,359.11
Unencumbered	D-3;D-9	654,032.09	703,525.32
		<u>849,402.94</u>	<u>880,884.43</u>
Reserve for Water Master Plan		24,250.03	24,250.03
Accrued Interest on Bonds		38,814.58	45,555.83
Accrued Interest on Loans		2,354.17	2,666.67
Accrued Interest on Notes		7,422.19	7,031.25
Water Rent Overpayments		18,382.62	15,443.33
Due to Current Fund	A	45,937.75	
Due to Water Utility Capital Fund	D		647,871.22
Due to General Trust Fund	B		25,200.00
		<u>986,564.28</u>	<u>1,648,902.76</u>
Reserve for Receivables and Inventory	D	341,438.35	291,810.88
Fund Balance	D-1	5,339,046.49	4,796,683.27
		<u>6,667,049.12</u>	<u>6,737,396.91</u>
Total Operating Fund			
Capital Fund:			
Bond Anticipation Notes Payable	D-13	2,250,000.00	2,250,000.00
Serial Bonds Payable	D-14	2,555,000.00	2,908,000.00
Refunding Bonds Payable	D-14A	1,475,000.00	1,905,000.00
N.J. Environmental Infrastructure Loans Payable	D-15	204,285.84	233,071.65
Improvement Authorizations:			
Funded	D-10	913,094.84	266,030.06
Unfunded	D-10	506,445.29	1,291,540.07
Capital Improvement Fund	D-11	14,498.22	14,498.22
Due to Current Fund	A		258,657.51
Reserve for:			
Debt Service		204,438.21	204,438.21
Amortization	D-12	31,504,662.26	29,608,626.45
Deferred Amortization	D-12A	1,738,750.00	1,943,000.00
Fund Balance	D-1a	89,281.77	88,808.77
		<u>41,455,456.43</u>	<u>40,971,670.94</u>
Total Capital Fund			
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 48,122,505.55</u>	<u>\$ 47,709,067.85</u>

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

TOWNSHIP OF PARSIPPANY-TROY HILLS

WATER UTILITY OPERATING FUND

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

	Ref.	Year Ended December 31,	
		2014	2013
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 700,000.00	\$ 850,000.00
Rents		7,812,442.83	7,761,824.16
Interest on Investments		15,964.21	12,898.02
Water Utility Capital Fund Balance		23,557.00	
Miscellaneous Revenue		116,247.10	69,938.88
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		231,520.22	408,026.55
		<u>8,899,731.36</u>	<u>9,102,687.61</u>
<u>Expenditures</u>			
Budget Expenditures:			
Operating		5,408,699.00	5,476,626.00
Capital Improvements		880,000.00	650,000.00
Debt Service		1,000,579.95	971,968.21
Statutory Expenditures		367,193.00	360,000.00
Prior Year Revenue Refunds		896.19	1.58
Overexpenditure of Appropriation Reserves			25,898.10
		<u>7,657,368.14</u>	<u>7,484,493.89</u>
Excess in Revenue		1,242,363.22	1,618,193.72
Adjustments to Excess Before Fund Balance:			
Expenditures included above which are by Statute			
Deferred Charges to Budget of Succeeding Year			25,898.10
Statutory Excess to Fund Balance		1,242,363.22	1,644,091.82
<u>Fund Balance</u>			
Balance January 1	D	4,796,683.27	4,002,591.45
		6,039,046.49	5,646,683.27
Decreased by:			
Utilized as Anticipated Revenue		700,000.00	850,000.00
Balance December 31	D	<u>\$ 5,339,046.49</u>	<u>\$ 4,796,683.27</u>

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

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

	<u>Ref.</u>	
Balance December 31, 2013	D	\$ 88,808.77
Increased by:		
Premium on Note Sale		24,030.00
		112,838.77
Decreased by:		
Anticipated as Revenue in Water Utility Operating Fund Budget		23,557.00
Balance December 31, 2014	D	\$ 89,281.77

D-2

WATER UTILITY OPERATING FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Operating Fund Balance Anticipated	\$ 700,000.00	\$ 700,000.00	
Water Rents	6,936,860.00	7,812,442.83	\$ 875,582.83
Interest on Investments	15,000.00	15,964.21	964.21
Water Utility Capital Fund Balance	23,557.00	23,557.00	
	7,675,417.00	8,551,964.04	876,547.04
Nonbudget Revenue		116,247.10	116,247.10
	\$ 7,675,417.00	\$ 8,668,211.14	\$ 992,794.14

Analysis of Water Rents

Collections	\$ 7,796,999.50
Overpayments Applied	15,443.33
	\$ 7,812,442.83

Analysis of Miscellaneous Revenue

Interest on Water Rents	\$ 15,587.37
Capacity Fees	92,786.65
Water Tap and Connection Fees	7,873.08
	\$ 116,247.10

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

TOWNSHIP OF PARSIPPANY-TROY HILLS  
WATER UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014

	Appropriations		Expended by		Unexpended Balance Cancelled
	Budget	Budget After Modi- fication	Paid or Charged	Reserved	
Operating:					
Salaries and Wages	\$ 2,001,411.00	\$ 2,081,411.00	\$ 2,009,702.85	\$ 71,708.15	
Other Expenses	3,407,288.00	3,327,288.00	2,788,034.46	539,253.54	
Capital Improvements:					
Capital Improvement Fund	880,000.00	880,000.00	880,000.00		
Debt Service:					
Payment of Bond Principal	783,000.00	783,000.00	783,000.00		
Interest on Bonds	162,335.00	162,335.00	155,593.75		\$ 6,741.25
Interest on Notes	39,000.00	39,000.00	28,515.94		10,484.06
Environmental Infrastructure Loan	35,190.00	35,190.00	33,470.26		1,719.74
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	213,193.00	213,193.00	213,193.00		
Social Security (O.A.S.I.)	154,000.00	154,000.00	110,929.60	43,070.40	
	<u>\$ 7,675,417.00</u>	<u>\$ 7,675,417.00</u>	<u>\$ 7,002,439.86</u>	<u>\$ 654,032.09</u>	<u>\$ 18,945.05</u>
				D	
<u>Analysis of Paid or Charged</u>					
Cash Disbursed			\$ 6,616,871.82		
Encumbrances Payable			195,370.85		
Accrued Interest on Bonds			155,593.75		
Accrued Interest on Loans			6,087.50		
Accrued Interest on Notes			28,515.94		
			<u>\$ 7,002,439.86</u>		

Ref.

D

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

TOWNSHIP OF PARSIPPANY-TROY HILLS  
COUNTY OF MORRIS  
2014  
SEWER UTILITY FUND

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

	Ref.	December 31,	
		2014	2013
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents	E-4	\$ 13,533,647.58	\$ 12,628,582.39
Due from Current Fund	A	116,562.98	1,416,121.13
		<u>13,650,210.56</u>	<u>14,044,703.52</u>
Receivables and Inventory With Full Reserves:			
Consumer Accounts Receivable	E-6	1,627,063.59	1,071,841.90
Sewer Utility Liens Receivable	E-6A	721.81	721.81
Inventory	E-6B	96,214.96	131,904.30
Total Receivables and Inventory with Full Reserves		<u>1,724,000.36</u>	<u>1,204,468.01</u>
 Total Operating Fund		 <u>15,374,210.92</u>	 <u>15,249,171.53</u>
Capital Fund:			
Cash and Cash Equivalents	E-4	16,866,559.66	11,404,489.81
NJ Environmental Infrastructure Trust Loan Receivable		1,595,468.00	1,859,461.00
Due from:			
Current Fund	A		597,118.83
Sewer Utility Operating Fund	E		1,057,907.45
Fixed Capital	E-7	136,659,724.44	136,659,724.44
Fixed Capital Authorized and Uncompleted	E-8	<u>56,442,653.00</u>	<u>53,290,000.00</u>
 Total Capital Fund		 <u>211,564,405.10</u>	 <u>204,868,701.53</u>
 TOTAL ASSETS		 <u><u>\$ 226,938,616.02</u></u>	 <u><u>\$ 220,117,873.06</u></u>

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

	Ref.	December 31	
		2014	2013
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves:			
Encumbered	E-3;E-9	\$ 350,302.00	\$ 170,075.13
Unencumbered	E-3;E-9	1,857,680.34	1,385,916.35
		<u>2,207,982.34</u>	<u>1,555,991.48</u>
Accrued Interest on Loans		92,088.16	97,205.12
Accrued Interest on Bonds		41,881.25	47,819.33
Accrued Interest on Notes		45,364.41	32,890.63
Sewer Rent Overpayments		45,753.46	55,012.47
Due to General Trust Fund	B	262,000.00	25,200.00
Due to Sewer Utility Capital Fund	E		1,057,907.45
		<u>2,695,069.62</u>	<u>2,872,026.48</u>
Reserve for Receivables and Inventory	E	1,724,000.36	1,204,468.01
Fund Balance	E-1	10,955,140.94	11,172,677.04
		<u>15,374,210.92</u>	<u>15,249,171.53</u>
Total Operating Fund			
Capital Fund:			
Bond Anticipation Notes Payable	E-13	13,752,000.00	10,525,000.00
Serial Bonds Payable	E-14	3,490,000.00	3,858,300.00
Refunding Bonds Payable	E-14A	2,205,000.00	2,800,000.00
NJ Environmental Infrastructure Trust Loans Payable #1	E-15	136,274.58	144,858.51
NJ Environmental Infrastructure Trust Loans Payable #2	E-15A	15,959,228.03	16,916,509.88
Improvement Authorizations:			
Funded	E-10	6,724,051.97	3,544,463.69
Unfunded	E-10	20,028,547.80	21,874,107.87
Capital Improvement Fund	E-11	1,023,750.00	1,023,750.00
Reserve for:			
Amortization		134,219,959.94	133,158,659.94
Deferred Amortization	E-12	13,733,356.89	10,767,491.11
Fund Balance	E-1a	292,235.89	255,560.53
		<u>211,564,405.10</u>	<u>204,868,701.53</u>
Total Capital Fund			
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>		<u><u>\$ 226,938,616.02</u></u>	<u><u>\$ 220,117,873.06</u></u>

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

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

	Ref.	Year Ended December 31	
		2014	2013
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 1,000,000.00	\$ 2,000,000.00
Sewer Rents		13,779,790.46	13,146,294.66
Septage Removal		737,064.71	1,213,155.86
Interest on Investments		47,824.80	40,781.53
Capacity and Connection Fees		144,145.22	37,657.54
Sewer Utility Capital Fund Balance		110,196.00	
Nonbudget Revenue		109,228.96	448,455.21
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		122,459.24	486,268.47
Total Income		<u>16,050,709.39</u>	<u>17,372,613.27</u>
<u>Expenditures</u>			
Budget Expenditures:			
Operating		9,876,234.00	9,720,994.00
Capital Improvements		2,000,000.00	1,075,000.00
Debt Service		2,605,925.80	2,610,628.47
Deferred Charges and Statutory Expenditures		630,323.00	547,100.00
Refund of Prior Year Revenue		762.69	100.00
Total Expenditures		<u>15,113,245.49</u>	<u>13,953,822.47</u>
Excess in Revenue		937,463.90	3,418,790.80
<u>Fund Balance</u>			
Balance January 1	E	11,172,677.04	10,303,886.24
		<u>12,110,140.94</u>	<u>13,722,677.04</u>
Decreased by:			
Utilization as Anticipated Revenue		1,000,000.00	2,000,000.00
Prior Year Fund Balance Appropriated as Revenue - Current Fund		<u>155,000.00</u>	<u>550,000.00</u>
Balance December 31	E	<u>\$ 10,955,140.94</u>	<u>\$ 11,172,677.04</u>

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

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

	<u>Ref.</u>	
Balance December 31, 2013	E	\$ 255,560.53
Increased by:		
Premium on Note Sale		146,871.36
		402,431.89
Decreased by:		
Utilized as Anticipated Revenue in Sewer Utility Operating Fund		110,196.00
Balance December 31, 2014	E	\$ 292,235.89

SEWER UTILITY OPERATING FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Operating Fund Balance Anticipated	\$ 1,000,000.00	\$ 1,000,000.00	
Sewer Rents	13,376,226.00	13,779,790.46	\$ 403,564.46
Interest on Investments	7,000.00	47,824.80	40,824.80
Septage Removal	650,000.00	737,064.71	87,064.71
Capacity/Connection Fee	5,000.00	144,145.22	139,145.22
Sewer Capital Fund Balance	110,196.00	110,196.00	
	15,148,422.00	15,819,021.19	670,599.19
Nonbudget Revenue		109,228.96	109,228.96
	\$ 15,148,422.00	\$ 15,928,250.15	\$ 779,828.15

Analysis of Realized Miscellaneous Revenue

Miscellaneous Revenue:

Interest on Sewer Rents	\$ 23,518.99
Interest on Sludge Rents	10,473.72
Miscellaneous Reimbursements	75,236.25
	\$ 109,228.96

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

TOWNSHIP OF PARSIPPANY-TROY HILLS  
SEWER UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014

	<u>Appropriations</u>		<u>Expended by</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modi- fication</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operating:					
Salaries and Wages	\$ 3,493,984.00	\$ 3,493,984.00	\$ 3,075,973.89	\$ 418,010.11	
Other Expenses	6,382,250.00	6,382,250.00	5,031,392.56	1,350,857.44	
Capital Improvements:					
Capital Improvement Fund	2,000,000.00	2,000,000.00	2,000,000.00		
Debt Service:					
Payment of Bond Principal	963,300.00	963,300.00	963,300.00		
Payment of Bond Anticipation Notes and Capital Notes	98,660.00	98,660.00	98,000.00		\$ 660.00
Interest on Bonds	212,520.00	212,520.00	206,577.92		5,942.08
Interest on Notes	171,700.00	171,700.00	144,036.27		27,663.73
Environmental Infrastructure Loan	1,195,685.00	1,195,685.00	1,194,011.61		1,673.39
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	355,323.00	355,323.00	355,323.00		
Social Security System (O.A.S.I.)	275,000.00	275,000.00	186,187.21	88,812.79	
	<u>\$ 15,148,422.00</u>	<u>\$ 15,148,422.00</u>	<u>\$ 13,254,802.46</u>	<u>\$ 1,857,680.34</u>	<u>\$ 35,939.20</u>

Ref.

E

Analysis Paid or Charged

Cash Disbursed	\$ 12,314,188.43
Encumbered	350,302.00
Accrued Interest on Loans	239,697.84
Accrued Interest on Bonds	206,577.92
Accrued Interest on Notes	144,036.27
	<u>\$ 13,254,802.46</u>

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

TOWNSHIP OF PARSIPPANY-TROY HILLS  
COUNTY OF MORRIS  
2014  
GOLF AND RECREATION UTILITY FUND

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

	<u>Ref.</u>	<u>December 31,</u>	
		<u>2014</u>	<u>2013</u>
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents		\$ 670,640.45	\$ 515,391.89
Investments		277,481.84	402,778.23
	F-4	<u>948,122.29</u>	<u>918,170.12</u>
Receivables with Full Reserves:			
Revenue Accounts Receivable	F-6	45,502.88	59,727.92
Total Receivables with Full Receivables		<u>45,502.88</u>	<u>59,727.92</u>
 Total Operating Fund		 <u>993,625.17</u>	 <u>977,898.04</u>
Capital Fund:			
Cash and Cash Equivalents	F-4	495,290.11	415,484.69
Due from Golf and Recreation Utility Operating Fund	F		11,877.12
Fixed Capital	F-7	24,253,276.61	23,852,276.61
Fixed Capital Authorized and Uncompleted	F-8	<u>2,047,677.00</u>	<u>2,448,677.00</u>
 Total Capital Fund		 <u>26,796,243.72</u>	 <u>26,728,315.42</u>
 <u>TOTAL ASSETS</u>		 <u>\$ 27,789,868.89</u>	 <u>\$ 27,706,213.46</u>

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

	Ref.	December 31,	
		2014	2013
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Appropriation Reserves:			
Encumbered	F-3;F-9	\$ 50,577.41	\$ 22,744.88
Unencumbered	F-3;F-9	419,159.14	400,219.87
		<u>469,736.55</u>	<u>422,964.75</u>
Sales Tax Payable		44.40	44.40
Accrued Interest on Bonds		18,466.25	21,226.92
Accrued Interest on Notes		2,579.62	1,718.75
Membership Overpayments		1,573.49	1,953.08
Prepaid Revenue		1,500.00	1,500.00
Due to Current Fund	A	63,515.34	
Due to Golf and Recreation Utility Capital Fund	F		11,877.12
Due to General Trust Fund	B		50,300.00
Security Deposit		220,000.00	220,000.00
		<u>777,415.65</u>	<u>731,585.02</u>
Reserve for Receivables	F	45,502.88	59,727.92
Fund Balance	F-1	170,706.64	186,585.10
		<u>993,625.17</u>	<u>977,898.04</u>
Total Operating Fund			
Capital Fund:			
Bond Anticipation Notes Payable	F-13	782,000.00	550,000.00
Serial Bonds Payable	F-14	1,418,000.00	1,608,700.00
Improvement Authorizations:			
Funded	F-10	13,026.79	38,526.85
Unfunded	F-10	558,892.57	685,772.46
Capital Improvement Fund	F-11	31,593.05	28,343.05
Due to Current Fund	A		23,035.51
Reserve for:			
Amortization	F-12	23,645,776.61	23,429,526.61
Deferred Amortization	F-12A	301,884.00	321,934.00
Fund Balance	F-1a	45,070.70	42,476.94
		<u>26,796,243.72</u>	<u>26,728,315.42</u>
Total Capital Fund			
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 27,789,868.89</u>	<u>\$ 27,706,213.46</u>

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

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

	Ref.	Year Ended December 31,	
		2014	2013
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 149,000.00	\$ 200,000.00
Golf Fees		3,018,325.74	3,193,795.47
Room Rentals		15,770.00	15,636.00
Interest on Investments		10,852.49	6,719.90
Concessions:			
Utilities		21,467.39	16,203.81
Rent		660,000.00	660,000.00
Golf and Recreation Capital Fund Balance		5,758.00	
Miscellaneous Revenue		971.75	24,431.00
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		141,495.87	105,567.75
		<u>4,023,641.24</u>	<u>4,222,353.93</u>
<u>Expenditures</u>			
Budget Expenditures:			
Operating		3,547,772.00	3,728,232.00
Capital Improvements		3,250.00	12,500.00
Debt Service		64,136.70	61,236.92
Deferred Charges and Statutory Expenditures		275,361.00	283,550.00
		<u>3,890,519.70</u>	<u>4,085,518.92</u>
Excess in Revenue		133,121.54	136,835.01
<u>Fund Balance</u>			
Balance January 1	F	186,585.10	249,750.09
		<u>319,706.64</u>	<u>386,585.10</u>
Decreased by:			
Utilized as Anticipated Revenue		149,000.00	200,000.00
Balance December 31	F	<u>\$ 170,706.64</u>	<u>\$ 186,585.10</u>

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

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

Balance December 31, 2013	<u>Ref.</u> F	\$ 42,476.94
Increased by:		
Premium on Sale of Notes		8,351.76
		50,828.70
Decreased by:		
Utilized as Anticipated Revenue in the Golf and Recreation Utility Operating Fund		5,758.00
		5,758.00
Balance December 31, 2014	F	\$ 45,070.70

GOLF AND RECREATION UTILITY CAPITAL FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Operating Fund Balance Anticipated	\$ 149,000.00	\$ 149,000.00	
Golf Fees	3,172,454.00	3,018,325.74	\$ 154,128.26 *
Room Rentals	15,000.00	15,770.00	770.00
Interest on Investments	5,000.00	10,852.49	5,852.49
Concessions:			
Utilities	15,000.00	21,467.39	6,467.39
Rent	660,000.00	660,000.00	
Capital Fund Balance	5,758.00	5,758.00	
	4,022,212.00	3,881,173.62	141,038.38 *
Nonbudget Revenue		971.75	971.75
	\$ 4,022,212.00	\$ 3,882,145.37	\$ 140,066.63 *

Analysis of Water Rents

Collections - Rents and Liens	\$ 3,014,872.66
Prepaid Revenue Applied	1,500.00
Overpayments Applied	1,953.08
	\$ 3,018,325.74

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

TOWNSHIP OF PARSIPPANY-TROY HILLS  
GOLF AND RECREATION UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014

	<u>Appropriations</u>		<u>Expended by</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modi- fication</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operating:					
Salaries and Wages	\$ 1,696,802.00	\$ 1,696,802.00	\$ 1,516,225.87	\$ 110,576.13	\$ 70,000.00
Other Expenses	1,975,970.00	1,975,970.00	1,658,138.10	262,831.90	55,000.00
Capital Improvements:					
Capital Improvement Fund	3,250.00	3,250.00	3,250.00		
Debt Service:					
Payment of Bond Anticipation Notes	6,164.00	6,164.00	5,500.00		664.00
Interest on Bonds	53,665.00	53,665.00	50,900.83		2,764.17
Interest on Notes	11,000.00	11,000.00	7,735.87		3,264.13
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	142,129.00	142,129.00	142,129.00		
Social Security (O.A.S.I.)	133,232.00	133,232.00	87,480.89	45,751.11	
	<u>\$ 4,022,212.00</u>	<u>\$ 4,022,212.00</u>	<u>\$ 3,471,360.56</u>	<u>\$ 419,159.14</u>	<u>\$ 131,692.30</u>

Ref.

F

Analysis of Paid or Charged

Cash Disbursed		\$ 3,362,146.45
Encumbrances Payable	F	50,577.41
Accrued Interest on Bonds		50,900.83
Accrued Interest on Notes		7,735.87
		<u>\$ 3,471,360.56</u>

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

TOWNSHIP OF PARSIPPANY-TROY HILLS  
COUNTY OF MORRIS  
2014  
PUBLIC ASSISTANCE FUND

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

		December 31,	
<u>ASSETS</u>	<u>Ref.</u>	2014	2013
Cash and Cash Equivalents	G-1	\$ 19,705.23	\$ 15,641.13
<u>TOTAL ASSETS</u>		<u>\$ 19,705.23</u>	<u>\$ 15,641.13</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Due to Current Fund	A	\$ 3.06	\$ 3.36
Reserve for Public Assistance		19,702.17	15,637.77
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 19,705.23</u>	<u>\$ 15,641.13</u>

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

TOWNSHIP OF PARSIPPANY-TROY HILLS  
COUNTY OF MORRIS  
2014  
GENERAL FIXED ASSETS ACCOUNT GROUP

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

<u>ASSETS</u>	December 31,	
	2014	2013
Land	\$ 104,227,400.00	\$ 104,012,500.00
Buildings	32,248,892.00	32,042,200.00
Furniture and Equipment	36,353.00	85,913.95
Vehicles and Road Equipment	17,136,904.00	14,739,845.65
Other Equipment	2,331,155.00	2,409,371.71
<u>TOTAL ASSETS</u>	\$ 155,980,704.00	\$ 153,289,831.31
<u>RESERVE</u>		
Reserve for Fixed Assets	\$ 155,980,704.00	\$ 153,289,831.31
<u>TOTAL RESERVE</u>	\$ 155,980,704.00	\$ 153,289,831.31

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

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

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

Governmental Accounting Standards Board ("GASB") *Codification of Government Accounting and Financial Reporting Standards*, Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency and a resulting financial benefit or burden relationship, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e., benefit of economic resources, access/entitlement to resources, and significance) should be included in the financial reporting entities. As the financial reporting entity was established in accordance with New Jersey statutes, the requirements of GASB Codification Section 2100 were not followed and, accordingly, the reporting entity could be different from accounting principles generally accepted in the United States of America.

B. Description of Funds

The accounting policies of the Township of Parsippany-Troy Hills conform to the accounting practices applicable to municipalities which have been prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Such practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township of Parsippany-Troy Hills accounts for its financial transactions through the following separate funds:

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

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

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

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

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

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
 (Continued)

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

B. Description of Funds (Cont'd)

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

Public Assistance Fund - Receipt and disbursement of funds that provide assistance to certain residents of the municipality pursuant to Title 44 of New Jersey Statutes. The operations of the State funded General Assistance Program were transferred to the County of Morris.

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

C. Basis of Accounting

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

The more significant accounting policies in New Jersey follow.

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

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

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

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

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

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

C. Basis of Accounting (Cont'd)

Had the Township's financial statements been prepared under accounting principles generally accepted in the United States of America, encumbrances would not be considered as expenditures; appropriation reserves would not be recorded; revenue susceptible to accrual would have been reflected without offsetting reserves; Federal and State grants and assistance would be recognized when earned, not when awarded; inventories would not be reflected as expenditures at the time of purchase and fixed assets purchased by the Utility Capital Funds would be depreciated.

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

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

E. Other significant accounting policies include:

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

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

Investments – Investments are stated at cost or amortized cost, which approximates market.

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

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

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

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

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

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

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

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

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

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

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

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

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

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

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

Note 2: Long-Term Debt

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

Summary of Municipal Debt

	December 31,		
	2014	2013	2012
<u>Issued</u>			
General:			
Bonds, Loans and Notes	\$ 59,455,431	\$ 61,725,355	\$ 63,141,758
Water Utility:			
Bonds, Loans and Notes	6,484,286	7,296,072	7,016,389
Sewer Utility:			
Bonds, Loans and Notes	35,542,503	34,244,668	34,268,511
Golf and Recreation Utility:			
Bonds and Notes	2,200,000	2,158,700	2,248,700
Total Issued	<u>103,682,220</u>	<u>105,424,795</u>	<u>106,675,358</u>
Less:			
Funds Temporarily Held			
to Pay Bonds and Notes:			
General	86,870	86,870	416,870
Water Utility	204,438	204,438	204,438
Total Deductions	<u>291,308</u>	<u>291,308</u>	<u>621,308</u>
Net Debt Issued	<u>103,390,912</u>	<u>105,133,487</u>	<u>106,054,050</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

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

Summary of Municipal Debt (Cont'd)

	December 31,		
	2014	2013	2012
<u>Authorized but not Issued:</u>			
General:			
Bonds, Loans and Notes	\$ 15,797,229	\$ 11,524,229	\$ 6,224,729
Water Utility:			
Bonds, Loans and Notes	55,750	55,750	155,750
Sewer Utility:			
Bonds, Loans and Notes	9,606,558	11,778,905	10,478,905
Golf and Recreation Utility:			
Bonds and Notes	153,293	390,793	253,543
Total Authorized but not Issued	<u>25,612,830</u>	<u>23,749,677</u>	<u>17,112,927</u>
Net Bonds and Notes Issued and Authorized but not Issued	<u>\$ 129,003,742</u>	<u>\$ 128,883,164</u>	<u>\$ 123,166,977</u>

Summary of Municipal Debt Issued and Outstanding – Prior Year

	Balance 12/31/12	Additions	Retirements	Balance 12/31/13
Serial Bonds:				
General Capital Fund	\$ 50,301,000		\$ 5,616,000	\$ 44,685,000
Water Utility Capital Fund	5,554,000		741,000	4,813,000
Sewer Utility Capital Fund	7,756,300		1,098,000	6,658,300
Golf and Recreation Utility Capital Fund	1,798,700		190,000	1,608,700
Bond Anticipation Notes:				
General Capital Fund	12,350,000	\$ 16,675,000	12,350,000	16,675,000
Water Utility Capital Fund	1,200,000	2,250,000	1,200,000	2,250,000
Sewer Utility Capital Fund	8,500,000	10,525,000	8,500,000	10,525,000
Golf and Recreation Utility Capital Fund	450,000	550,000	450,000	550,000
Loans Payable:				
General Capital Fund:				
Green Trust Loans	490,758		125,403	365,355
Water Utility Capital Fund:				
NJ Environmental Infrastructure Loan	262,389		29,317	233,072
Sewer Utility Capital Fund:				
NJ Environmental Infrastructure Loan	18,012,211		950,843	17,061,368
Total	<u>\$ 106,675,358</u>	<u>\$ 30,000,000</u>	<u>\$31,250,563</u>	<u>\$ 105,424,795</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

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

Summary of Municipal Debt Issued and Outstanding – Current Year

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

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition, which follows, is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .87%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 37,783,000	\$ 37,783,000	
Water Utility Debt	6,540,036	6,540,036	
Sewer Utility Debt	45,149,061	45,149,061	
Golf and Recreation Utility Debt	2,353,293	2,250,793	\$ 102,500
General Debt	75,287,660	86,870	75,200,790
	<u>\$ 167,113,050</u>	<u>\$ 91,809,760</u>	<u>\$ 75,303,290</u>

Net Debt: \$75,303,290 divided by Equalized Valuation basis per N.J.S. 40A:2-2, as amended, of \$8,674,255,277 = .87%.

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

3-1/2% Average Equalized Valuation of Real Property	\$ 303,598,935
Net Debt	<u>75,303,290</u>
Remaining Borrowing Power	<u>\$ 228,295,645</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

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

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

Cash Receipts from Fees, Rents or Other Charges for Year		\$ 8,668,211
Deductions:		
Operating and Maintenance Cost	\$ 5,775,892	
Debt Service	1,000,580	
		6,776,472
Excess in Revenue		\$ 1,891,739

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

Cash Receipts from Fees, Rents or Other Charges for Year		\$ 15,928,250
Deductions:		
Operating and Maintenance Cost	\$ 10,506,557	
Debt Service	2,605,926	
		13,112,483
Excess in Revenue		\$ 2,815,767

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

Cash Receipts from Fees, Rents or Other Charges for Year		\$ 3,882,145
Deductions:		
Operating and Maintenance Cost	\$ 3,823,133	
Debt Service	64,137	
		3,887,270
Deficit in Revenue		\$ (5,125)

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

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

Year Ended	General		Water Utility		Sewer Utility		Golf and Recreation Utility		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
December 31,										
2015	\$ 5,930,495	\$ 1,431,525	\$ 838,303	\$ 143,075	\$ 1,965,896	\$ 405,962	\$ 203,000	\$ 47,598	\$ 6,971,798	\$ 1,622,198
2016	5,776,481	1,252,927	852,820	115,775	2,010,935	360,247	215,000	40,913	6,844,301	1,409,615
2017	5,945,455	1,043,700	867,336	87,013	2,035,982	315,164	225,000	33,813	7,037,791	1,164,526
2018	4,335,000	813,075	436,853	53,786	1,541,036	262,822	230,000	26,200	5,001,853	893,061
2019	4,365,000	668,775	436,370	39,613	1,586,095	232,889	230,000	17,900	5,031,370	726,288
2020-2024	11,440,000	1,579,800	802,604	56,750	6,926,577	743,564	315,000	23,850	12,557,604	1,660,400
2025-2029	1,465,000	58,600			5,723,982	257,910			1,465,000	58,600
	\$ 39,257,431	\$ 6,848,402	\$ 4,234,286	\$ 496,012	\$ 21,790,503	\$ 2,578,558	\$ 1,418,000	\$ 190,273	\$ 44,909,717	\$ 7,534,687

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

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

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

Analysis of Debt Issued and Outstanding at December 31, 2014

General Capital Fund

Serial Bonds

<u>Purpose</u>	<u>Maturities of Bonds</u>		<u>Interest</u>	<u>Balance</u>
	<u>Outstanding Dec. 31, 2014</u>			
	<u>Date</u>	<u>Amount</u>	<u>Rate</u>	<u>Dec. 31, 2014</u>
Refunding Bonds	10/1/2015	\$ 1,325,000	3.00%	
	10/1/2015	450,000	4.00%	
	10/1/2016	445,000	3.00%	
	10/1/2016	240,000	4.00%	
	10/1/2016	1,160,000	5.00%	
	10/1/2017	70,000	3.00%	
	10/1/2017	1,870,000	5.00%	\$ 5,560,000
Refunding Bonds	7/15/2015	1,060,000	3.00%	
	7/15/2016	1,095,000	4.00%	
	7/15/2017	1,135,000	4.00%	
	7/15/2018	1,185,000	3.00%	
	7/15/2019	180,000	4.00%	
	7/15/2019	1,035,000	5.00%	
	7/15/2020	1,270,000	4.00%	
	7/15/2021	1,300,000	4.00%	
	7/15/2022	1,340,000	5.00%	
	7/15/2023	1,460,000	5.00%	
	7/15/2024	1,470,000	4.00%	
	7/15/2025	1,465,000	4.00%	13,995,000
General Improvements	7/1/2015	1,550,000	3.75%	
	7/1/2016	1,600,000	3.75%	
	7/1/2017	1,700,000	3.75%	
	7/1/18-19	2,000,000	4.00%	8,850,000
General Improvements	11/1/15-16	1,150,000	2.00%	
	11/1/2017	1,150,000	2.25%	
	11/1/2018	1,150,000	2.50%	
	11/1/2019	1,150,000	2.75%	
	11/1/20-23	1,150,000	3.00%	10,350,000

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

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

Analysis of Debt Issued and Outstanding at December 31, 2014

General Capital Fund

Serial Bonds

<u>Purpose</u>	<u>Maturities of Bonds</u> <u>Outstanding Dec. 31, 2014</u>		<u>Interest</u> <u>Rate</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
	<u>Date</u>	<u>Amount</u>		
Tax Appeal	11/1/15	\$ 265,000	2.00%	\$ 265,000
				<u>\$ 39,020,000</u>

General Capital New Jersey Green Acres Trust Loans

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

The balances of the loans at December 31, 2014 were as follows:

<u>Purpose</u>	<u>Final Maturity Date of Green</u> <u>Trust Loan Payable</u>	<u>Interest</u> <u>Rate</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
Acquisition of Land	4/12/2016	2.00%	\$ 137,160
Acquisition of Land	5/19/2017	2.00%	100,271
			<u>\$ 237,431</u>

Bond Anticipation Notes

<u>Purpose</u>	<u>Maturities of Notes</u> <u>Outstanding Dec. 31, 2014</u>		<u>Interest</u> <u>Rate</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
	<u>Date</u>	<u>Amount</u>		
Various Capital Improvements	9/25/2015	\$ 20,198,000	1.25%	<u>\$ 20,198,000</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

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

Water Utility Capital Fund

<u>Serial Bonds</u>	<u>Maturities of Bonds</u>		<u>Interest</u>	<u>Balance</u>
	<u>Outstanding Dec. 31, 2014</u>			
<u>Purpose</u>	<u>Date</u>	<u>Amount</u>	<u>Rate</u>	<u>Dec. 31, 2014</u>
Water Improvements	7/1/2015	\$ 200,000	3.75%	
	7/1/2016	200,000	3.75%	
	7/1/2017	200,000	3.75%	
	7/1/2018	200,000	4.00%	
	7/1/2019	200,000	4.00%	\$ 1,000,000
Water Improvements	11/1/2015	165,000	2.00%	
	11/1/2016	165,000	2.00%	
	11/1/2017	175,000	2.25%	
	11/1/2018	175,000	2.50%	
	11/1/2019	175,000	2.75%	
	11/1/2020	175,000	3.00%	
	11/1/2021	175,000	3.00%	
	11/1/2022	175,000	3.00%	
	11/1/2023	175,000	3.00%	1,555,000
Refunding Bonds	12/1/2015	185,000	4.00%	
	12/1/2016	190,000	2.88%	
	12/1/2017	190,000	4.13%	565,000
Refunding Bonds	10/1/2015	170,000	3.00%	
	10/1/2015	55,000	4.00%	
	10/1/2016	55,000	3.00%	
	10/1/2016	30,000	4.00%	
	10/1/2016	150,000	5.00%	
	10/1/2017	10,000	3.00%	
	10/1/2017	230,000	5.00%	700,000
Refunding Bonds	7/15/2015	35,000	3.00%	
	7/15/2016	35,000	4.00%	
	7/15/2017	35,000	4.00%	
	7/15/2018	35,000	3.00%	
	7/15/2019	35,000	5.00%	
	7/15/2020	35,000	4.00%	210,000
				<u>\$ 4,030,000</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

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

Water Utility Capital Fund

<u>Loan Payable</u>	<u>Final Maturity Date of NJ Environmental Infrastructure Loan Payable</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2014</u>
<u>Purpose</u>			
Improvement of Water Supply and Distribution System	8/1/2021	4.75% to 5.00%	<u>\$ 204,286</u>

Bond Anticipation Notes

<u>Bond Anticipation Notes</u>	<u>Maturities of Notes Outstanding Dec. 31, 2014</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2014</u>
<u>Purpose</u>	<u>Date</u>	<u>Amount</u>		
Improvement of Water System	9/25/2015	\$ 2,250,000	1.25%	<u>\$ 2,250,000</u>

Sewer Utility Capital Fund

<u>Serial Bonds</u>	<u>Maturities of Bonds Outstanding Dec. 31, 2014</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2014</u>
<u>Purpose</u>	<u>Date</u>	<u>Amount</u>		
Sewer Improvements	7/1/2015	\$ 70,000	3.75%	
	7/1/2016	80,000	3.75%	
	7/1/2017	80,000	3.75%	
	7/1/2018	100,000	4.00%	
	7/1/2019	100,000	4.00%	\$ 430,000
Sewer Improvements	11/1/2015	305,000	2.00%	
	11/1/2016	310,000	2.00%	
	11/1/2017	310,000	2.25%	
	11/1/2018	325,000	2.50%	
	11/1/2019	350,000	2.75%	
	11/1/2020	350,000	3.00%	
	11/1/2021	370,000	3.00%	
	11/1/2022	370,000	3.00%	
	11/1/2023	370,000	3.00%	3,060,000
Refunding Bonds	12/1/2015	325,000	4.00%	
	12/1/2016	330,000	2.875%	
	12/1/2017	330,000	4.125%	985,000

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

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

Sewer Utility Capital Fund

Serial Bonds

<u>Purpose</u>	<u>Maturities of Bonds</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2014</u>
	<u>Outstanding Dec. 31, 2014</u>	<u>Outstanding Dec. 31, 2014</u>		
	<u>Date</u>	<u>Amount</u>		
Refunding Bonds	10/1/2015	\$ 150,000	3.00%	
	10/1/2015	50,000	4.00%	
	10/1/2016	50,000	3.00%	
	10/1/2016	25,000	4.00%	
	10/1/2016	135,000	5.00%	
	10/1/2017	5,000	3.00%	
	10/1/2017	215,000	5.00%	\$ 630,000
Refunding Bonds	7/15/2015	90,000	3.00%	
	7/15/2016	90,000	4.00%	
	7/15/2017	95,000	4.00%	
	7/15/2018	100,000	3.00%	
	7/15/2019	105,000	5.00%	
	7/15/2020	110,000	4.00%	590,000
				<u>\$ 5,695,000</u>

Loan Payable

<u>Purpose</u>	<u>Final Maturity Date of NJ Environmental Infrastructure Loan Payable</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2014</u>
Sewer Improvements	8/1/2029		3.50% to 5.00%	<u>\$ 16,095,503</u>

Bond Anticipation Notes

<u>Purpose</u>	<u>Maturities of Notes</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2014</u>
	<u>Outstanding Dec. 31, 2014</u>	<u>Outstanding Dec. 31, 2014</u>		
	<u>Date</u>	<u>Amount</u>		
Various Sewer Utility Improvements	9/25/2015	\$ 13,752,000	1.25%	<u>\$ 13,752,000</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

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

Golf and Recreation Utility Capital Fund

Serial Bonds

<u>Purpose</u>	<u>Maturities of Bonds</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2014</u>
	<u>Outstanding Dec. 31, 2014</u>	<u>Outstanding Dec. 31, 2014</u>		
	<u>Date</u>	<u>Amount</u>		
General Improvements	7/1/2015	\$ 150,000	3.75%	
	7/1/2016	160,000	3.75%	
	7/1/2017	170,000	3.75%	
	7/1/2018	170,000	4.00%	
	7/1/2019	170,000	4.00%	\$ 820,000.00
General Improvements	11/1/2015	53,000	2.00%	
	11/1/2016	55,000	2.00%	
	11/1/2017	55,000	2.25%	
	11/1/2018	60,000	2.50%	
	11/1/2019	60,000	2.75%	
	11/1/2020	75,000	3.00%	
	11/1/2021	80,000	3.00%	
	11/1/2022	80,000	3.00%	
	11/1/2023	80,000	3.00%	598,000
				<u>\$ 1,418,000</u>

Bond Anticipation Notes

<u>Purpose</u>	<u>Maturities of Notes</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2014</u>
	<u>Outstanding Dec. 31, 2014</u>	<u>Outstanding Dec. 31, 2014</u>		
	<u>Date</u>	<u>Amount</u>		
Various Improvements and Equipment	9/25/2015	\$ 782,000	1.25%	<u>\$ 782,000</u>

Total Debt Issued and Outstanding

\$ 103,682,220

N.J. Environmental Infrastructure Loan

Loan agreements were entered into by the Township of Parsippany-Troy Hills with the New Jersey Department of Environmental Protection for the purpose of improvements to the water system in 2001 at an interest rate of 4.75% to 5.50% and for the purpose of improvements to the waste water treatment plant in 2010 at an interest rate of 1.15% to 5.00%. Loans payable at December 31, 2014 for the Water Utility Capital Fund and Sewer Utility Capital Fund were \$204,286 and \$16,095,503, respectively.

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

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

Refunding Bonds:

On July 15, 2012, the Township issued \$16,115,000 refunding bonds with interest rates ranging from 1.50% to 4.00% to refund \$2,320,284 dated June 1, 2005 with an interest rates ranging from 1.50% to 4.00%. The refunding bonds will mature on July 15, 2012 through July 15, 2025 and constitute an advanced refunding. The refunding met the requirements of an in-substance debt defeasance.

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

Note 3: Fund Balances Appropriated

Fund balances at December 31, 2014, which are appropriated and included as anticipated revenue in their own respective funds in the introduced budget for the year ending December 31, 2015 has not been determined as of the date of these financial statements.

Note 4: Pension Plans

Township employees are enrolled in one of two cost sharing multiple-employer public employee retirement systems: the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) of New Jersey; or the Defined Contribution Retirement Program (DCRP). The State of New Jersey sponsors and administers the PERS and PFRS plans which cover substantially all Township employees. Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. As a general rule, all full-time employees are eligible to join one of the two public employees' retirement systems. However, if an employee is ineligible to enroll in the PERS or the PFRS, the employee may be eligible to enroll in the DCRP.

Employees who are members of PERS and retire at a specified age according to the relevant tier category for that employee are entitled to a retirement benefit based upon a formula which takes "final average salary" during years of creditable service. Vesting occurs after 8 to 10 years of service. Enrolled PFRS members may retire at age 55 with a minimum of 10 years of service required for vesting. The DCRP provides eligible members with a tax- sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

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

The contribution policy is set by New Jersey State Statutes and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The employee contributions for PFRS are 10.00% of employees' annual compensation, as defined. For PERS, the contribution rate was 6.78% effective July 1, 2013 and increased to 6.92% effective July 1, 2014. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1<sup>st</sup> to bring the total pension contribution rate to 7.5% of base

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

Note 4: Pension Plans (Cont'd)

salary as of July 1, 2018. Employers are required to contribute at an actuarially determined rate in both funds. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

Township contributions to PERS amounted to \$1,776,641, \$1,915,836 and \$1,943,533 for 2014, 2013 and 2012, respectively. Township contributions to PFRS amounted to \$2,516,974, \$2,690,873 and \$2,557,250 for 2014, 2013 and 2012, respectively. Township contributions to DCRP amounted to \$5,804, \$4,638 and \$5,036 for 2014, 2013 and 2012, respectively

Note 5: School District Taxes

Regulations provide for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district.

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

Note 6: Accrued Sick and Vacation Benefits

The Township permits employees to accrue a limited amount of unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed-upon rate. It is estimated that the current cost of such unpaid compensation would approximate \$6,790,167 at December 31, 2014. This amount is not reported either as expenditure or a liability. It is expected that the cost of such unpaid compensation would be included in the Township's budget operating expenditures in the year in which it is used.

The reserves for accumulated sick and vacation time of \$312,000 reflected on the Other Trust Funds' balance sheet as of December 31, 2014 represent partial funding of the total estimated amount.

Note 7: Selected Tax Information

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

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

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

Note 7: Selected Tax Information (Cont'd)

Comparative Schedule of Tax Rate Information

	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>Tax Rate</u>	\$ 2.663	\$ 2.601	\$ 2.557
<u>Apportionment of Tax Rate</u>			
Municipal	0.628	0.614	0.614
County	0.301	0.296	0.305
Local School	1.734	1.691	1.638
<u>Assessed Valuations</u>			
2014	\$ 7,166,584,900		
2013		\$ 7,207,261,819	
2012			\$ 7,259,404,453

Comparison of Tax Levies and Collection Currently

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

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collections</u>
2014	\$ 194,423,879	\$ 193,110,200	99.32%
2013	191,137,372	189,762,822	99.28%
2012	188,882,375	187,422,078	99.22%

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

Note 8: Cash and Cash Equivalents

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

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

GASB Statement No. 40 *Governmental Accounting Standards Board Deposit and Investment Risk Disclosures*, requires disclosure of the level of custodial credit risk assumed by the Township in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

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

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

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

Deposits:

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

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

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

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

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

Investments

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located;
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units;

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

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

Investments (Cont'd)

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

As of December 31, 2014, cash and cash equivalents of the Township of ParsIPPany-Troy Hills consisted of the following:

<u>Fund</u>	<u>Cash on Hand</u>	<u>Checking Accounts</u>	<u>Investments</u>	<u>Total</u>
Current Fund	\$ 815	\$ 12,497,790	\$ 6,056,330	\$ 18,554,935
Animal Control Trust Fund	50			50
Other Trust Fund		12,521,396		12,521,396
General Capital Fund		3,360,203		3,360,203
Water Utility Operating Fund		6,299,713		6,299,713
Water Utility Capital Fund		1,672,008		1,672,008
Sewer Utility Operating Fund		13,533,648		13,533,648
Sewer Utility Capital Fund		16,866,560		16,866,560
Golf and Recreation Utility Operating Fund		670,640	277,482	948,122
Golf and Recreation Utility Capital Fund		495,290		495,290
Public Assistance Fund		19,705		19,705
	<u>\$ 865</u>	<u>\$ 67,936,954</u>	<u>\$ 6,333,811</u>	<u>\$ 74,271,630</u>

The carrying amount of the Township's cash and cash equivalents and investments at December 31, 2014, was \$74,271,630 and the bank balance was \$74,326,937.

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

Note 9: Risk Management

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

The Township of Parsippány-Troy Hills is a member of the Garden State Municipal Joint Insurance Fund. This Fund is both an insured and self-administered group of municipalities established for the purpose of providing low-cost insurance coverage for their members in order to keep local property taxes at a minimum.

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

- a.) Workers' Compensation and Employers' Liability
- b.) Liability Other Than Motor Vehicles
- c.) Property Damage Other Than Motor Vehicles
- d.) Motor Vehicle
- e.) Public Officials' Liability/Employment Practices Coverage
- f.) Environmental Coverage

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

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

The December 31, 2014 audit report of the Garden State Municipal Joint Insurance Fund is not filed as of the date of this audit. Selected financial information for the Fund as of December 31, 2013 is as follows:

Total Assets	<u>\$ 34,467,251</u>
Net Position	<u>\$ 1,892,419</u>
Total Revenue	<u>\$ 24,914,745</u>
Total Expenses	<u>\$ 24,507,224</u>
Change in Net Position	<u>\$ 407,521</u>
Members Dividends	<u>\$ -0-</u>

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

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

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

Note 9: Risk Management (Cont'd)

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

Health Benefits Insurance

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

A. Specific Loss:

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

B. Aggregate Loss:

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

Processing and payment of claims is administered by the Insurance Design Administrators.

There has been no provision included in the financial statements for claims incurred but not reported as of December 31, 2014, however, sufficient funds are available in the 2014 budget appropriation reserves to cover the incurred but not reported claims.

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

	<u>2014</u>	<u>2013</u>
Balance, Beginning of the Year	\$ 322,925	\$ 159,888
Receipts	<u>7,980,275</u>	<u>9,074,053</u>
	8,303,200	9,233,941
Disbursements	<u>8,203,714</u>	<u>8,911,016</u>
Balance, End of the Year	<u>\$ 99,486</u>	<u>\$ 322,925</u>

Workers’ Compensation

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

A. Specific Loss:

The Township can pay no more than \$400,000 for each occurrence.

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

Note 9: Risk Management (Cont'd)

Workers' Compensation (Cont'd)

There has been no provision included in the financial statements for loss reserves as of December 31, 2014.

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:

	<u>2014</u>	<u>2013</u>
Balance, Beginning of the Year	\$ 90,966	\$ 54,693
Receipts	<u>1,091,000</u>	<u>1,007,385</u>
	1,181,966	1,062,078
Disbursements	<u>1,086,471</u>	<u>971,112</u>
Balance, End of the Year	<u><u>\$ 95,495</u></u>	<u><u>\$ 90,966</u></u>

Workers' Compensation Loss Reserves

The liability for unpaid losses and loss adjustment expenses represents an estimate of the ultimate net cost of reported losses and loss adjustment expenses as of December 31, 2014. This estimate is based on the estimated ultimate cost of settling the reported claims considering the historical experience, various other industry statistics, including the effects of inflation and other societal or economic factors. The ultimate cost may be more or less than the estimated liability. The unpaid losses are stated net of any recoveries from excess loss insurance and reinsurance coverages.

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

	<u>2014</u>
Case Reserves	\$ 1,982,341
Less: Excess Coverage	<u>970,471</u>
Total Loss Reserves (Expenses)	<u><u>\$ 1,011,870</u></u>

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

Note 9: Risk Management (Cont'd)

New Jersey Unemployment Compensation Insurance

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

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

<u>Year</u>	<u>Township Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2014	\$ 171,000	\$ 130,675	\$ 308,689	\$ 113,403
2013	140,000	129,254	322,132	120,417
2012	171,000	100,892	239,775	173,295

Note 10: Post-Retirement Medical Benefits

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

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

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

Funding Policy

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

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

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

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

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

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

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

Annual OPEB Cost and Net OPEB Obligation

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

Actuarial Methods and Assumptions

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

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

In the 2012, 2013 and 2014 actuarial valuations, the projected unit credit cost method was used. Under this method, the present value of benefits is allocated uniformly over an employee's expected working lifetime. For medical benefits, the initial rate utilized is 8.0% and decreases to a 5.0% long-term trend rate for all medical benefits in 2021.

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

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

Annual OPEB Cost per Actuarial Valuation

The following table shows the components of the Township's annual OPEB cost for the year, the amount actually contribution to the plan and the Township's obligation to the Plan at December 31, 2012, 2013 and 2014.

Year	Actuarial Estimated OPEB Payments	Annual OPEB Cost	Percentage of Annual OPEB Costs Contributed	Net OPEB Obligations
2014	\$ 4,045,514	\$ 6,480,067	62.43%	\$ 12,018,781
2013	3,498,900	5,063,128	69.11%	9,584,228
2012	3,210,000	5,480,000	58.58%	8,020,000
		<u>2012</u>	<u>2013</u>	<u>2014</u>
Actuarial Accrued Liability (AAL)		\$ 80,550,000	\$ 82,637,675	\$ 86,460,861
Actuarial Value of Plan Assets		-0-	-0-	-0-
Unfunded Actuarial Accrued Liability (UAAL)		<u>\$ 80,550,000</u>	<u>\$ 82,637,675</u>	<u>\$ 86,460,861</u>
Funded Ratio (Actuarial Value of Plan Assets (AAL)		0.00%	0.00%	0.00%
Covered Payroll (Active Plan Members)		N/A	N/A	N/A
UAAL as a Percentage of Covered Payroll		N/A	N/A	N/A

N/A - Not Available

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

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

Annual OPEB Cost per Actuarial Valuation Cont'd)

**Benefit Obligations and Normal Cost**

	Valuation December 31,		
	2012	2013	2014
Actuarial accrued liability (AAL):			
Retired employees	\$ 58,537,325	\$ 53,144,381	\$ 54,511,989
Active employees	23,830,350	33,316,480	34,125,391
Unfunded actuarial accrued liability (UAAL)	<u>\$ 82,367,675</u>	<u>\$ 86,460,861</u>	<u>\$ 88,637,380</u>
Normal cost at beginning of year	\$ 1,670,000	\$ 1,823,682	\$ 2,844,509
Amortization factor based on 30 years	\$ 3,580,000	\$ 2,878,546	\$ 2,997,310
Annual covered payroll	N/A	N/A	N/A
UAAL as a percentage of covered payroll	N/A	N/A	N/A

**Level Dollar Amortization**

Calculation of ARC under Projected Unit Credit Cost Method

ARC normal cost with interest to end of year	\$ 1,670,000	\$ 1,823,682	\$ 2,844,509
Amortization of unfunded actuarial accrued liability (UAAL) over 30 years with interest at year end	<u>3,580,000</u>	<u>2,878,546</u>	<u>2,997,310</u>
Annual Required Contribution (ARC)	5,250,000	4,702,228	5,841,819
Interest on net OPEB obligation	230,000	360,900	383,369
Adjustment to ARC			254,879
Annual OPEB cost (expense)	<u>5,480,000</u>	<u>5,063,128</u>	<u>6,480,067</u>
Pay as you go benefits	<u>(3,210,000)</u>	<u>(3,498,900)</u>	<u>(4,045,514)</u>
Net OPEB expense at December 31,:			
2012, 2013 and 2014, respectively	2,270,000	1,564,228	2,434,553
Prior year	<u>5,750,000</u>	<u>8,020,000</u>	<u>9,584,228</u>
Net OPEB obligation December 31,:			
2012, 2013 and 2014, respectively	<u>\$ 8,020,000</u>	<u>\$ 9,584,228</u>	<u>\$ 12,018,781</u>
Projected unfunded actuarial accrued liability (December 31, 2012)			<u>\$ 82,637,675</u>
Projected unfunded actuarial accrued liability (December 31, 2013)			<u>\$ 86,460,861</u>
Projected unfunded actuarial accrued liability (December 31, 2014)			<u>\$ 88,637,380</u>

N/A - Not Available

Funding Status and Funding Progress

As of December 31, 2014 based on the 2014 valuation the actuarial accrued liability for benefits was \$88,637,380, all of which is unfunded.

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

Note 11: Deferred Compensation Plan

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

Note 12: Interfund Receivables and Payables

The following interfund balances remain on the balance sheet at December 31, 2014:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 157,643	\$ 1,775,227
Federal and State Grand Fund		48,187
Animal Control Fund	67,889	
Other Trust Funds	1,848,417	
General Capital Fund	4,358	
Water Utility Operating Fund		45,938
Sewer Utility Operating Fund	116,563	262,000
Golf and Recreation Utility Operating Fund		63,515
Public Assistance Trust Fund		3
	<u>\$ 2,194,870</u>	<u>\$ 2,194,870</u>

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

Note 13: Commitments and Contingencies

The Township is periodically involved in various lawsuits arising in the normal course of the Township's operations including claims for property damage, personal injury and various contract disputes. The ultimate effect of such litigation cannot be ascertained at this time since they are currently in various stages of discovery. In the opinion of management, the ultimate outcome of these lawsuits will not have a material adverse effect on the Township's financial position and operations as of December 31, 2014.

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

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
 (Continued)

Note 13: Commitments and Contingencies (Cont'd)

Various tax appeals on assessed valuations have been filed against the Township and are awaiting tax court decisions. The ultimate outcome and effect of such appeals have not been determined; however, the Township Tax Assessor will aggressively defend the Township's assessments. The Township has established a reserve for this contingency in the amount of \$1,001,912.

The Township bills the Township of East Hanover, and three other municipalities for sewer usage. Currently, the Township is in dispute as to how much the Township of East Hanover, and possibly the three other municipalities owe Parsippany-Troy Hills. The amount recorded as receivable on the Sewer Utility Fund balance sheet at December 31, 2014 is fully reserved, therefore the possible cancellation of part of the receivable will not impact operations, but would reduce the receivable and offsetting reserve.

Note 14: Deferred Charges to be Raised in Succeeding Years

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2014, the Township had the following deferred charges:

	Balance Dec. 31, 2014	2015 Budget Appropriation	To Be Raised in Subsequent Budget
Current Fund:			
Special Emergency Appropriation	\$ 2,735,429	\$ 2,735,429	
Overexpenditure of Appropriation Reserves	20,141		\$ 20,141
Water Utility Operating Fund:			
Overexpenditure of Appropriation Reserves	25,898	25,898	

The appropriations in the 2015 budget are not less than that required by statute.

Note 15: Economic Dependency

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

TOWNSHIP OF PARSIPPANY-TROY HILLS

SUPPLEMENTARY DATA

TOWNSHIP OF PARSIPPANY-TROY HILLS  
ROSTER OF OFFICIALS  
YEAR ENDED DECEMBER 31, 2014

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

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Name of Corporate or Personal Surety</u>
James R. Barberio	Mayor		
Paul Carifi, Jr.	Council President		
Robert Peluso	Council VicePresident		
Brian Stanton	Councilman		
Louis Valori	Councilman		
Michael J. dePierro	Councilman		
Jasmine Lim	Administrator (to June 2014)	*	
Ellen Sandman	Administrator ( from June 2014)	*	
Yancy Wazirmas	Clerk	*	
Joseph A. Kovalcik, Jr.	Chief Financial Officer (to 6/21/14)	\$1,000,000	Garden State Municipal Joint Insurance Fund
Ellen Sandman	Chief Financial Officer (6/21/14 - 9/1/14)	\$1,000,000	Garden State Municipal Joint Insurance Fund
Ann Cucci	Chief Financial Officer (from 9/2/14)	\$1,000,000	Garden State Municipal Joint Insurance Fund
Terrence Whalen	Tax Collector	\$1,000,000	Garden State Municipal Joint Insurance Fund
Daniel Cassese	Tax Assessor	*	
Michael Hardie	Director of Purchasing	*	
Justin Lizza	Engineer		
John P. Inglesino	Attorney		
Anthony Frese	Judge	\$1,000,000	Garden State Municipal Joint Insurance Fund
Gerald Scala	Judge	\$1,000,000	Garden State Municipal Joint Insurance Fund
Alvaro Leal	Court Administrator	\$1,000,000	Garden State Municipal Joint Insurance Fund

\* Covered under a \$1,00,000.00 Public Employee Dishonesty Bond with the Garden State Municipal Joint Insurance Fund

All bonds were examined and were properly executed.

TOWNSHIP OF PARSIPPANY-TROY HILLS  
COUNTY OF MORRIS  
2014  
CURRENT FUND

TOWNSHIP OF PARSIPPANY-TROY HILLS  
CURRENT FUND  
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2013	A	\$ 30,007,793.38
Increased by Receipts:		
Tax Collector		\$ 194,673,841.12
Revenue Accounts Receivable		14,045,680.22
Miscellaneous Revenue Not Anticipated		1,071,280.41
Due from / to State of New Jersey:		
Veterans and Senior Citizens' Deductions		374,993.95
Construction Code Fees Payable		119,867.00
Marriage License Fees Payable		6,875.00
Burial Fees Payable		35.00
Interest on Investments		53,261.95
Watershed Moratorium		55,178.00
Due to/from:		
Federal and State Grant Fund:		
Federal and State Grants Receivable		88,096.43
Unappropriated Reserves		191,170.92
Other Trust Fund:		
Off Duty Police		221,502.50
Interfund Returned		313,169.90
Water Utility Capital Fund		258,657.51
Golf and Recreation Utility Capital Fund		23,035.51
Public Assistance Trust Fund		40.50
Prepaid Revenue:		
Licenses		48,475.00
Miscellaneous Revenue Not Anticipated - Lease Rentals		35,133.53
		211,580,294.45
		241,588,087.83
Decreased by Disbursements:		
2014 Appropriation Expenditures		53,983,905.23
2013 Appropriation Reserves		4,780,992.25
Accounts Payable		46,640.22
Tax Overpayment Refunds		59,829.86
Local School District Taxes		131,221,120.00
County Taxes		21,657,197.12
Fire District Taxes		3,041,364.00
Due State of New Jersey:		
Marriage License Fees Payable		7,400.00
Construction Code Fees Payable		125,540.00
Burial Fees Payable		30.00
Reserve for Tax Appeals		312,783.02
Refund of Prior Year Revenue		23,729.50
Due to / from:		
Federal and State Grant Fund:		
Appropriated Reserves		263,774.67
Animal Control Fund		4,348.22
Open Space Trust Fund - Open Space Tax Levy		1,437,200.73
General Capital Fund		2,450,234.15
Water Utility Operating Fund		1,590,584.44
Sewer Utility Operating Fund		1,299,558.15
Sewer Utility Capital Fund		597,118.83
Golf and Recreation Utility Operating Fund		63,515.34
Payroll		67,102.01
		223,033,967.74
Balance December 31, 2014	A	\$ 18,554,120.09

TOWNSHIP OF PARSIPPANY-TROY HILLS  
CURRENT FUND  
SCHEDULE OF CASH - COLLECTOR  
YEAR ENDED DECEMBER 31, 2014

Increased by Receipts:			
Taxes Receivable	\$ 192,883,685.25		
Tax Title Liens Receivable	15,794.66		
2015 Prepaid Taxes	1,170,269.63		
Interest and Costs on Taxes	349,815.76		
Tax Overpayments	254,275.82		
		\$ 194,673,841.12	
Decreased by:			
Payments to Treasurer		\$ 194,673,841.12	

TOWNSHIP OF PARSIPPANY-TROY HILLS  
CURRENT FUND  
SCHEDULE OF CASH - GRANT FUNDS  
YEAR ENDED DECEMBER 31, 2014

NOT APPLICABLE

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

Year	Balance	2014 Levy	Collections		Overpayments Applied	State of NJ Veterans' and Senior Citizens' Deductions	Cancelled	Transferred to Tax Title Liens	Balance
	Dec 31, 2013		2013	2014					Dec 31, 2014
2012	\$ 250.00			\$ 250.00					
2013	1,218,279.56			1,221,556.88		\$ (24,543.83)	\$ 7,007.75	\$ 13,508.75	\$ 750.01
	<u>1,218,529.56</u>			<u>1,221,806.88</u>		<u>(24,543.83)</u>	<u>7,007.75</u>	<u>13,508.75</u>	<u>750.01</u>
2014		\$ 194,423,878.95	\$ 958,878.48	191,661,878.37	\$ 114,954.66	374,488.51	43,725.71	5,971.73	1,263,981.49
	<u>\$ 1,218,529.56</u>	<u>\$ 194,423,878.95</u>	<u>\$ 958,878.48</u>	<u>\$ 192,883,685.25</u>	<u>\$ 114,954.66</u>	<u>\$ 349,944.68</u>	<u>\$ 50,733.46</u>	<u>\$ 19,480.48</u>	<u>\$ 1,264,731.50</u>

Ref. A A

Analysis of 2014 Property Tax Levy

Tax Yield:

General Purpose Tax	\$ 190,834,846.13
Business Personal Property Taxes	11,309.76
Special District Taxes	3,073,254.02
Added and Omitted Taxes	<u>504,469.04</u>
	<u>\$ 194,423,878.95</u>

Tax Levy:

Local School District Taxes	\$ 124,231,081.00
Open Space Taxes	1,437,200.73
Special District Taxes	3,073,254.02
County Taxes	\$ 21,562,148.59
Due County for Added and Omitted Taxes	<u>56,179.60</u>
	<u>21,618,328.19</u>
	150,359,863.94
Local Tax for Municipal Purposes Levied	40,764,358.00
Minimum Library Tax Levied	2,827,742.00
Add: Additional Tax Levied	<u>471,915.01</u>
	<u>44,064,015.01</u>
	<u>\$ 194,423,878.95</u>

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

	<u>Ref.</u>	
Balance December 31, 2013	A	\$ 107,763.44
Increased by:		
Transfer from Taxes Receivable		\$ 19,480.48
Interest and Costs Accrued at Sale		2,430.19
		<u>21,910.67</u>
		<u>129,674.11</u>
Decreased by:		
Collections		<u>15,794.66</u>
Balance December 31, 2014	A	<u><u>\$ 113,879.45</u></u>

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

	<u>Balance Dec 31, 2013</u>	<u>Accrued in 2014</u>	<u>Received in 2014</u>	<u>Balance Dec 31, 2014</u>
Clerk:				
Alcoholic Beverages Licenses		\$ 89,810.00	\$ 89,810.00	
Other Licenses		21,235.00	21,235.00	
Registrar:				
Fees and Permits		9,047.50	9,047.50	
Health:				
Other Licenses		139,010.00	139,010.00	
Fees and Permits		9,035.00	9,035.00	
Board of Adjustment:				
Fees and Permits		16,433.30	16,433.30	
Zoning:				
Fees and Permits		54,476.06	54,476.06	
Engineering:				
Fees and Permits		40,034.50	40,034.50	
Fire Prevention:				
Fees and Permits		278,134.97	278,134.97	
Planning Board:				
Fees and Permits		28,895.00	28,895.00	
Off Duty Police:				
Fees and Permits		75,918.07	75,918.07	
Recreation:				
Fees and Permits		378,527.58	378,527.58	
Board of Housing:				
Fees and Permits		220,370.00	220,370.00	
Department of Public Works:				
Fees and Permits		22,455.00	22,455.00	
Mayor:				
Fees and Permits		1,740.00	1,740.00	
Purchasing:				
Fees and Permits		8,325.00	8,325.00	
Tax Collector:				
Fees and Permits		580.00	580.00	
Police:				
Fees and Permits		8,315.30	8,315.30	



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

	<u>Ref.</u>	
Balance December 31, 2013	A	<u>\$ 191,926.95</u>
Balance December 31, 2014	A	<u>\$ 191,926.95</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS  
CURRENT FUND  
SCHEDULE OF 2013 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2014

	<u>Balance</u> <u>Dec 31, 2013</u>	<u>Balance</u> <u>After Modi-</u> <u>fication</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>	<u>Over-</u> <u>Expended</u>
General Government:					
General Administration:					
Salaries and Wages	\$ 33,545.00	\$ 33,545.00	32,265.83	\$ 1,279.17	
Other Expenses	27,444.26	27,444.26	918.62	26,525.64	
Township Council:					
Salaries and Wages		3,200.00	1,243.72	1,956.28	
Other Expenses	2,000.00	2,000.00		2,000.00	
Municipal Clerk:					
Salaries and Wages	6,550.53	7,550.53	5,675.82	1,874.71	
Other Expenses	14,172.51	14,172.51	4,085.07	10,087.44	
Treasury:					
Salaries and Wages	8,030.53	4,030.53	2,777.09	1,253.44	
Other Expenses	3,287.32	7,287.32	4,825.09	2,462.23	
Audit	2,500.00	2,500.00		2,500.00	
Tax Collection:					
Salaries and Wages	6,255.75	5,255.75	4,385.37	870.38	
Other Expenses	5,114.48	5,114.48	2,659.10	2,455.38	
Tax Assessing:					
Salaries and Wages	12,469.12	12,469.12	10,640.26	1,828.86	
Other Expenses	11,402.29	13,402.29	2,519.14	10,883.15	
Legal Services and Costs:					
Other Expenses	54,693.49	109,693.49	98,974.40	10,719.09	
Engineering Services and Costs:					
Salaries and Wages	26,596.09	24,596.09	21,127.02	3,469.07	
Other Expenses	28,783.04	28,783.04	26,452.25	2,330.79	
Department of Planning:					
Salaries and Wages	1,095.12	3,095.12	2,029.51	1,065.61	
Other Expenses	26,828.46	33,828.46	27,019.16	6,809.30	
Board of Adjustment:					
Salaries and Wages	4,940.99	4,940.99	2,732.84	2,208.15	
Other Expenses	11,210.66	11,210.66	2,014.64	9,196.02	
Housing and Zoning Code Enforcement:					
Salaries and Wages	20,152.03	20,152.03	17,313.70	2,838.33	
Other Expenses	10,844.04	10,844.04	4,524.59	6,319.45	
Insurance:					
Liability Insurance	22,781.05	22,781.05	9,450.00	13,331.05	
Worker Compensation	83,846.93	83,846.93	83,846.93		
Employee Health and Group Life	2,225,746.80	2,225,746.80	2,225,104.72	642.08	

TOWNSHIP OF PARSIPPANY-TROY HILLS  
CURRENT FUND  
SCHEDULE OF 2013 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2014

	<u>Balance</u> <u>Dec 31, 2013</u>	<u>Balance</u> <u>After Modi-</u> <u>fication</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>	<u>Over-</u> <u>Expended</u>
Public Safety:					
Police Department:					
Salaries and Wages	\$ 422,810.45	\$ 482,810.45	\$ 482,788.00	\$ 22.45	
Other Expenses	148,919.75	148,919.75	118,950.97	29,968.78	
Office of Emergency Management:					
Salaries and Wages	1,500.04	1,500.04	312.67	1,187.37	
Other Expenses	3,471.41	3,471.41	2,805.17	666.24	
Fire Prevention Bureau:					
Salaries and Wages	19,276.09	20,276.09	13,892.07	6,384.02	
Other Expenses	20,574.60	24,574.60	4,865.63	19,708.97	
Municipal Court:					
Salaries and Wages	23,988.49	19,988.49	14,032.52	5,955.97	
Other Expenses	7,281.73	9,281.73	3,797.43	5,484.30	
Prosecutor:					
Other Expenses	3,389.00	5,389.00	3,901.00	1,488.00	
Street and Road Maintenance:					
Salaries and Wages	96,871.34	146,871.34	143,096.12	3,775.22	
Other Expenses	150,969.11	210,969.11	206,389.67	4,579.44	
Garbage and Trash Removal:					
Salaries and Wages	79,455.94	71,455.94	65,714.86	5,741.08	
Other Expenses	66,668.46	266,668.46	249,569.15	17,099.31	
Buildings and Grounds:					
Salaries and Wages	25,444.07	17,444.07	12,874.91	4,569.16	
Other Expenses	92,012.72	92,012.72	51,317.43	40,695.29	
Vehicle Maintenance:					
Other Expenses	87,888.78	87,888.78	67,414.34	20,474.44	
Condominium Cost	225,000.00	225,000.00	205,194.56	19,805.44	
Public Health Services:					
Salaries and Wages	34,743.40	39,743.40	33,763.83	5,979.57	
Other Expenses	18,512.14	18,512.14	13,573.26	4,938.88	
Senior Citizen Center:					
Salaries and Wages	9,042.54	9,042.54	7,322.65	1,719.89	
Other Expenses	1,010.33	1,010.33		1,010.33	

TOWNSHIP OF PARSIPPANY-TROY HILLS  
CURRENT FUND  
SCHEDULE OF 2013 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2014

	Balance Dec 31, 2013	Balance After Modi- fication	Paid or Charged	Balance Lapsed	Over- Expended
Recreation Services:					
Salaries and Wages	\$ 99,760.36	\$ 74,760.36	8,025.29	\$ 66,735.07	
Other Expenses	31,215.97	31,215.97	22,883.28	8,332.69	
Maintenance of Parks:					
Salaries and Wages	99,681.76	75,681.76	59,011.70	16,670.06	
Other Expenses	48,356.69	48,356.69	47,500.08	856.61	
Unclassified Expenditures:					
Electricity	99,687.57	99,687.57	44,554.71	55,132.86	
Street Lighting	78,384.69	78,384.69	58,492.42	19,892.27	
Telephone	16,081.20	26,081.20	19,836.45	6,244.75	
Gas (Natural or Propane)	27,638.95	32,638.95	20,915.23	11,723.72	
Gasoline	265,343.61	70,143.61	65,134.10	5,009.51	
Solid Waste Disposal Costs	472,607.98	272,607.98	233,307.64	39,300.34	
Department of Buildings and Inspections:					
Salaries and Wages	45,221.77	42,221.77	38,809.01	3,412.76	
Other Expenses	24,606.12	25,606.12	23,989.91	1,616.21	
Salary Adjustment	1,000.00	1,000.00		1,000.00	
Retirement Pay	93,811.94	93,811.94	50,000.00	43,811.94	
Contingent	15,000.00	15,000.00		15,000.00	
Contribution to :					
Public Employees' Retirement System	5,000.00	5,000.00		5,000.00	
Social Security System (O.A.S.I)	24,230.62	24,230.62	44,371.32		\$ 20,140.70
DCRP Pension	2,361.66	2,361.66		2,361.66	
Contribution to LOSAP	4,050.00	4,050.00		4,050.00	
	<u>\$ 5,643,161.77</u>	<u>\$ 5,643,161.77</u>	<u>\$ 5,030,992.25</u>	<u>\$ 632,310.22</u>	<u>\$ 20,140.70</u>

Analysis of Balance December 31, 2013

Ref.

Encumbered	A \$ 605,151.27
Unencumbered	A 5,038,010.50
	<u>\$ 5,643,161.77</u>

Analysis of Paid or Charged

Cash Disbursed	\$ 4,780,992.25
Due to Other Trust Funds:	
Reserve for Snow Removal	200,000.00
Reserve for Accumulated Sick and Vacation Compensation	50,000.00
	<u>\$ 5,030,992.25</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS  
CURRENT FUND  
SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE  
YEAR ENDED DECEMBER 31, 2014

	<u>Ref.</u>	
Balance December 31, 2013	A	\$ 10,480,244.00
Increased by:		
Levy - Calendar Year 2014		124,231,081.00
		<u>134,711,325.00</u>
Decreased by:		
Payments to Local School District		<u>131,221,120.00</u>
Balance December 31, 2014	A	<u><u>\$ 3,490,205.00</u></u>

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

Grant	Balance Dec 31, 2013	2014 Realized Revenue	2014 Receipts	Transferred from Unappropriated Reserves	Balance Dec 31, 2014
Clean Communities		\$ 91,782.89		\$ 91,782.89	
Juvenile Accountability Incentive (JAIBG) FY 2013	\$ 5,000.00		\$ 5,000.00		
Recycling Grant		67,441.40		67,441.40	
State of NJ Pedestrian Grant FY 2011	8,000.00				\$ 8,000.00
State of NJ Pedestrian Grant FY 2013	10,200.00		300.00		9,900.00
Hazard Mitigation Grant (FEMA)	290,325.55				290,325.55
County of Morris - Municipal Alliance Grant 2012	11,009.10				11,009.10
County of Morris - Municipal Alliance Grant 2013	19,873.19		19,873.19		
County of Morris - Municipal Alliance Grant 2013 Extension		14,450.50	2,713.23		11,737.27
Click It or Ticket	100.00				100.00
No Net Loss Grant - PF 13-07	39,300.00		39,300.00		
Highlands Initial Assessment	24,057.67				24,057.67
ROID Grant		20,000.00	20,000.00		
Safe Corridors - FY 2013	910.01		910.01		
No Net Loss Grant		54,000.00			54,000.00
	<u>\$ 408,775.52</u>	<u>\$ 247,674.79</u>	<u>\$ 88,096.43</u>	<u>\$ 159,224.29</u>	<u>\$ 409,129.59</u>
	Ref. A				A
Original Budget		\$ 155,891.90			
Added by NJSA 40A:4-87		91,782.89			
		<u>\$ 247,674.79</u>			

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

Grant	Balance Dec 31, 2013	Cash Received	Budget Revenue Realized	Balance Dec 31, 2014
Recycling Tonnage Grant	\$ 67,441.40	\$ 85,203.04	\$ 67,441.40	\$ 85,203.04
Emergency Mgt Assistance	5,000.00			5,000.00
Municipal Alcohol and Rehabilitation		413.56		413.56
Clean Communities Program		91,782.89	91,782.89	
Body Armor Grant		8,766.43		8,766.43
Juvenile Accountability Incentive (JAIBG) FY 2014		5,005.00		5,005.00
	<u>\$ 72,441.40</u>	<u>\$ 191,170.92</u>	<u>\$ 159,224.29</u>	<u>\$ 104,388.03</u>

Ref.

A

A

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

Grant	Balance Dec 31, 2013	Transferred From 2014 Budget Appropriations	Paid or Charged	Balance Dec 31, 2014
Drunk Driving Enforcement Fund - FY 2012	\$ 23,778.74		\$ 22,900.00	\$ 878.74
Clean Communities Program - FY 2012	5,467.18		5,467.18	
Clean Communities Program - FY 2014		\$ 91,782.89	81,704.22	10,078.67
Pedestrian Safety Grant - FY 2013	10,800.00			10,800.00
Tobacco Age of Sale Enforcement - Grant (TASE) 2005	354.00			354.00
Tobacco Age of Sale Enforcement - Grant (TASE) 2009	12.72			12.72
Body Armor Grant - FY 2013	11,458.68		10,810.00	648.68
No Net Loss Grant - PF13-07	21,023.57		21,023.57	
No Net Loss Grant - PF14-07		54,000.00		54,000.00
Tonnage Grant - FY 2005	1,108.00			1,108.00
Tonnage Grant - FY 2006	288.00			288.00
Tonnage Grant - FY 2013	71,495.05		70,472.32	1,022.73
Tonnage Grant - FY 2014		67,441.40	256.90	67,184.50
Hazardous Discharge Site Remediation	3,940.00			3,940.00
State of NJ 9-1-1 Grant - FY 2007	2,279.00			2,279.00
Emergency Assistance FY 2010	527.77			527.77
Emergency Assistance FY 2011	5,000.00			5,000.00
Emergency Assistance FY 2012	5,000.00			5,000.00
Hang Up and Just Drive	200.00			200.00
Click It or Ticket 2013 Seat Belt Mobilization	700.00			700.00
Historical Preservation Trust - Bowsby - DeGelleke	16,000.00			16,000.00
Civil Defense Donation - Radiation Detection	1,401.62			1,401.62

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

Grant	Balance Dec 31, 2013	Transferred From 2014 Budget Appropriations	Paid or Charged	Balance Dec 31, 2014
County of Morris - Municipal Alliance 2011	\$ 1,849.83			\$ 1,849.83
County of Morris - Municipal Alliance 2012	13,348.16		\$ 2,179.46	11,168.70
County of Morris - Municipal Alliance 2013	23,165.73		8,176.24	14,989.49
County of Morris - Municipal Alliance 2014		\$ 14,450.50	14,450.50	
County of Morris - Municipal Alliance Match		8,500.00	6,190.38	2,309.62
Alcohol Education Rehabilitation and Enforcement - 2012	33.93		33.93	
Alcohol Education Rehabilitation and Enforcement - 2013	2,638.73			2,638.73
Highlands Initial Assessment Grant	25,258.57			25,258.57
Juvenile Acct Leadership (JAG) - 2012	234.67			234.67
Storm Regulation	10,310.00			10,310.00
Safe Corridors - 2012 Grant	2,070.39			2,070.39
Safe Corridors - 2013 Grant	910.01			910.01
Donation - Community Partnership	1,000.00		109.97	890.03
Donation - Senior Activities FY 2013	1,000.00			1,000.00
Donation - Volunteer Ambulance	1,500.00			1,500.00
ROID Grant		20,000.00	20,000.00	
	<u>\$ 264,154.35</u>	<u>\$ 256,174.79</u>	<u>\$ 263,774.67</u>	<u>\$ 256,554.47</u>
	Ref. A			A
Grant Funds		\$ 247,674.79		
Matching Share		8,500.00		
		<u>\$ 256,174.79</u>		

TOWNSHIP OF PARSIPPANY-TROY HILLS  
COUNTY OF MORRIS  
2014  
TRUST FUNDS

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

	<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Other Trust Funds</u>
Balance December 31, 2013	B	\$ -0-	\$ 12,705,545.59
Increased by Receipts:			
Animal Control Fees		\$ 33,648.90	
Due to State of New Jersey		4,312.80	
Miscellaneous		18,173.30	
Prepaid Licenses		5,406.00	
Reserve for Donations		1,943.00	
Due from Current Fund - Budget Appropriation		170,000.00	
Special Deposits			\$ 2,450,085.42
Premiums on Tax Sale			672,700.00
Security Deposits			4,888.30
Off Duty Police Deposits			791,960.25
Open Space Trust Fund Deposits and Interest			110,597.58
Worker's Compensation			1,086,265.70
Unemployment Insurance Trust Fund Deposits			301,675.55
Employee Health Benefit Fund Deposits			7,979,339.73
Federal Grants Receivable			218,348.64
Due from Municipal Court			22.00
Due from Water Utility Operating Fund			25,200.00
Due from Sewer Utility Operating Fund			25,200.00
Due from Golf and Recreation Utility Operating Fund			50,300.00
Due from Current Fund:			
Open Space Tax Levy			1,437,200.73
Interest			3,382.00
Interfund		4,348.22	
		<u>237,832.22</u>	<u>15,157,165.90</u>
		237,832.22	27,862,711.49
Decreased by Disbursements:			
Due to State of New Jersey		3,894.20	
Expenditures Under R.S. 4:19-15.11		233,938.02	
Due to Current Fund			313,169.90
Due to General Capital Fund:			
Interfund Returned			1,501,600.00
Municipal Open Space Preservation Trust Fund			188,000.00
Due to Municipal Court			896.00
Off Duty Police			959,034.14
Special Deposits			1,678,337.40
Premiums on Tax Sale			363,000.00
Municipal Open Space Preservation Trust Fund			521,196.33
Worker's Compensation			1,086,265.70
Unemployment Insurance Trust Fund Expenditures			308,689.07
Employee Health Benefit Fund Expenditures			8,202,778.29
Federal Grant Fund Expenditures			218,348.64
		<u>237,832.22</u>	<u>15,341,315.47</u>
Balance December 31, 2014	B	<u>\$ -0-</u>	<u>\$ 12,521,396.02</u>

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

	<u>Ref.</u>	
Balance December 31, 2013	B	\$ 58,062.11
Increased by:		
Animal License Fees Collected		\$ 33,648.90
Late Fees		1,545.30
Replacement Fees		20.00
Miscellaneous Fees		16,608.00
Budget Appropriation		<u>170,000.00</u>
		221,822.20
Municipal Court Fines		<u>525.00</u>
		280,409.31
Decreased by:		
Animal Control Fund Expenditures Under R.S. 4:19-15.11		<u>233,938.02</u>
Balance December 31, 2014	B	<u><u>\$ 46,471.29</u></u>

License Fees Collected

<u>Year</u>	<u>Amount</u>
2012	\$ 36,004.20
2013	<u>35,341.80</u>
Maximum Allowable Reserve	<u><u>\$ 71,346.00</u></u>

TOWNSHIP OF PARSIPPANY-TROY HILLS  
COUNTY OF MORRIS  
2014  
GENERAL CAPITAL FUND

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

	<u>Ref.</u>	
Balance December 31, 2013	C	\$ 2,067,027.63
Increased by Receipts:		
Received from Current Fund Budget Appropriation:		
Capital Improvement Fund	\$ 440,150.00	
Payment of Bond Anticipation Notes	142,000.00	
Due to/from Current Fund;		
Interest Earned	5,351.03	
Interfund Returned	2,450,234.15	
Due from General Trust Fund	1,689,600.00	
New Jersey Department of Transportation Grant Receivable	235,000.00	
Premium on Bond Sale	215,714.64	
Bond Anticipation Notes Issued	<u>20,198,000.00</u>	
		<u>25,376,049.82</u>
		<u>27,443,077.45</u>
Decreased by Disbursements:		
Improvement Authorization Expenditures	7,233,287.91	
Bond Anticipation Notes Matured	16,675,000.00	
Due to Current Fund as Anticipated Revenue:		
Fund Balance	<u>174,587.00</u>	
		<u>24,082,874.91</u>
Balance December 31, 2014	C	<u><u>\$ 3,360,202.54</u></u>

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

	Balance (Deficit) Dec. 31, 2013	Receipts			Disbursements			Transfers		Balance (Deficit) Dec. 31, 2014
		Other	Bond Anticipation Notes	Improvement Authorizations	Other	Bond Anticipation Notes	From		To	
							From	To		
Fund Balance	\$ 175,449.22	\$ 215,714.64			\$ 174,587.00				\$ 216,576.86	
Capital Improvement Fund	7,607.00	440,150.00				\$ 414,000.00			33,757.00	
Due from Current Fund	(2,459,943.32)	2,597,585.18				142,000.00			(4,358.14)	
Due from General Trust Fund	(1,501,600.00)	1,689,600.00				188,000.00				
Deposit For Regional Contribution Agreement	261,420.19								261,420.19	
Federal Emergency Management Agency Grant Receivable							7,220,206.00		(7,220,206.00)	
New Jersey Department of Transportation Grant Receivable		235,000.00					695,000.00		(460,000.00)	
County of Morris Open Space Grant Receivable							1,593,415.50		(1,593,415.50)	
Reserve for Developer Contributions - Road Improvement	79,652.68								79,652.68	
Reserve to Pay Debt Service	7,217.39								7,217.39	
<u>Ord. No.</u>		<u>Improvement Description</u>								
		<u>General Improvements:</u>								
99-24	2,555.00			\$ 2,555.00						
01-16, 02-09	5,659.80			5,659.80		\$ 17,000.00		\$ 17,000.00		
02-23	1,612.50								1,612.50	
03-14	1,375.00								1,375.00	
04-23	137,252.31					22,500.00		22,500.00	137,252.31	
05-07	109,116.78			6,906.66					102,210.12	
06-08	283,741.30			44,664.45					239,076.85	
07-18	78,335.61			49,733.24		55,000.00		55,000.00	28,602.37	
08-13	502,662.98		\$ 298,750.00	21,555.90		346,250.00		47,500.00	481,107.08	
09-24	738,584.17		1,165,750.00	210,518.66		1,165,750.00			528,065.51	
10-13	1,749,534.24		3,840,000.00	399,102.49		3,840,000.00			1,350,431.75	
11-07	1,217,287.35		4,458,910.00	521,480.05		4,458,910.00			695,807.30	
12-24	1,330,924.96		3,877,790.00	1,875,130.83		3,877,790.00		235,000.00	(309,205.87)	
13-14	3,410,359.69		5,891,800.00	1,601,533.38		2,891,800.00		235,000.00	5,043,826.31	
13-31	(4,071,777.22)			531,346.41				8,813,621.50	4,210,497.87	
14-19	Building Improvements		665,000.00	875.00				35,000.00	699,125.00	
14-26	Various Capital Improvements - Renovation of Vail Road							225,000.00	225,000.00	
14-27	Various Capital Improvements				1,962,226.04			567,000.00	(1,395,226.04)	
	<u>\$ 2,067,027.63</u>	<u>\$ 5,178,049.82</u>	<u>\$20,198,000.00</u>	<u>\$ 7,233,287.91</u>	<u>\$ 174,587.00</u>	<u>\$16,675,000.00</u>	<u>\$ 10,252,621.50</u>	<u>\$ 10,252,621.50</u>	<u>\$ 3,360,202.54</u>	

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

Ord. No.	Improvement Description	Balance Dec. 31, 2013	2014 Improvement Authorizations	Notes Paid by Budget Appropriation	Balance Dec. 31, 2014	Analysis of Balance December 31, 2014		
						Financed by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
<u>General Improvements:</u>								
91-27	Regional Contribution Agreement - City of Newark	\$ 453,643.69			\$ 453,643.69			\$ 453,643.69
02-09	Various Capital Improvements	17,000.00		\$ 17,000.00				
04-23	Various Capital Improvements	22,500.00		22,500.00				
07-53	Various Capital Improvements	40,000.00			40,000.00			40,000.00
07-18	Various Capital Improvements	55,000.00		55,000.00				
08-13	Various Capital Improvements	403,250.00		47,500.00	355,750.00	\$ 298,750.00		57,000.00
09-24	Various Capital Improvements	1,222,750.00			1,222,750.00	1,165,750.00		57,000.00
10-13	Various Capital Improvements	3,952,025.00			3,952,025.00	3,840,000.00		112,025.00
11-07	Various Capital Improvements	5,101,160.00			5,101,160.00	4,458,910.00		642,250.00
12-24	Various Capital Improvements	7,307,400.00			7,307,400.00	3,877,790.00	\$ 309,205.87	3,120,404.13
13-14	Various Capital Improvements	9,624,500.00			9,624,500.00	5,891,800.00		3,732,700.00
14-19	Building Improvements		\$ 665,000.00		665,000.00	665,000.00		
14-27	Various Capital Improvements		7,273,000.00		7,273,000.00		1,395,226.04	5,877,773.96
		<u>\$ 28,199,228.69</u>	<u>\$ 7,938,000.00</u>	<u>\$ 142,000.00</u>	<u>\$ 35,995,228.69</u>	<u>\$ 20,198,000.00</u>	<u>\$ 1,704,431.91</u>	<u>\$ 14,092,796.78</u>

Ref.

C

C

Improvement Authorizations - Unfunded	\$ 21,152,894.46
Less: Unexpended Proceeds of Bond Anticipation Notes Issued:	
08-13	\$ (153,527.50)
09-24	(498,815.51)
10-13	(1,350,431.75)
11-07	(695,807.30)
13-14	(3,696,515.62)
14-19	(665,000.00)
	<u>(7,060,097.68)</u>
	<u>\$ 14,092,796.78</u>

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

Ord. No.	Improvement Description	Ordinance		Balance Dec. 31, 2013		2014 Improvement Authorizations					Balance Dec. 31, 2014	
		Date	Amount	Funded	Unfunded	Capital Improvement Fund	Other Sources	Deferred Charges to Future Taxation - Unfunded	Paid or Charged	Funded	Unfunded	
<u>General Improvements:</u>												
91-27	Regional Contribution Agreement - City of Newark	05/14/91	\$ 5,100,000.00		\$ 453,643.69							\$ 453,643.69
99-24	Various Capital Improvements	06/22/99	2,195,350.00	\$ 2,555.00					\$ 2,555.00			
01-16	Various Capital Improvements	05/22/01	7,550,000.00		5,659.80				5,659.80			
02-23	Various Capital Improvements	06/18/02	3,225,875.00	1,612.50							\$ 1,612.50	
03-14	Various Capital Improvements	05/13/03	2,304,150.00	1,375.00							1,375.00	
04-23	Various Capital Improvements	07/20/04	2,895,900.00	114,752.31	22,500.00						137,252.31	
05-07	Various Capital Improvements	05/10/05	4,459,829.00	109,116.78					6,906.66		102,210.12	
06-08	Various Capital Improvements	05/23/06	3,340,000.00	283,741.30	40,000.00				44,664.45		239,076.85	40,000.00
07-18	Various Capital Improvements	07/24/07	3,901,000.00	78,335.61					49,733.24		28,602.37	
08-13	Various Capital Improvements	05/13/08	3,918,233.00	339,215.48	220,447.50				21,555.90		327,579.58	210,527.50
09-24	Various Capital Improvements	06/16/09	5,617,000.00	199,726.37	595,857.80				210,518.66		29,250.00	555,815.51
10-13	Various Capital Improvements	07/20/10	5,974,500.00	199,128.07	1,662,431.17				399,102.49			1,462,456.75
11-07	Various Capital Improvements	06/21/11	5,256,800.00		1,859,537.35				521,480.05			1,338,057.30
12-24	Various Capital Improvements	06/19/12	7,927,000.00	7,400.00	4,988,134.96				1,875,130.83			3,120,404.13
13-14	Various Capital Improvements	06/19/13	11,733,700.00	1,575,147.68	8,802,912.01				1,601,533.38		1,347,310.69	7,429,215.62
13-31	Acquisition by Purchase and/or Elevation of Properties	12/20/13	9,626,941.00		4,741,844.28				531,346.41		4,210,497.87	
14-19	Building Improvements	07/08/14	700,000.00			\$ 35,000.00		\$ 665,000.00	875.00		34,125.00	665,000.00
14-26	Various Capital Improvements - Renovation of Vail Road	08/21/14	225,000.00				\$ 225,000.00				225,000.00	
14-27	Various Capital Improvements	08/21/14	7,840,000.00			379,000.00		7,273,000.00	1,962,226.04			5,877,773.96
				<u>\$ 2,912,106.10</u>	<u>\$23,392,968.56</u>	<u>\$ 414,000.00</u>	<u>\$ 413,000.00</u>	<u>\$ 7,938,000.00</u>	<u>\$ 7,233,287.91</u>	<u>\$ 6,683,892.29</u>	<u>\$21,152,894.46</u>	
		<u>Ref.</u>	<u>C</u>	<u>C</u>						<u>C</u>	<u>C</u>	
						NJ Department of Transportation Grant	\$ 225,000.00					
						Open Space Trust Fund	188,000.00					
							<u>\$ 413,000.00</u>					

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

	<u>Ref.</u>	
Balance December 31, 2013	C	\$ 7,607.00
Increased by:		
Budget Appropriations		<u>440,150.00</u>
		447,757.00
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>414,000.00</u>
Balance December 31, 2014	C	<u><u>\$ 33,757.00</u></u>

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

Ord. No.	Improvement Description	Date of			Interest Rate	Balance		Matured	Balance	
		Original Issue	Issue	Maturity		Dec. 31, 2013	Issued		Dec. 31, 2014	
01-16/02-09	Various Capital Improvements	10/04/12	10/01/13	10/01/14	1.25%	\$ 17,000.00		\$ 17,000.00		
04-23	Various Capital Improvements	10/04/12	10/01/13	10/01/14	1.25%	22,500.00		22,500.00		
07-18	Various Capital Improvements	10/04/12	10/01/13	10/01/14	1.25%	55,000.00		55,000.00		
08-13	Various Capital Improvements	10/04/12	10/01/13 09/25/14	10/01/14 09/25/15	1.25% 1.25%	346,250.00	\$ 298,750.00	346,250.00		\$ 298,750.00
09-24	Various Capital Improvements	10/04/12	10/01/13 09/25/14	10/01/14 09/25/15	1.25% 1.25%	1,165,750.00	1,165,750.00	1,165,750.00		1,165,750.00
10-13	Various Capital Improvements	10/04/12	10/01/13 09/25/14	10/01/14 09/25/15	1.25% 1.25%	3,840,000.00	3,840,000.00	3,840,000.00		3,840,000.00
11-07	Various Capital Improvements	10/04/12 10/01/13 10/04/12 10/01/13	10/01/13 10/01/13 09/25/14 09/25/14	10/01/14 10/01/14 09/25/15 09/25/15	1.25% 1.25% 1.25% 1.25%	4,215,710.00 243,200.00	4,215,710.00 243,200.00	4,215,710.00 243,200.00		4,215,710.00 243,200.00
12-24	Various Capital Improvements	10/04/12 10/01/13 10/04/12 10/01/13	10/01/13 10/01/13 09/25/14 09/25/14	10/01/14 10/01/14 09/25/15 09/25/15	1.25% 1.25% 1.25% 1.25%	2,687,790.00 1,190,000.00	2,687,790.00 1,190,000.00	2,687,790.00 1,190,000.00		2,687,790.00 1,190,000.00
13-14	Various Capital Improvements	10/01/13	10/01/13 09/25/14	10/01/14 09/25/15	1.25% 1.25%	2,891,800.00	5,891,800.00	2,891,800.00		5,891,800.00
14-19	Acquisition of Property and Preliminary Costs Associated with The Renovation of an Existing Building	09/25/14	09/25/14	09/25/15	1.25%		665,000.00			665,000.00
						<u>\$ 16,675,000.00</u>	<u>\$ 20,198,000.00</u>	<u>\$ 16,675,000.00</u>	<u>\$ 20,198,000.00</u>	
						<u>Ref.</u>	C			C
							\$ 3,665,000.00			
							16,533,000.00	\$ 16,533,000.00		
								142,000.00		
							<u>\$ 20,198,000.00</u>	<u>\$ 16,675,000.00</u>		

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2013	Matured	Balance Dec. 31, 2014
			Outstanding Dec.31, 2014 Date	Amount				
General Improvements	7/1/2008	\$ 17,000,000.00	7/1/2015	\$ 1,550,000.00	3.75%	\$ 10,350,000.00	\$ 1,500,000.00	\$ 8,850,000.00
			7/1/2016	1,600,000.00	3.75%			
			7/1/2017	1,700,000.00	3.75%			
			7/1/18-19	2,000,000.00	4.00%			
General Improvements	10/26/2010	14,425,000.00	11/1/15-16	1,150,000.00	2.00%	11,500,000.00	1,150,000.00	10,350,000.00
			11/1/2017	1,150,000.00	2.25%			
			11/1/2018	1,150,000.00	2.50%			
			11/1/2019	1,150,000.00	2.75%			
			11/1/20-23	1,150,000.00	3.00%			
Tax Appeal	10/26/2010	1,325,000.00	11/1/15	265,000.00	2.00%	530,000.00	265,000.00	265,000.00
						<u>\$ 22,380,000.00</u>	<u>\$ 2,915,000.00</u>	<u>\$ 19,465,000.00</u>
<u>Ref.</u>						C		C



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

Purpose	Ord. No.	Original Issue	Maturities of Loans Outstanding Dec.31, 2014		Interest Rate	Balance Dec. 31, 2013	Matured	Balance Dec. 31, 2014
			Date	Amount				
Acquisition of Land	91-65	\$ 1,500,000.00	4/12/15	\$ 45,265.79	2.00%	\$ 226,351.39	\$ 89,191.50	\$ 137,159.89
			10/12/15	45,718.46				
			4/12/16	46,175.64				
Acquisition of Land	93-35	664,482.00	5/19/15	19,657.10	2.00%	<u>139,003.20</u>	<u>38,732.24</u>	<u>100,270.96</u>
			11/19/15	19,853.67				
			5/19/16	20,052.20				
			11/19/16	20,252.73				
			5/19/17	20,455.26				
					<u>\$ 365,354.59</u>	<u>\$ 127,923.74</u>	<u>\$ 237,430.85</u>	
					<u>Ref.</u>	<u>C</u>	<u>C</u>	

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

Ord. No.	Improvement Description	Balance Dec. 31, 2013	2014 Improvement Authorizations	Bond Anticipation Notes Issued	Balance Dec. 31, 2014
91-27	Regional Contribution Agreement - City of Newark	\$ 453,643.69			\$ 453,643.69
06-08	Various Capital Improvements	40,000.00			40,000.00
08-13	Various Capital Improvements	57,000.00			57,000.00
09-24	Various Capital Improvements	57,000.00			57,000.00
10-13	Various Capital Improvements	112,025.00			112,025.00
11-07	Various Capital Improvements	642,250.00			642,250.00
12-24	Various Capital Improvements	3,429,610.00			3,429,610.00
13-14	Various Capital Improvements	6,732,700.00		\$ 3,000,000.00	3,732,700.00
14-19	Building Improvements		\$ 665,000.00	665,000.00	
14-27	Various Capital Improvements		7,273,000.00		7,273,000.00
		<u>\$ 11,524,228.69</u>	<u>\$ 7,938,000.00</u>	<u>\$ 665,000.00</u>	<u>\$ 15,797,228.69</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS  
COUNTY OF MORRIS  
2014  
WATER UTILITY FUND

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

	Ref.	Operating	Capital
Balance December 31, 2013	D	\$ 4,875,041.24	\$ 1,420,351.62
Increased by Receipts:			
Consumer Accounts Receivable		\$ 7,796,999.50	
Capital Fund Balance		23,557.00	
Water Rent Overpayments		18,382.62	
Interest on Investments		15,964.21	
Miscellaneous Revenue		116,247.10	
Due from Water Utility Operating Fund			\$ 647,871.22
Due from Current Fund		1,590,584.44	
Received from Water Utility Operating Fund Budget Appropriation:			
Capital Improvement Fund			880,000.00
Premium on Sale of Bond Anticipation Notes			24,030.00
Bond Anticipation Notes Issued			2,250,000.00
		9,561,734.87	3,801,901.22
		14,436,776.11	5,222,252.84
Decreased by Disbursements:			
2014 Appropriation Expenditures		6,616,871.82	
2013 Appropriation Reserves		649,364.21	
Accrued Interest on Bonds		162,335.00	
Accrued Interest on Loans		6,400.00	
Accrued Interest on Notes		28,125.00	
Refund of Prior Year Revenue		896.19	
Due to Current Fund			258,657.51
Due to Water Utility Capital Fund		647,871.22	
Due to General Trust Fund		25,200.00	
Received from Water Utility Operating Fund Budget Appropriation:			
Capital Fund Balance			23,557.00
Bond Anticipation Notes Matured			2,250,000.00
Improvement Authorizations			1,018,030.00
		8,137,063.44	3,550,244.51
Balance December 31, 2014	D	\$ 6,299,712.67	\$ 1,672,008.33

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

	Balance (Deficit) Dec. 31, 2013	Receipts			Disbursements			Transfers		Balance Dec. 31, 2014		
		Bond Anti- icipation Notes	Budget Appropriation	Miscel- laneous	Bond Anti- icipation Notes	Improvement Authori- zations	Miscel- laneous	Budget Appropriation	From		To	
Fund Balance	\$ 88,808.77			\$ 24,030.00			\$ 23,557.00			\$ 89,281.77		
Due from Water Utility Operating Fund	(647,871.22)			647,871.22								
Due to Current Fund	258,657.51					\$ 258,657.51						
Capital Improvement Fund	14,498.22		\$ 880,000.00					\$ 880,000.00		14,498.22		
Reserve to Pay Debt Service	204,438.21									204,438.21		
<u>Ord. No.</u>												
		<u>General Improvements</u>										
03-15	Acquisition of Equipment	4,547.29				\$ 4,547.29						
05-08	Improvements to Water Utility System	920.00				920.00						
06-15	Acquisition of a Remote Meter Reading System	17,600.19				464.62				17,135.57		
08-14	Various Major Information Technology and Telecommunications Equipment	14,688.37				14,688.37						
09-25	Improvements to Water Utility System	29,848.19				13,888.92				15,959.27		
10-14	Improvements to Water Utility System	49,497.31	\$ 101,750.00		\$ 101,750.00	48,099.56				1,397.75		
11-08	Improvements to Water Utility System	72,515.26	523,250.00		523,250.00	42,982.50				29,532.76		
12-25	Improvements to Water Utility System	163,777.50	675,000.00		675,000.00	120,840.00				42,937.50		
13-11	Improvements to Water Utility System	1,148,426.02	950,000.00		950,000.00	771,598.74				376,827.28		
14-25	Improvements to Water Utility System								\$ 880,000.00	880,000.00		
		<u>\$1,420,351.62</u>	<u>\$ 2,250,000.00</u>	<u>\$ 880,000.00</u>	<u>\$ 671,901.22</u>	<u>\$ 2,250,000.00</u>	<u>\$ 1,018,030.00</u>	<u>\$ 258,657.51</u>	<u>\$ 23,557.00</u>	<u>\$ 880,000.00</u>	<u>\$ 880,000.00</u>	<u>\$ 1,672,008.33</u>

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

	<u>Ref.</u>	
Balance December 31, 2013	D	\$ 202,684.31
Increased by:		
Water Rents Levied		7,823,534.30
		<hr/> 8,026,218.61
Decreased by:		
Collections:		
Water Collections	\$ 7,796,999.50	
Overpayments Applied	15,443.33	
		<hr/> 7,812,442.83
Balance December 31, 2014	D	<hr/> <hr/> \$ 213,775.78

WATER UTILITY OPERATING FUND  
SCHEDULE OF WATER UTILITY LIENS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2013	D	\$ 252.57
Balance December 31, 2014	D	<hr/> <hr/> \$ 252.57

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

	<u>Ref.</u>	
Balance December 31, 2013	D	\$ 88,874.00
Net Inventory Increase		<u>38,536.00</u>
Balance December 31, 2014	D	<u>\$ 127,410.00</u>

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

	Balance Dec. 31, 2013	Additions by Ordinance	Balance Dec. 31, 2014
Organization	\$ 1,769.20		\$ 1,769.20
Reservation Land	2,653.66		2,653.66
Other Sources - Supply Land	109.76		109.76
Pumping System Land	54,322.42		54,322.42
Storage Reservoir Land	717.00		717.00
Other Distribution System Land	1,720.00		1,720.00
Miscellaneous Land	1,590.00		1,590.00
Wells	908,299.00		908,299.00
Pumping Station Structures	343,457.98		343,457.98
Electric Pumping Equipment	47,817.03		47,817.03
Diesel Power Pumping Equipment	13,263.45		13,263.45
Transmission Mains	75,935.26		75,935.26
Storage Reservoirs	557,680.19		557,680.19
Distribution Mains	737,619.75		737,619.75
Service Pipes	21,814.48		21,814.48
Meters	567,817.53		567,817.53
Fire Hydrants	116,661.59		116,661.59
General Equipment	1,581,670.19		1,581,670.19
Engineering and Superintendence	47,248.53		47,248.53
Legal Expenditures During Construction	8,054.14		8,054.14
Damage During Construction	15,000.00		15,000.00
Interest During Construction	13,971.95		13,971.95
Ditching and Grading Machines	47,482.90		47,482.90
Burroughs Bookkeeping Machine	3,735.67		3,735.67
Grawdall Shovel	30,795.00		30,795.00
Backhoe and Shovel	39,863.00		39,863.00
Office Equipment	16,358.00		16,358.00
Miscellaneous Equipment	316,632.09	\$ 150,000.00	466,632.09
Trucks and Automobiles	418,570.65		418,570.65
Vehicles and Equipment	678,000.00		678,000.00
Main Extensions	958,249.07		958,249.07
Communication Equipment	52,089.00		52,089.00
Compressors	5,400.00		5,400.00
Tractor Mower	1,759.00		1,759.00
Phillips Bookkeeping Machine and Related Costs	60,498.45		60,498.45
Improvement of Water Supply and Distribution System	22,011,177.16	1,580,000.00	23,591,177.16
Meter Reader System	2,526,000.00		2,526,000.00
Issuance Costs - Various	572,645.00		572,645.00
Various Major Information Technology and Telecommunications Equipment		60,000.00	60,000.00
	<u>\$ 32,858,448.10</u>	<u>\$ 1,790,000.00</u>	<u>\$ 34,648,448.10</u>
	D		D

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

Improvement Description	Ord. No.	Balance Dec.31, 2013	2014 Authorizations Capital Improvement Fund	Costs to Fixed Capital	Balance Dec.31, 2014
Acquisition of Equipment	03-15	\$ 150,000.00		\$ 150,000.00	
Improvements to Water Utility System	05-08	1,580,000.00		1,580,000.00	
Acquisition of a Remote Meter Reading System	06-15	80,000.00			\$ 80,000.00
Various Major Information Technology and Telecommunications Equipment	08-14	60,000.00		60,000.00	
Improvements to Water Utility System	09-25	990,000.00			990,000.00
Improvements to Water Utility System	10-14	265,000.00			265,000.00
Improvements to Water Utility System	11-08	595,000.00			595,000.00
Improvements to Water Utility System	12-25	725,000.00			725,000.00
Improvements to Water Utility System	13-11	1,600,000.00			1,600,000.00
Improvements to Water Utility System	14-25		\$ 880,000.00		880,000.00
		<u>\$ 6,045,000.00</u>	<u>\$ 880,000.00</u>	<u>\$ 1,790,000.00</u>	<u>\$ 5,135,000.00</u>

Ref.

D

D

TOWNSHIP OF PARSIPPANY-TROY HILLS  
WATER UTILITY OPERATING FUND  
SCHEDULE OF 2013 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2014

	Balance Dec. 31, 2013	Balance After Modification	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	\$ 57,259.22	\$ 82,259.22	\$ 82,259.22	
Other Expenses	786,738.88	761,738.88	562,684.65	\$ 199,054.23
Statutory Expenditures:				
Contribution to:				
Social Security (O.A.S.I.)	36,886.33	36,886.33	4,420.34	32,465.99
	\$ 880,884.43	\$ 880,884.43	\$ 649,364.21	\$ 231,520.22

Analysis of Balance December 31, 2013

	<u>Ref.</u>		
Unencumbered	D	\$ 703,525.32	
Encumbered	D	177,359.11	
		\$ 880,884.43	

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

Ord. No.	Improvement Description	Ordinance		Balance Dec. 31, 2013		2014 Authorizations	Paid or Charged	Balance Dec. 31, 2014	
		Date	Amount	Funded	Unfunded	Capital Improvement Fund		Funded	Unfunded
03-15	Acquisition of Equipment	05/13/03	\$ 150,000.00	\$ 4,547.29			\$ 4,547.29		
05-08	Improvements to Water Utility System	05/10/05	1,580,000.00	920.00			920.00		
06-15	Acquisition of a Remote Meter Reading System	06/20/06	80,000.00	17,600.19			464.62	\$ 17,135.57	
08-14	Various Major Information Technology and Telecommunications Equipment	05/13/08	60,000.00	14,688.37			14,688.37		
09-25	Improvements to Water Utility System	06/16/09	990,000.00	29,848.19			13,888.92	15,959.27	
10-14	Improvements to Water Utility System	07/20/10	265,000.00		\$ 49,497.31		48,099.56		\$ 1,397.75
11-08	Improvements to Water Utility System	06/21/11	595,000.00		114,515.26		42,982.50		71,532.76
12-25	Improvements to Water Utility System	06/19/12	725,000.00		177,527.50		120,840.00		56,687.50
13-11	Improvements to Water Utility System	06/19/13	1,600,000.00	198,426.02	950,000.00		771,598.74		376,827.28
14-25	Improvements to Water Utility System	08/21/14	880,000.00			\$ 880,000.00		880,000.00	
				<u>\$ 266,030.06</u>	<u>\$ 1,291,540.07</u>	<u>\$ 880,000.00</u>	<u>\$ 1,018,030.00</u>	<u>\$ 913,094.84</u>	<u>\$ 506,445.29</u>
		<u>Ref.</u>		D	D			D	D

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

	<u>Ref.</u>	
Balance December 31, 2013	D	\$ 14,498.22
Increased by:		
Water Operating Fund Budget Appropriation		<u>880,000.00</u>
		894,498.22
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>880,000.00</u>
Balance December 31, 2014	D	<u><u>\$ 14,498.22</u></u>

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

	<u>Ref.</u>	
Balance December 31, 2013	D	\$ 29,608,626.45
Increased by:		
Water Utility Operating Budget:		
Serial Bonds		\$ 783,000.00
Payment of Infrastructure Loans		28,785.81
Transfer from Deferred Reserve for Amortization		<u>1,084,250.00</u>
		<u>1,896,035.81</u>
Balance December 31, 2014	D	<u><u>\$ 31,504,662.26</u></u>

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

Ord. No.	Improvement Description	Date of Ordinance	Balance Dec. 31, 2013	2014 Authorizations	Amortization Fixed Capital	Balance Dec. 31, 2014
03-15	Acquisition of Equipment	05/13/03	\$ 31,250.00		\$ 31,250.00	
05-08	Improvements to Water Utility System	05/10/05	1,050,000.00		1,050,000.00	
06-15	Acquisition of a Remote Meter Reading System	06/20/06	80,000.00			\$ 80,000.00
08-14	Various Major Information Technology and Telecommunications Equipment	05/13/08	3,000.00		3,000.00	
09-25	Improvements to Water Utility System	06/16/09	49,500.00			49,500.00
10-14	Improvements to Water Utility System	07/20/10	13,250.00			13,250.00
11-08	Improvements to Water Utility System	06/21/11	29,750.00			29,750.00
12-25	Improvements to Water Utility System	06/19/12	36,250.00			36,250.00
13-11	Improvements to Water Utility System	06/19/13	650,000.00			650,000.00
14-25	Improvements to Water Utility System	08/21/14		\$ 880,000.00		880,000.00
			<u>\$ 1,943,000.00</u>	<u>\$ 880,000.00</u>	<u>\$ 1,084,250.00</u>	<u>\$ 1,738,750.00</u>
	<u>Ref.</u>		D			D

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

Ord. No.	Improvement Description	Date of			Interest Rate	Balance	Issued	Matured	Balance
		Original Issue	Issue	Maturity		Dec. 31, 2013			Dec. 31, 2014
10-14	Improvements to Water Utility System	10/04/12	10/01/13	10/01/14	1.25%	\$ 101,750.00		\$ 101,750.00	
		10/04/12	09/25/14	09/25/15	1.25%		\$ 101,750.00		\$ 101,750.00
11-08	Improvements to Water Utility System	10/04/12	10/01/13	10/01/14	1.25%	423,250.00		423,250.00	
		10/04/12	09/25/14	09/25/15	1.25%		423,250.00		423,250.00
		10/01/13	10/01/13	10/01/14	1.25%	100,000.00		100,000.00	
		10/01/13	09/25/14	09/25/15	1.25%		100,000.00		100,000.00
12-25	Improvements to Water Utility System	10/04/12	10/01/13	10/01/14	1.25%	675,000.00		675,000.00	
		10/04/12	09/25/14	09/25/15	1.25%		675,000.00		675,000.00
13-11	Improvements to Water Utility System	10/01/13	10/01/13	10/01/14	1.25%	950,000.00		950,000.00	
		10/01/13	09/25/14	09/25/15	1.25%		950,000.00		950,000.00
						<u>\$ 2,250,000.00</u>	<u>\$ 2,250,000.00</u>	<u>\$ 2,250,000.00</u>	<u>\$ 2,250,000.00</u>
					<u>Ref.</u>	D			D

TOWNSHIP OF PARSIPPANY-TROY HILLS  
WATER UTILITY FUND  
SCHEDULE OF SERIAL BONDS PAYABLE  
YEAR ENDED DECEMBER 31, 2014

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2013	Matured	Balance Dec. 31, 2014
			Date	Amount				
Water Improvements	7/1/2008	\$ 1,700,000.00	7/1/2015	\$ 200,000.00	3.75%			
			7/1/2016	200,000.00	3.75%			
			7/1/2017	200,000.00	3.75%			
			7/1/2018	200,000.00	4.00%			
			7/1/2019	200,000.00	4.00%	\$ 1,200,000.00	\$ 200,000.00	\$ 1,000,000.00
Water Improvements	10/26/2010	1,988,000.00	11/1/2015	165,000.00	2.00%			
			11/1/2016	165,000.00	2.00%			
			11/1/2017	175,000.00	2.25%			
			11/1/2018	175,000.00	2.50%			
			11/1/2019	175,000.00	2.75%			
			11/1/2020	175,000.00	3.00%			
			11/1/2021	175,000.00	3.00%			
			11/1/2022	175,000.00	3.00%			
			11/1/2023	175,000.00	3.00%			
								<u>1,708,000.00</u>
					<u>\$ 2,908,000.00</u>	<u>\$ 353,000.00</u>	<u>\$ 2,555,000.00</u>	
					D		D	

Ref.

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TOWNSHIP OF PARSIPPANY-TROY HILLS  
WATER UTILITY FUND  
SCHEDULE OF REFUNDING BONDS PAYABLE  
YEAR ENDED DECEMBER 31, 2014

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2013	Matured	Balance Dec. 31, 2014
			December 31, 2014					
			Date	Amount				
Water Improvements	4/28/2009	\$ 1,630,000.00	12/1/2015	\$ 185,000.00	4.00%	\$ 745,000.00	\$ 180,000.00	\$ 565,000.00
			12/1/2016	190,000.00	2.88%			
			12/1/2017	190,000.00	4.13%			
Water Improvements	5/4/2010	1,524,000.00	10/1/2015	170,000.00	3.00%	915,000.00	215,000.00	700,000.00
			10/1/2015	55,000.00	4.00%			
			10/1/2016	55,000.00	3.00%			
			10/1/2016	30,000.00	4.00%			
			10/1/2016	150,000.00	5.00%			
			10/1/2017	10,000.00	3.00%			
			10/1/2017	230,000.00	5.00%			
Water Improvements	5/15/2012	245,000.00	7/15/2015	35,000.00	3.00%	245,000.00	35,000.00	210,000.00
			7/15/2016	35,000.00	4.00%			
			7/15/2017	35,000.00	4.00%			
			7/15/2018	35,000.00	3.00%			
			7/15/2019	35,000.00	5.00%			
			7/15/2020	35,000.00	4.00%			
						<u>\$ 1,905,000.00</u>	<u>\$ 430,000.00</u>	<u>\$ 1,475,000.00</u>

Ref.

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

	<u>Ref.</u>	
Balance December 31, 2013	D	\$ 233,071.65
Less: 2014 Payment of Principal		28,785.81
Balance December 31, 2014	D	\$ 204,285.84

Schedule of Principal and Interest Payments Outstanding December 31, 2014  
Trust Loan - 2001 Issue

<u>Due Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Loan Balance</u>
			\$ 115,000.00
2/1/2015	\$ 2,825.00		
8/1/2015	2,825.00	\$ 15,000.00	100,000.00
2/1/2016	2,450.00		
8/1/2016	2,450.00	15,000.00	85,000.00
2/1/2017	2,075.00		
8/1/2017	2,075.00	15,000.00	70,000.00
2/1/2018	1,700.00		
8/1/2018	1,700.00	15,000.00	55,000.00
2/1/2019	1,325.00		
8/1/2019	1,325.00	15,000.00	40,000.00
2/1/2020	950.00		
8/1/2020	950.00	20,000.00	20,000.00
2/1/2021	475.00		
8/1/2021	475.00	20,000.00	
	\$ 23,600.00	\$ 115,000.00	

Schedule of Principal and Interest Payments Outstanding December 31, 2014  
Fund Loan - 2001 Issue

<u>Due Date</u>	<u>Principal</u>	<u>Loan Balance</u>
		\$ 89,285.84
2/1/2015	\$ 1,819.85	87,465.99
8/1/2015	11,482.81	75,983.18
2/1/2016	1,578.28	74,404.90
8/1/2016	11,241.24	63,163.66
2/1/2017	1,336.70	61,826.96
8/1/2017	10,999.66	50,827.30
2/1/2018	1,095.13	49,732.17
8/1/2018	10,758.09	38,974.08
2/1/2019	853.56	38,120.52
8/1/2019	10,516.51	27,604.01
2/1/2020	611.98	26,992.03
8/1/2020	13,495.93	13,496.10
2/1/2021	305.99	13,190.11
8/1/2021	13,190.11	
	\$ 89,285.84	

TOWNSHIP OF PARSIPPANY-TROY HILLS  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED  
YEAR ENDED DECEMBER 31, 2014

Ord. No.	Improvement Description	Balance Dec.31, 2013	Balance Dec.31, 2014
11-08	Improvements to Water Utility System	\$ 42,000.00	\$ 42,000.00
12-25	Improvements to Water Utility System	13,750.00	13,750.00
		<u>\$ 55,750.00</u>	<u>\$ 55,750.00</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS  
COUNTY OF MORRIS  
2014  
SEWER UTILITY FUND

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

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2013	E	\$ 12,628,582.39	\$ 11,404,489.81
Increased by Receipts:			
Sewer Rents and Septage Removal Receivable		\$ 14,461,842.70	
Miscellaneous Revenue		109,228.96	
Interest Earned on Investments		47,824.80	
Capacity/Connection Fees		144,145.22	
Sewer Utility Capital Fund - Fund Balance		110,196.00	
NJEIT Loans Receivable			\$ 263,993.00
Due to/from:			
Sewer Utility Operating Fund			1,057,907.45
Current Fund		1,299,558.15	597,118.83
Sewer Rent Overpayments		45,753.46	
Received from Sewer Utility Operating Fund Budget Appropriation:			
Bond Anticipation Notes Payable			98,000.00
Capital Improvement Fund			2,000,000.00
Premium on Note Sale			146,871.36
Bond Anticipation Notes Issued			13,752,000.00
		<u>16,218,549.29</u>	<u>17,915,890.64</u>
		28,847,131.68	29,320,380.45
Decreased by Disbursements:			
2014 Appropriation Expenditures		12,314,188.43	
2013 Appropriation Reserves		1,171,532.24	
Interest on Loans		244,814.80	
Interest on Bonds		212,516.00	
Interest on Notes		131,562.49	
Due to/from:			
Current Fund		155,000.00	
Sewer Utility Capital Fund		1,057,907.45	
Sewer Utility Operating Fund - Fund Balance			
Utilized as Anticipated Revenue			110,196.00
General Trust Fund		25,200.00	
Refund of Prior Year Revenue		762.69	
Bond Anticipation Notes Matured			10,525,000.00
Improvement Authorization Expenditures			1,818,624.79
		<u>15,313,484.10</u>	<u>12,453,820.79</u>
Balance December 31, 2014	E	<u>\$ 13,533,647.58</u>	<u>\$ 16,866,559.66</u>

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

	Balance (Deficit) Dec. 31, 2013	Receipts		Disbursements			Transfers		Balance (Deficit) Dec. 31, 2014	
		Miscel- laneous	Budget Appropriation	Bond Anti- icipation Notes	Improvement Authori- zations	Bond Anti- icipation Notes	Budget Appropriation	From		To
Sewer Capital Fund Balance	\$ 255,560.53	\$ 146,871.36				\$ 110,196.00			\$ 292,235.89	
Due Sewer Utility Operating Fund	(1,057,907.45)	1,057,907.45	\$ 98,000.00				\$ 98,000.00			
Capital Improvement Fund	1,023,750.00		2,000,000.00				2,000,000.00		1,023,750.00	
Due Current Fund	(597,118.83)	597,118.83								
NJEIT Loan Receivable		263,993.00					1,859,461.00		(1,595,468.00)	
Improvement Authorizations:										
Ord.										
No.	General Improvements									
07-20	Various Major Information Technology and Telecommunications Equipment	1,171.90				\$ 6,500.00		\$ 6,500.00	1,171.90	
08-15a	Various Sewer Utility Improvements and Equipment Acquisitions	704,257.33			\$ 74,861.91	47,500.00		49,232.00	631,127.42	
08-15b	Various Major Information Technology and Telecommunications Equipment	65.18							65.18	
09-26	Various Sewer Utility Improvements	(105,870.60)		\$ 496,000.00	193,912.82	540,000.00		44,000.00	(299,783.42)	
09-28	Improvements and Upgrades to the Township's Waste Water Treatment Plant	1,665,206.36				606,093.11		1,857,729.00	2,916,842.25	
10-15	Various Sewer Utility Improvements	533,391.82		1,825,000.00	319,471.24	1,825,000.00			213,920.58	
11-09	Various Sewer Utility Improvements	2,000,000.00		1,900,000.00		1,900,000.00			2,000,000.00	
12-26	Various Sewer Utility Improvements	5,906,983.57		6,206,000.00	624,130.93	6,206,000.00			5,282,852.64	
13-24	Various Sewer Utility Improvements	1,075,000.00		3,325,000.00	154.78				4,399,845.22	
14-24	Various Sewer Utility Improvements							2,000,000.00	2,000,000.00	
	<u>\$ 11,404,489.81</u>	<u>\$ 2,065,890.64</u>	<u>\$ 2,098,000.00</u>	<u>\$ 13,752,000.00</u>	<u>\$ 1,818,624.79</u>	<u>\$ 10,525,000.00</u>	<u>\$ 110,196.00</u>	<u>\$ 3,957,461.00</u>	<u>\$ 3,957,461.00</u>	<u>\$ 16,866,559.66</u>

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

	Balance Dec.31, 2013	2014 Billings	Cash Receipts	Overpayments Applied	Balance Dec.31, 2014
Sewer Rents:					
Residential and Industrial	\$ 208,735.08	\$ 10,344,387.71	\$ 10,288,251.11	\$ 51,919.39	\$ 212,952.29
Municipalities:					
Township of East Hanover	605,001.86	1,706,444.24	1,280,009.64		1,031,436.46
Township of Montville		1,906,249.42	1,690,983.78		215,265.64
Borough of Mountain Lakes	91,034.30	388,810.08	396,849.68		82,994.70
Township of Denville		78,302.03	71,776.86		6,525.17
	<u>904,771.24</u>	<u>14,424,193.48</u>	<u>13,727,871.07</u>	<u>51,919.39</u>	<u>1,549,174.26</u>
Septage Removal	<u>167,070.66</u>	<u>647,883.38</u>	<u>733,971.63</u>	<u>3,093.08</u>	<u>77,889.33</u>
	<u>\$ 1,071,841.90</u>	<u>\$ 15,072,076.86</u>	<u>\$ 14,461,842.70</u>	<u>\$ 55,012.47</u>	<u>\$ 1,627,063.59</u>

Ref.

E

E

Realized Revenue

Cash Collections	\$ 14,461,842.70
Overpayments Applied	55,012.47
	<u>\$ 14,516,855.17</u>

Analysis of Realized Revenue

Sewer Rents	\$ 13,779,790.46
Septage Removal	737,064.71
	<u>\$ 14,516,855.17</u>

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

	<u>Ref.</u>		
Balance December 31, 2013	E	\$	721.81
Balance December 31, 2014	E	\$	<u>721.81</u>

SEWER UTILITY OPERATING FUND  
SCHEDULE OF INVENTORY

	<u>Ref.</u>		
Balance December 31, 2013	E	\$	131,904.30
Net Inventory Decrease			<u>35,689.34</u>
Balance December 31, 2014	E	\$	<u>96,214.96</u>

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

	Balance Dec.31, 2013	Balance Dec.31, 2014
Sanitary Sewer Facilities	\$ 133,110,188.85	\$ 133,110,188.85
Equipment	1,100,405.00	1,100,405.00
Moving Equipment	208,719.84	208,719.84
Office Equipment	2,784.12	2,784.12
Maintenance Equipment	28,361.31	28,361.31
Communication Equipment	106,798.58	106,798.58
Automotive Equipment	50,539.44	50,539.44
Vehicles	140,000.00	140,000.00
Outflow Line	19,462.30	19,462.30
Issuance Costs - Various	1,892,465.00	1,892,465.00
	<u>\$ 136,659,724.44</u>	<u>\$ 136,659,724.44</u>
<u>Ref.</u>	E	E

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

Improvement Description	Ord. No.	Balance Dec.31, 2013	2014 Authorizations		Balance Dec.31, 2014
			Deferred Charges to Future Revenue	Capital Improvement Fund	
Various Major Information Technology and Telecommunications Equipment	07-20	\$ 50,000.00			\$ 50,000.00
Various Sewer Utility Improvements and Equipment Acquisitions	08-15a	3,130,000.00			3,130,000.00
Various Major Information Technology and Telecommunications Equipment	08-15b	50,000.00			50,000.00
Various Sewer Utility Improvements	09-26	1,900,000.00			1,900,000.00
Improvements and Upgrades to the Township's Waste Water Treatment Plant	09-28	33,200,000.00			33,200,000.00
Various Sewer Utility Improvements	10-15	1,925,000.00			1,925,000.00
Various Sewer Utility Improvements	11-09	2,000,000.00			2,000,000.00
Various Sewer Utility Improvements	12-26	6,635,000.00			6,635,000.00
Various Sewer Utility Improvements	13-24	4,400,000.00			4,400,000.00
Various Sewer Utility Improvements	14-24		\$ 1,152,653.00	\$ 2,000,000.00	3,152,653.00
		<u>\$ 53,290,000.00</u>	<u>\$ 1,152,653.00</u>	<u>\$ 2,000,000.00</u>	<u>\$ 56,442,653.00</u>
	<u>Ref.</u>	E			E

TOWNSHIP OF PARSIPPANY-TROY HILLS  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF 2013 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2014

	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Balance After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 331,338.01	\$ 331,338.01	\$ 330,411.85	\$ 926.16
Other Expenses	1,150,946.18	1,150,946.18	1,029,594.66	121,351.52
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	<u>73,707.29</u>	<u>73,707.29</u>	<u>73,525.73</u>	<u>181.56</u>
	<u>\$ 1,555,991.48</u>	<u>\$ 1,555,991.48</u>	<u>\$ 1,433,532.24</u>	<u>\$ 122,459.24</u>

Analysis of Balance December 31, 2013

	<u>Ref.</u>	
Unencumbered	E	\$ 1,385,916.35
Encumbered	E	<u>170,075.13</u>
		<u>\$ 1,555,991.48</u>

Analysis of Paid or Charged

Cash Disbursed	\$ 1,171,532.24
Due to Other Trust Funds:	
Reserve for Accumulated Sick and Vacation Compensation	<u>262,000.00</u>
	<u>\$ 1,433,532.24</u>

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

Ord. No.	Improvement Description	Ordinance		Balance December 31, 2013		2014 Authorizations		Balance December 31, 2014		
		Date	Amount	Funded	Unfunded	Capital Improvement Fund	Deferred Charges to Future Revenue	Paid or Charged	Funded	Unfunded
07-20	Various Major Information Technology and Telecommunications Equipment	07/24/17	\$ 50,000.00		\$ 42,286.90				\$ 1,171.90	\$ 41,115.00
08-15a	Various Sewer Utility Improvements and Equipment Acquisitions	05/13/08	3,130,000.00	\$ 704,257.33	1,732.00			\$ 74,861.91	631,127.42	
08-15b	Various Major Information Technology and Telecommunications Equipment	05/13/08	50,000.00		65.18				65.18	
09-26	Various Sewer Utility Improvements	06/16/09	1,900,000.00		194,129.40			193,912.82		216.58
09-28	Improvements and Upgrades to the Township's Waste Water Treatment Plant	06/16/09	33,200,000.00	1,665,206.36	9,869,519.00			606,093.11	2,916,842.25	8,011,790.00
10-15	Various Sewer Utility Improvements	07/20/10	1,925,000.00		537,141.82			319,471.24		217,670.58
11-09	Various Sewer Utility Improvements	06/21/11	2,000,000.00	100,000.00	1,900,000.00				100,000.00	1,900,000.00
12-26	Various Sewer Utility Improvements	06/19/12	6,635,000.00		6,004,233.57			624,130.93		5,380,102.64
13-24	Various Sewer Utility Improvements	09/18/13	4,400,000.00	1,075,000.00	3,325,000.00			154.78	1,074,845.22	3,325,000.00
14-24	Various Sewer Utility Improvements	08/21/14	3,152,653.00			\$ 2,000,000.00	\$ 1,152,653.00		2,000,000.00	1,152,653.00
				<u>\$ 3,544,463.69</u>	<u>\$ 21,874,107.87</u>	<u>\$ 2,000,000.00</u>	<u>\$ 1,152,653.00</u>	<u>\$ 1,818,624.79</u>	<u>\$ 6,724,051.97</u>	<u>\$ 20,028,547.80</u>
		<u>Ref.</u>		E	E				E	E

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

	<u>Ref.</u>	
Balance December 31, 2013	E	\$ 1,023,750.00
Increased by:		
Sewer Operating Fund Budget Appropriation		<u>2,000,000.00</u>
		3,023,750.00
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>2,000,000.00</u>
Balance December 31, 2014	E	<u><u>\$ 1,023,750.00</u></u>

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

Ord. No.	Improvement Description	Date of Ordinance	Balance Dec. 31, 2013	2014 Authorizations	Loan Paydowns	Balance Dec. 31, 2014
07-20	Various Major Information Technology and Telecommunications Equipment	07/24/17	\$ 2,385.00			\$ 2,385.00
08-15a	Various Sewer Utility Improvements and Equipment Acquisitions	05/13/08	637,460.99		\$ 8,583.93	646,044.92
08-15b	Various Major Information Technology and Telecommunications Equipment	05/13/08	2,500.00			2,500.00
09-26	Various Sewer Utility Improvements	06/16/09	250,445.00			250,445.00
09-28	Improvements and Upgrades to the Township's Waste Water Treatment Plant	06/16/19	8,271,700.12		957,281.85	9,228,981.97
10-15	Various Sewer Utility Improvements	07/20/10	96,250.00			96,250.00
11-09	Various Sewer Utility Improvements	06/21/11	100,000.00			100,000.00
12-26	Various Sewer Utility Improvements	06/19/12	331,750.00			331,750.00
13-24	Various Sewer Utility Improvements	09/18/13	1,075,000.00			1,075,000.00
14-24	Various Sewer Utility Improvements	08/21/14		\$ 2,000,000.00		2,000,000.00
			<u>\$ 10,767,491.11</u>	<u>\$ 2,000,000.00</u>	<u>\$ 965,865.78</u>	<u>\$ 13,733,356.89</u>

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E

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

Ord. No.	Improvement Description	Date of			Interest Rate	Balance Dec. 31, 2013	Issued	Matured	Balance Dec. 31, 2014
		Original Issue	Issue	Maturity					
07-20	Various Major Information Technology and Telecommunications Equipment	10/04/12	10/01/13	10/01/14	1.25%	\$ 6,500.00		\$ 6,500.00	
08-15	Multi Purpose	10/04/12	10/01/13	10/01/14	1.25%	47,500.00		47,500.00	
09-26	Various Sewer Utility Improvements	10/04/12	10/01/13	10/01/14	1.25%	540,000.00		540,000.00	
		10/04/12	09/25/14	09/25/15	1.25%		\$ 496,000.00		\$ 496,000.00
10-15	Various Sewer Utility Improvements	10/04/12	10/01/13	10/01/14	1.25%	1,400,000.00		1,400,000.00	
		10/04/12	09/25/14	09/25/15	1.25%		1,400,000.00		1,400,000.00
		10/01/13	10/01/13	10/01/14	1.25%	425,000.00		425,000.00	
		10/01/13	09/25/14	09/25/15	1.25%		425,000.00		425,000.00
11-09	Various Sewer Utility Improvements	10/04/12	10/01/13	10/01/14	1.25%	1,900,000.00		1,900,000.00	
		10/04/12	09/25/14	09/25/15	1.25%		1,900,000.00		1,900,000.00
12-26	Various Sewer Utility Improvements	10/04/12	10/01/13	10/01/14	1.25%	4,606,000.00		4,606,000.00	
		10/04/12	09/25/14	09/25/15	1.25%		4,606,000.00		4,606,000.00
		10/01/13	10/01/13	10/01/14	1.25%	1,600,000.00		1,600,000.00	
		10/01/13	09/25/14	09/25/15	1.25%		1,600,000.00		1,600,000.00
13-24	Various Sewer Utility Improvements	09/25/14	09/25/14	09/25/15	1.25%		3,325,000.00		3,325,000.00
						<u>\$ 10,525,000.00</u>	<u>\$ 13,752,000.00</u>	<u>\$ 10,525,000.00</u>	<u>\$ 13,752,000.00</u>
						Ref.	E		E
							\$ 3,325,000.00		
							10,427,000.00	\$ 10,427,000.00	
								98,000.00	
						<u>\$ 13,752,000.00</u>	<u>\$ 10,525,000.00</u>		



TOWNSHIP OF PARSIPPANY-TROY HILLS  
SEWER UTILITY FUND  
SCHEDULE OF REFUNDING BONDS PAYABLE  
YEAR ENDED DECEMBER 31, 2014

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2013	Matured	Balance Dec. 31, 2014
			Date	Amount				
Sanitary Sewer Collection System	4/28/2009	\$ 2,871,000.00	12/1/2015	\$ 325,000.00	4.00%	\$1,300,000.00	\$ 315,000.00	\$ 985,000.00
			12/1/2016	330,000.00	2.875%			
			12/1/2017	330,000.00	4.125%			
Sewer Improvements	5/4/2010	1,374,000.00	10/1/2015	150,000.00	3.00%	825,000.00	195,000.00	630,000.00
			10/1/2015	50,000.00	4.00%			
			10/1/2016	50,000.00	3.00%			
			10/1/2016	25,000.00	4.00%			
			10/1/2016	135,000.00	5.00%			
			10/1/2017	5,000.00	3.00%			
			10/1/2017	215,000.00	5.00%			
Sewer Improvements	5/15/2012	680,000.00	7/15/2015	90,000.00	3.00%	675,000.00	85,000.00	590,000.00
			7/15/2016	90,000.00	4.00%			
			7/15/2017	95,000.00	4.00%			
			7/15/2018	100,000.00	3.00%			
			7/15/2019	105,000.00	5.00%			
			7/15/2020	110,000.00	4.00%			
						<u>675,000.00</u>	<u>85,000.00</u>	<u>590,000.00</u>
						<u>\$2,800,000.00</u>	<u>\$ 595,000.00</u>	<u>\$2,205,000.00</u>

Ref.

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

	<u>Ref.</u>	
Balance December 31, 2013	E	\$ 144,858.51
Less: 2014 Payment of Principal		<u>8,583.93</u>
Balance December 31, 2014	E	<u>\$ 136,274.58</u>

Schedule of Principal and Interest Payments Outstanding December 31, 2014  
Trust Loan - February 2010 Issue

<u>Due Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Loan Balance</u>
			\$ 37,216.55
2/1/2015	\$ 630.79		
8/1/2015	630.79	\$ 2,010.78	35,205.77
2/1/2016	611.29		
8/1/2016	611.29	2,049.78	33,155.99
2/1/2017	587.92		
8/1/2017	587.92	2,096.52	31,059.47
2/1/2018	560.98		
8/1/2018	560.98	2,150.40	28,909.07
2/1/2019	531.41		
8/1/2019	531.41	2,209.54	26,699.53
2/1/2020	498.82		
8/1/2020	498.82	2,274.72	24,424.81
2/1/2021	463.11		
8/1/2021	463.11	2,346.14	22,078.67
2/1/2022	424.75		
8/1/2022	424.75	2,422.86	19,655.81
2/1/2023	382.84		
8/1/2023	382.84	2,506.69	17,149.12
2/1/2024	337.72		
8/1/2024	337.72	2,596.93	14,552.19
2/1/2025	289.80		
8/1/2025	289.80	2,692.76	11,859.43
2/1/2026	238.77		
8/1/2026	238.77	2,794.82	9,064.61
2/1/2027	184.42		
8/1/2027	184.42	2,903.54	6,161.07
2/1/2028	126.63		
8/1/2028	126.63	3,019.10	3,141.97
2/1/2029	65.20		
8/1/2029	65.20	3,141.97	
	<u>\$ 11,868.90</u>	<u>\$ 37,216.55</u>	

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

Schedule of Principal and Interest Payments Outstanding December 31, 2014  
Trust Loan - February 2010 Issue

<u>Due Date</u>	<u>Principal</u>	<u>Loan Balance</u>
		\$ 99,058.03
2/1/2015	\$ 2,201.28	96,856.75
8/1/2015	4,402.57	92,454.18
2/1/2016	2,201.28	90,252.90
8/1/2016	4,402.57	85,850.33
2/1/2017	2,201.28	83,649.05
8/1/2017	4,402.57	79,246.48
2/1/2018	2,201.28	77,045.20
8/1/2018	4,402.57	72,642.63
2/1/2019	2,201.28	70,441.35
8/1/2019	4,402.57	66,038.78
2/1/2020	2,201.28	63,837.50
8/1/2020	4,402.57	59,434.93
2/1/2021	2,201.28	57,233.65
8/1/2021	4,402.57	52,831.08
2/1/2022	2,201.28	50,629.80
8/1/2022	4,402.57	46,227.23
2/1/2023	2,201.28	44,025.95
8/1/2023	4,402.57	39,623.38
2/1/2024	2,201.28	37,422.10
8/1/2024	4,402.57	33,019.53
2/1/2025	2,201.28	30,818.25
8/1/2025	4,402.57	26,415.68
2/1/2026	2,201.28	24,214.40
8/1/2026	4,402.57	19,811.83
2/1/2027	2,201.28	17,610.55
8/1/2027	4,402.57	13,207.98
2/1/2028	2,201.28	11,006.70
8/1/2028	4,402.57	6,604.13
2/1/2029	2,201.28	4,402.85
8/1/2029	4,402.85	
	<u>\$ 99,058.03</u>	

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

	<u>Ref.</u>	
Balance December 31, 2013	E	\$ 16,916,509.88
Less: 2014 Payment of Principal		957,281.85
Balance December 31, 2014	E	\$ 15,959,228.03

Schedule of Principal and Interest Payments Outstanding December 31, 2014  
Trust Loan - March 2010 Issue

<u>Due Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Loan Balance</u>
			\$ 5,275,000.00
2/1/2015	\$ 109,875.00		
8/1/2015	109,875.00	\$ 255,000.00	5,020,000.00
2/1/2016	103,500.00		
8/1/2016	103,500.00	270,000.00	4,750,000.00
2/1/2017	96,750.00		
8/1/2017	96,750.00	280,000.00	4,470,000.00
2/1/2018	89,750.00		
8/1/2018	89,750.00	295,000.00	4,175,000.00
2/1/2019	82,375.00		
8/1/2019	82,375.00	310,000.00	3,865,000.00
2/1/2020	76,175.00		
8/1/2020	76,175.00	320,000.00	3,545,000.00
2/1/2021	68,175.00		
8/1/2021	68,175.00	340,000.00	3,205,000.00
2/1/2022	63,075.00		
8/1/2022	63,075.00	350,000.00	2,855,000.00
2/1/2023	56,075.00		
8/1/2023	56,075.00	365,000.00	2,490,000.00
2/1/2024	48,775.00		
8/1/2024	48,775.00	375,000.00	2,115,000.00
2/1/2025	41,275.00		
8/1/2025	41,275.00	390,000.00	1,725,000.00
2/1/2026	33,475.00		
8/1/2026	33,475.00	410,000.00	1,315,000.00
2/1/2027	26,300.00		
8/1/2027	26,300.00	420,000.00	895,000.00
2/1/2028	17,900.00		
8/1/2028	17,900.00	440,000.00	455,000.00
2/1/2029	9,100.00		
8/1/2029	9,100.00	455,000.00	
	\$ 1,845,150.00	\$ 5,275,000.00	

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

Schedule of Principal and Interest Payments Outstanding December 31, 2014  
Trust Loan - March 2010 Issue

<u>Due Date</u>	<u>Principal</u>	<u>Loan Balance</u>
		\$ 10,684,228.03
2/1/2015	\$ 237,427.28	10,446,800.75
8/1/2015	474,854.57	9,971,946.18
2/1/2016	237,427.28	9,734,518.90
8/1/2016	474,854.57	9,259,664.33
2/1/2017	237,427.28	9,022,237.05
8/1/2017	474,854.57	8,547,382.48
2/1/2018	237,427.28	8,309,955.20
8/1/2018	474,854.57	7,835,100.63
2/1/2019	237,427.28	7,597,673.35
8/1/2019	474,854.57	7,122,818.78
2/1/2020	237,427.28	6,885,391.50
8/1/2020	474,854.57	6,410,536.93
2/1/2021	237,427.28	6,173,109.65
8/1/2021	474,854.57	5,698,255.08
2/1/2022	237,427.28	5,460,827.80
8/1/2022	474,854.57	4,985,973.23
2/1/2023	237,427.28	4,748,545.95
8/1/2023	474,854.57	4,273,691.38
2/1/2024	237,427.28	4,036,264.10
8/1/2024	474,854.57	3,561,409.53
2/1/2025	237,427.28	3,323,982.25
8/1/2025	474,854.57	2,849,127.68
2/1/2026	237,427.28	2,611,700.40
8/1/2026	474,854.57	2,136,845.83
2/1/2027	237,427.28	1,899,418.55
8/1/2027	474,854.57	1,424,563.98
2/1/2028	237,427.28	1,187,136.70
8/1/2028	474,854.57	712,282.13
2/1/2029	237,427.28	474,854.85
8/1/2029	474,854.85	
	<u>\$ 10,684,228.03</u>	

TOWNSHIP OF PARSIPPANY-TROY HILLS  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED  
YEAR ENDED DECEMBER 31, 2014

Ord. No.	Improvement Description	Balance Dec.31, 2013	2014 Authorizations	Bond Anticipation Notes Issued	Balance Dec.31, 2014
07-20	Various Major Information Technology and Telecommunications Equipment	\$ 41,115.00			\$ 41,115.00
09-26	Improvements to Sewer Utility System	300,000.00			300,000.00
09-28	Improvements to the Township's Waste Water Treatment Plant	8,011,790.00			8,011,790.00
10-15	Improvements to Sewer Utility System	3,750.00			3,750.00
12-26	Improvements to Sewer Utility System	97,250.00			97,250.00
13-24	Improvements to Sewer Utility System	3,325,000.00		\$ 3,325,000.00	
14-24	Various Sewer Utility Improvements		\$ 1,152,653.00		1,152,653.00
		<u>\$ 11,778,905.00</u>	<u>\$ 1,152,653.00</u>	<u>\$ 3,325,000.00</u>	<u>\$ 9,606,558.00</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS  
COUNTY OF MORRIS  
2014  
GOLF AND RECREATION UTILITY FUND

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

	<u>Ref.</u>	<u>Operating</u>		<u>Capital</u>
Balance December 31, 2013	F	\$ 918,170.12		\$ 415,484.69
Increased by Receipts:				
Consumer Accounts Receivable		\$ 3,014,872.66		
Room Rentals		15,770.00		
Interest on Investments		10,852.49		
Concessions:				
Utilities		21,467.39		
Rent		660,000.00		
Prepaid Revenue		1,500.00		
Membership Overpayments		1,573.49		
Due to Current Fund		63,515.34		
Due from Golf and Recreation Utility Capital Fund		5,758.00		
Miscellaneous Revenue		971.75		
Due from Golf and Recreation Utility Operating Fund			\$ 11,877.12	
Sales Tax Payable		37,510.20		
Received from Golf and Recreation Utility Operating Fund Budget Appropriation:				
Capital Improvement Fund			3,250.00	
Bond Anticipation Notes Payable			5,500.00	
Premium on Sale of Notes			8,351.76	
Bond Anticipation Notes Issued			782,000.00	
		<u>3,833,791.32</u>		<u>810,978.88</u>
		4,751,961.44		1,226,463.57
Decreased by Disbursements:				
2014 Appropriation Expenditures		3,362,146.45		
2013 Appropriation Reserves		281,468.88		
Interest on Bonds		53,661.50		
Interest on Notes		6,875.00		
Sales Tax Payable		37,510.20		
Due to Current Fund			23,035.51	
Due to Other Trust Funds		50,300.00		
Due to Golf and Recreation Utility Capital Fund		11,877.12		
Due to Golf and Recreation Utility Operating Fund - Fund Balance				
Utilized as Anticipated Revenue			5,758.00	
Bond Anticipation Notes Matured			550,000.00	
Improvement Authorizations			152,379.95	
		<u>3,803,839.15</u>		<u>731,173.46</u>
Balance December 31, 2014	F	<u>\$ 948,122.29</u>		<u>\$ 495,290.11</u>

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

	Balance (Deficit) Dec. 31, 2013	Receipts			Disbursements			Transfers		Balance (Deficit) Dec. 31, 2014	
		Bond Anti- cipation Notes	Budget Appropriation	Miscel- laneous	Bond Anti- cipation Notes	Improvement Authori- zations	Miscel- laneous	Budget Appropriation	From		To
Fund Balance	\$ 42,476.94			\$ 8,351.76			\$ 5,758.00			\$ 45,070.70	
Capital Improvement Fund	28,343.05		\$ 3,250.00							31,593.05	
Due to Current Fund	23,035.51					\$ 23,035.51					
Due from Golf and Recreation Operating Fund	(11,877.12)			17,377.12				\$ 5,500.00			
<u>Ord. No.</u>											
		<u>General Improvements</u>									
07-21	Various Improvements and Equipment	526.79								526.79	
08-16	Various Improvements and Equipment	75,500.06	\$ 50,000.00		\$ 50,000.00	\$ 75,500.06					
09-27	Various Improvements and Equipment	24,000.00	22,000.00		27,500.00	44,000.00			\$ 5,500.00	(20,000.00)	
10-16	Various Improvements and Equipment	61,651.00	151,750.00		151,750.00	15,771.84				45,879.16	
11-10	Golf Course and Recreation Utility Improvements	88,154.00	192,500.00		192,500.00	13,088.89				75,065.11	
12-27	Golf Course and Recreation Utility Improvements	71,174.46	128,250.00		128,250.00	4,019.16				67,155.30	
13-12	Golf Course and Recreation Utility Improvements	12,500.00	237,500.00							250,000.00	
		<u>\$ 415,484.69</u>	<u>\$ 782,000.00</u>	<u>\$ 3,250.00</u>	<u>\$ 550,000.00</u>	<u>\$ 152,379.95</u>	<u>\$ 23,035.51</u>	<u>\$ 5,758.00</u>	<u>\$ 5,500.00</u>	<u>\$ 5,500.00</u>	<u>\$ 495,290.11</u>

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

	<u>Ref.</u>	
Balance December 31, 2013	F	\$ 59,727.92
Increased by:		
Revenue:		
Membership Fees		\$ 733,978.00
Other Fees		1,720,984.70
Cart Rentals		549,138.00
		3,004,100.70
		3,063,828.62
Decreased by:		
Collections:		
Collections		3,014,872.66
Prepaid Revenue Applied		1,500.00
Overpayments Applied		1,953.08
		3,018,325.74
Balance December 31, 2014	F	\$ 45,502.88

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

	Balance Dec. 31, 2013	Additions by Ordinance	Balance Dec. 31, 2014
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	\$ 401,000.00	2,613,760.66
Reconstruction of the Knoll Country Club West	2,465,000.00		2,465,000.00
Construction of the West Tee House	210,000.00		210,000.00
Acquisition of Furniture and Equipment	152,638.16		152,638.16
Acquisition of Vehicles	95,450.00		95,450.00
Acquisition of Equipment	941,867.00		941,867.00
Acquisition of Various Vehicles and Equipment	655,936.70		655,936.70
Supplemental Appropriation for the Construction of the Tee House	26,500.00		26,500.00
Acquisition of Property Known as Knoll Country Club	5,000,000.00		5,000,000.00
Reconstruction of the West Course Main Building	7,150,000.00		7,150,000.00
Installation of Sewer Lines to all Knoll Buildings	401,000.00		401,000.00
Issuance Cost	186,451.50		186,451.50
	<u>\$ 23,852,276.61</u>	<u>\$ 401,000.00</u>	<u>\$ 24,253,276.61</u>
	F		F

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

<u>Improvement Description</u>	<u>Ord. No.</u>	<u>Balance Dec.31, 2013</u>	<u>Costs to Fixed Capital</u>	<u>Balance Dec.31, 2014</u>
Various Improvements and Equipment	07-21	\$ 1,160,000.00		\$ 1,160,000.00
Various Improvements and Equipment	08-16	250,000.00	\$ 250,000.00	
Various Improvements and Equipment	09-27	151,000.00	151,000.00	
Various Improvements and Equipment	10-16	300,000.00		300,000.00
Golf Course and Recreation Utility Improvements	11-10	202,677.00		202,677.00
Golf Course and Recreation Utility Improvements	12-27	135,000.00		135,000.00
Golf Course and Recreation Utility Improvements	13-12	250,000.00		250,000.00
		<u>\$ 2,448,677.00</u>	<u>\$ 401,000.00</u>	<u>\$ 2,047,677.00</u>
<u>Ref.</u>		F		F

TOWNSHIP OF PARSIPPANY-TROY HILLS  
GOLF AND RECREATION UTILITY OPERATING FUND  
SCHEDULE OF 2013 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2014

	Balance Dec. 31, 2013	Balance After Modification	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	\$ 90,657.47	\$ 90,657.47	\$ 55,623.23	\$ 35,034.24
Other Expenses	299,498.33	299,498.33	222,990.03	76,508.30
Statutory Expenditures:				
Contribution to:				
Social Security (O.A.S.I.)	32,808.95	32,808.95	2,855.62	29,953.33
	\$ 422,964.75	\$ 422,964.75	\$ 281,468.88	\$ 141,495.87

Analysis of Balance December 31, 2013

	<u>Ref.</u>		
Unencumbered	F	\$	400,219.87
Encumbered	F		22,744.88
		\$	422,964.75

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

Ord. No.	Improvement Description	Ordinance		Balance Dec. 31, 2013		Paid or Charged	Balance Dec. 31, 2014	
		Date	Amount	Funded	Unfunded		Funded	Unfunded
07-21	Various Improvements and Equipment	07/24/07	\$ 1,160,000.00	\$ 526.79			\$ 526.79	
08-16	Various Improvements and Equipment	05/13/18	250,000.00	25,500.06	\$ 50,000.00	\$ 75,500.06		
09-27	Various Improvements and Equipment	06/16/09	151,000.00		44,000.00	44,000.00		
10-16	Various Improvements and Equipment	07/20/10	300,000.00		194,901.00	15,771.84		\$ 179,129.16
11-10	Golf Course and Recreation Utility Improvements	06/21/11	202,677.00		88,197.00	13,088.89		75,108.11
12-27	Golf Course and Recreation Utility Improvements	06/19/12	135,000.00		71,174.46	4,019.16		67,155.30
13-12	Golf Course and Recreation Utility Improvements	06/19/13	250,000.00	12,500.00	237,500.00		12,500.00	237,500.00
				<u>\$ 38,526.85</u>	<u>\$ 685,772.46</u>	<u>\$ 152,379.95</u>	<u>\$ 13,026.79</u>	<u>\$ 558,892.57</u>
			<u>Ref.</u>	F	F		F	F

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

	<u>Ref.</u>	
Balance December 31, 2013	F	\$ 28,343.05
Increased by:		
Golf and Recreation Utility Operating Fund Budget Appropriation		<u>3,250.00</u>
Balance December 31, 2014	F	<u>\$ 31,593.05</u>

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

	<u>Ref.</u>	
Balance December 31, 2013	F	\$ 23,429,526.61
Increased by:		
Golf and Recreation Utility Operating Budget:		
Serial Bonds		190,700.00
Bond Anticipation Notes Payable		5,500.00
Transfer from Deferred Reserve for Amortization		20,050.00
		20,050.00
Balance December 31, 2014	F	\$ 23,645,776.61

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

Ord. No.	Improvement Description	Date of Ordinance	Balance Dec. 31, 2013	Amortization Fixed Capital	Balance Dec. 31, 2014
07-21	Various Improvements and Equipment	07/24/07	\$ 257,500.00		\$ 257,500.00
08-16	Various Improvements and Equipment	05/13/18	12,500.00	\$ 12,500.00	
09-27	Various Improvements and Equipment	06/16/09	7,550.00	7,550.00	
10-16	Various Improvements and Equipment	07/20/10	15,000.00		15,000.00
11-10	Golf Course and Recreation Utility Improvements	06/21/11	10,134.00		10,134.00
12-27	Golf Course and Recreation Utility Improvements	06/19/12	6,750.00		6,750.00
13-12	Golf Course and Recreation Utility Improvements	06/19/13	12,500.00		12,500.00
			<u>\$ 321,934.00</u>	<u>\$ 20,050.00</u>	<u>\$ 301,884.00</u>
		<u>Ref.</u>	F		F

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

Ord. No.	Improvement Description	Date of			Interest Rate	Balance Dec. 31, 2013	Issued	Matured	Balance Dec. 31, 2014
		Original Issue	Issue	Maturity					
08-16	Various Improvements and Equipment	10/01/13	10/01/13	10/01/14	1.25%	\$ 50,000.00		\$ 50,000.00	
		10/01/13	09/25/14	09/25/15	1.25%		\$ 50,000.00		\$ 50,000.00
09-27	Various Improvements and Equipment	10/04/12	10/01/13	10/01/14	1.25%	7,500.00		7,500.00	
		10/04/12	09/25/14	09/25/15	1.25%		2,000.00		2,000.00
		10/01/13	10/01/13	10/01/14	1.25%	20,000.00		20,000.00	
		10/01/13	09/25/14	09/25/15	1.25%		20,000.00		20,000.00
10-16	Various Improvements and Equipment	10/04/12	10/01/13	10/01/14	1.25%	121,500.00		121,500.00	
		10/04/12	09/25/14	09/25/15	1.25%		121,500.00		121,500.00
		10/01/13	10/01/13	10/01/14	1.25%	30,250.00		30,250.00	
		10/01/13	09/25/14	09/25/15	1.25%		30,250.00		30,250.00
11-10	Golf Course and Recreation Utility Improvements	10/04/12	10/01/13	10/01/14	1.25%	192,500.00		192,500.00	
		10/04/12	09/25/14	09/25/15	1.25%		192,500.00		192,500.00
12-27	Golf Course and Recreation Utility Improvements	10/04/12	10/01/13	10/01/14	1.25%	128,250.00		128,250.00	
		10/04/12	09/25/14	09/25/15	1.25%		128,250.00		128,250.00
13-12	Golf Course and Recreation Utility Improvements	09/25/14	09/25/14	09/25/15	1.25%		237,500.00		237,500.00
						<u>\$ 550,000.00</u>	<u>\$ 782,000.00</u>	<u>\$ 550,000.00</u>	<u>\$ 782,000.00</u>
						Ref.	F		F
							\$ 237,500.00		
							544,500.00	\$ 544,500.00	
								5,500.00	
							<u>\$ 782,000.00</u>	<u>\$ 550,000.00</u>	



TOWNSHIP OF PARSIPPANY-TROY HILLS  
GOLF AND RECREATION UTILITY CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED  
YEAR ENDED DECEMBER 31, 2014

Ord. No.	Improvement Description	Balance Dec.31, 2013	Bond Anticipation Notes Issued	Balance Dec.31, 2014
09-27	Various Improvements and Equipment	\$ 20,000.00		\$ 20,000.00
10-16	Various Improvements and Equipment	133,250.00		133,250.00
11-10	Golf Course and Recreation Utility Improvements	43.00		43.00
13-12	Golf Course and Recreation Utility Improvements	<u>237,500.00</u>	<u>\$ 237,500.00</u>	
		<u>\$ 390,793.00</u>	<u>\$ 237,500.00</u>	<u>\$ 153,293.00</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS  
COUNTY OF MORRIS  
2014  
PUBLIC ASSISTANCE FUND

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

	<u>Ref.</u>	
Balance December 31, 2013	G	\$ 15,641.13
Increased by Receipts:		
Reserve for Public Assistance Trust Fund Expenditures	\$ 17,380.00	
Interest on Investments	40.20	
		<u>17,420.20</u>
		33,061.33
Decreased by Disbursements:		
Reserve for Public Assistance Trust Fund Expenditures	13,315.60	
Due to Current Fund	40.50	
		<u>13,356.10</u>
Balance December 31, 2014	G	<u>\$ 19,705.23</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2014

TOWNSHIP OF PARSIPPANY-TROY HILLS  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 YEAR ENDED DECEMBER 31, 2014

Name of Federal Agency or Department	Name of Program	C.F.D.A. Account Number	Project Number or State Account Number	Grant Period		Grant Award Amount	Amount Received	Amount of Expenditures	Cumulative Expenditures	
				From	To					
U.S. Department of Housing and Urban Development: (Passed through Morris County Office of Community Development)	Community Development Block Grant-									
	Housing Rehabilitation	14.218	B12-MC34-0113	07/01/12	06/30/14	\$ 169,437.00	\$ 52,454.47	\$ 52,454.47	\$ 169,437.00	
	Housing Rehabilitation	14.218	B13-MC34-0113	07/01/13	06/30/15	174,798.00	70,396.22	70,396.22	70,396.22	
	Housing Rehabilitation	14.218	B14-MC34-0113	07/01/14	06/30/15	154,120.00				
	Program Administration	14.218	B13-MC34-0113	07/01/13	06/30/14	38,000.00	19,501.11	19,501.11	38,000.00	
	Program Administration	14.218	B14-MC34-0113	07/01/14	06/30/15	38,000.00	16,694.95	16,694.95	16,694.95	
	Curbing, Drainage and Paving Improvements on Manito Avenue, Pawnee Avenue and portion of Carlson Place	14.218	B11-MC34-0113	07/01/11	06/30/14	60,000.00	53,750.00	53,750.00	60,000.00	
	Littleton Schoolhouse on Route 202 Restoration and Rehabilitation	14.218	B10-MC34-0113	07/01/10	06/30/15	25,000.00	5,551.89	5,551.89	23,687.14	
Total U.S. Department of Housing and Urban Development								218,348.64	218,348.64	378,215.31
U.S. Department of Justice: (Passed through New Jersey Department of Law and Public Safety)	Juvenile Accountability Incentive Block Grant									
	JAIBG (2013)	16.523	100-066-1500-121-6010	01/01/13	12/31/15	5,000.00	5,000.00			
	JAIBG (2014)	16.523	100-066-1500-121-6010	01/01/14	12/31/15	5,005.00	5,005.00			
Total U.S. Department of Justice								10,005.00		
Environmental Protection Agency: (Passed through New Jersey Department of Environmental Protection)	NJ Environmental Infrastructure Trust Loan: Improvements to Waste Water Treatment Plant (Ordinance #09-28)	66.458	042-4860-711-002	01/01/09	12/31/15	14,008,210.00		212,132.59	13,091,654.93	
Total Environmental Protection Agency									212,132.59	13,091,654.93
U.S. Department of Homeland Security (Passed through New Jersey Department of Law and Public Safety)	Hazard Mitigation Grant (Ordinance #13-31)	97.039	N/A	01/01/12	12/31/15	7,220,206.00		531,346.41	4,893,449.18	
Total U.S. Department of Homeland Security									531,346.41	4,893,449.18
U.S. Department of Transportation: (Passed through New Jersey Department of Transportation)	Municipal Aid - Waterview Boulevard	20.205	078-6320-480-XXX	01/01/12	12/31/14	235,000.00	235,000.00		235,000.00	
Total U.S. Department of Transportation								235,000.00		235,000.00
TOTAL FEDERAL AWARDS								\$ 463,353.64	\$ 961,827.64	\$ 5,128,449.18

N/A - Not Applicable/Available

TOWNSHIP OF PARSIPPANY-TROY HILLS  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
YEAR ENDED DECEMBER 31, 2014

Name of State Agency or Department	Name of Program	Name of Project	Grant I.D. No.	Grant Period		Grant Award Amount	Amount Received	Amount of Expenditures	Cumulative Expenditures	
				From	To					
Department of Health & Senior Services	Municipal Alcohol Education, Rehabilitation Program	Alcohol Education Rehabilitation Program	760-098-Y900 001-X100-6020	01/01/12	12/31/14	\$ 1,510.97		\$ 33.93	\$ 1,510.97	
				01/01/14	12/31/15	413.56	\$ 413.56	33.93	1,510.97	
	Passed- Through County of Morris: Municipal Alliance	Municipal Alliance Program	100-082-001-044	01/01/12	12/31/15	28,901.00		2,179.46	22,821.02	
				01/01/13	12/31/15	28,901.00	19,873.19	8,176.24	18,852.69	
				01/01/14	12/31/15	22,950.50		20,640.88	20,640.88	
						19,873.19	30,996.58	62,314.59		
	Handicapped Person's Recreational Opportunities Act	Handicapped Person's Recreational Opportunities Act	100-200-8050-035-6120	01/01/14	12/31/14	20,000.00	20,000.00	20,000.00	20,000.00	
	Total Department of Health & Senior Services							40,286.75	51,030.51	90,118.84
	Department of Law and Public Safety	Pedestrian Safety Education and Enforcement Grant	Pedestrian Safety Education and Enforcement Grant	066-1160-100-131	01/01/13	12/31/15	25,000.00	300.00		14,200.00
		Drunk Driving Enforcement Fund	Drunk Driving Enforcement Fund	100-078-6400-260-YYYY	01/01/12	12/31/15	24,900.21		22,900.00	24,021.47
Highway Safety - Safe Corridors Grant		Highway Safety - Safe Corridors Grant	100-078-6100-051-TCAP-6010	01/01/13	12/31/15	910.01	910.01			
Body Armor Replacement Program		Body Armor Replacement Program	066-1020-718-001	01/01/13	12/31/15	19,041.61		10,810.00	18,392.93	
				01/01/14	12/31/15	8,766.43	8,766.43	10,810.00	18,392.93	
Total Department of Law and Public Safety							9,976.44	33,710.00	56,614.40	
Department of Environmental Protection	Clean Communities Program	Clean Communities Program	765-042-4900-004-V42Y-6020	01/01/13	12/31/14	97,922.83		5,467.18	97,922.83	
				01/01/14	12/31/15	91,782.89	91,782.89	81,704.22	81,704.22	
						91,782.89	87,171.40	179,627.05		
	Recycling Tonnage Grant	Recycling Tonnage Grant	752-042-4900-001-V42Y-6020	01/01/13	12/31/15	71,495.05		70,472.32	70,472.32	
				01/01/14	12/31/15	85,203.04	85,203.04	256.90	256.90	
						85,203.04	70,729.22	70,729.22		
	Community Forestry	Community Forestry	2013-531-158-6120	01/01/13	12/31/14	39,300.00	39,300.00	21,023.57	39,300.00	
	N.J. Environmental Infrastructure Trust Loan: Improvements to Waste Water Treatment Plant	N.J. Environmental Infrastructure Trust Loan Program	042-4860-711-002	01/01/12	12/31/15	6,180,000.00		393,960.52	6,108,912.56	
	Total Department of Environmental Protection							216,285.93	572,884.71	6,398,568.83
	TOTAL STATE AWARDS							\$ 266,549.12	\$ 657,625.22	\$ 6,545,302.07

N/A - Not Available

TOWNSHIP OF PARSIPPANY-TROY HILLS  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
YEAR ENDED DECEMBER 31, 2014

Note A. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards (the "Schedules") includes the federal and state grant activity of the Township of Parsippany-Troy Hills under programs of the federal and state governments for the year ended December 31, 2014. The information in these schedules is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Government, and Non-Profit Organizations* and New Jersey's OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the Township, they are not intended to and do not present the financial position, changes in fund balance or cash flows of the Township.

Note B. BASIS OF PRESENTATION

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governmental Units*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through identifying numbers are presented where available.

Note C. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

Note D. THRESHOLD FOR FEDERAL AND STATE AWARDS

The threshold for distinguishing federal and state Type A and B programs was \$300,000. The Township did not qualify as a "low-risk" auditee under the provisions of section 530 of the federal Circular for both state and federal programs.

Note E. STATE LOANS OUTSTANDING

The Township of Parsippany-Troy Hills has the following loans outstanding as of December 31, 2014:

Green Trust Loan Payable	\$	237,431
NJ Environmental Infrastructure Loan Payable		16,299,789
	\$	16,637,491

Currently the Township is in the process of repaying the loan balances. The Township has drawn down \$23,748,812 of the \$25,344,280 loan funds. The project which relates to the loans is in progress and is expected to be completed in 2015.



Mount Arlington Corporate Center  
 200 Valley Road, Suite 300  
 Mt. Arlington, NJ 07856  
 973-328-1825 | 973-328-0507 Fax

Lawrence Business Center  
 11 Lawrence Road  
 Newton, NJ 07860  
 973-383-6699 | 973-383-6555 Fax

Report on Internal Control Over Financial Reporting  
 and on Compliance and Other Matters Based on an Audit of Financial Statements  
 Performed in Accordance with *Government Auditing Standards*

Independent Auditors' Report

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

We have audited in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements - *regulatory basis* - of the various funds of the Township of Parsippany-Troy Hills, in the County of Morris (the "Township") as of and for the year ended December 31, 2014, and the related notes to the financial statements and have issued our report thereon dated April 1, 2015. These financial statements have been prepared in accordance with accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

**Internal Control Over Financial Reporting**

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

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

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

### **Compliance and Other Matters**

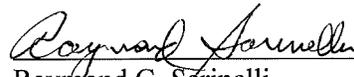
As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mt Arlington, NJ  
April 1, 2015

NISIVOCCIA LLP



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



Mount Arlington Corporate Center  
 200 Valley Road, Suite 300  
 Mt. Arlington, NJ 07856  
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 Newton, NJ 07860  
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Report on Compliance For Each Major Federal and State Program;  
 Report on Internal Control Over Compliance Required by OMB Circular A-133  
 And New Jersey's OMB Circular 04-04

Independent Auditors' Report

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

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

We have audited the Township of Parsippany-Troy Hills' (the "Township's") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey State Aid/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, 2014. The Township's major federal and state programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

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

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for 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 and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey's OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, OMB Circular A-133 and New Jersey's OMB Circular 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 of the Township's compliance.

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

### ***Opinion on Each Major Federal and State Program***

In our opinion, the Township complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2014.

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

Management of the Township is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Township's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an 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's internal control over compliance.

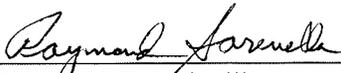
A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Mt Arlington, New Jersey  
April 1, 2015

NISIVOCCIA LLP

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

TOWNSHIP OF PARSIPPANY-TROY HILLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2014

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the Township's financial statements prepared in accordance with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the Township which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major federal and state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major Federal and State Program; Report on Internal Control Over Compliance Required by OMB Circular A-133 and New Jersey's OMB Circular 04-04*.
- The auditor's report on compliance for the major federal and state programs for the Township expresses an unmodified opinion on all major federal and state programs.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 04-04 or Section 510(a) of Federal OMB Circular A-133.
- The Township's programs tested as major federal and state programs for the current year consisted of the following federal and state programs:

<u>Federal</u>	<u>CFDA #</u>	<u>Grant Expenditures</u>
Hazardous Mitigation Grant - FEMA	97.039	\$ 531,346
 <u>State</u>		
New Jersey Environmental Infrastructure Trust	042-4860-711-002	393,961

- The threshold used for distinguishing between Type A and Type B federal programs was \$300,000.
- The Township did not qualify as a "low risk" auditee for federal programs under the provisions of section 530 of the federal Circular.

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

The audit disclosed any findings required to be reported under Generally Accepted Government Auditing Standards.

TOWNSHIP OF PARSIPPANY-TROY HILLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2014

Findings and Questioned Costs for Federal Awards:

- The audit did not disclose any findings or questioned costs for federal awards as defined in section 510(a) of the federal Circular.

Findings and Questioned Costs for State Awards:

- The audit did not disclose any findings or questioned costs for state awards as defined in Federal OMB Circular A-133 or New Jersey's OMB Circular 04-04.

TOWNSHIP OF PARSIPPANY-TROY HILLS  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2014

The Township's prior year audit finding regarding an amendment being prepared and filed with the Federal Emergency Management Agency regarding certain employees regular hours and double time for the Pre-Halloween Storm 2011 as originally reported on Project Worksheets was corrected for the year ended December 31, 2014.

TOWNSHIP OF PARSIPPANY-TROY HILLS

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2014

TOWNSHIP OF PARSIPPANY-TROY HILLS  
COMMENTS AND RECOMMENDATIONS

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

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

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

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

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

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

Effective January 1, 2011 and thereafter the bid threshold in accordance with N.J.S.A. 40A:11-3 is \$17,500, and with a qualified purchasing agent the threshold may be up to \$36,000.

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

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

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

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

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

During our review, we noted that there was no contract or agreement in 2014 for professional services for a landscape engineer.

It is recommended that the awarding of contracts or agreements for all professional services be properly adopted by resolution.

Management's Response

The Township will ensure that awarding of all contracts or agreements for professional services are properly executed.

Collection of Interest on Delinquent Taxes, Utility Charges and Assessments

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

On January 7, 2014, the governing body adopted the following resolution authorizing interest to be charged on delinquent tax, assessment and utility charges:

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

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

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

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

Delinquent Taxes and Tax Title Liens

The last tax sale was held on June 12, 2014.

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

<u>Year</u>	<u>Tax Title Liens</u>
2014	6
2013	7
2012	6

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

Verification of Delinquent Taxes and Other Charges

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

<u>Type</u>	<u>Number Mailed</u>
Payment of 2014 Taxes	20
Payment of 2015 Taxes	20
Delinquent Taxes	15
Tax Title Liens	2
Payment of 2014 Water/Sewer Utility Charges	20
Delinquent Sewer Utility Charges	10
Delinquent Water Utility Charges	10
Delinquent Sludge Charges	7

Accounting Requirements under New Jersey Administrative Code

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

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

The Township complies with these technical accounting directives.

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

Municipal Court

The report of the Municipal Court has been forwarded to the Division of Local Government Services and the Township's Magistrate under separate cover. Reflected below is a summary of receipts and disbursements for the year ended December 31, 2014.

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

	Balance Dec. 31, 2013	Receipts	Disbursements	Balance Dec. 31, 2014
Municipal Treasurer:				
Fines and Costs	\$ 38,967.83	\$ 545,021.69	\$ 542,514.66	\$ 41,474.86
Animal		2,736.00	2,511.00	225.00
Restitution	25.00	1,325.00	1,025.00	325.00
POAA FTA	46.00	604.00	626.00	24.00
Public Defender	600.00	16,483.50	15,587.50	1,496.00
Conditional Discharge	321.00	3,247.00	3,447.00	121.00
Fish and Game		225.00	225.00	
County:				
Fines	13,793.50	184,499.37	184,939.84	13,353.03
State:				
Fines and Costs	41,212.97	662,796.48	661,672.78	42,336.67
Weights and Measures	6,700.00	116,971.00	105,171.00	18,500.00
Conditional Dismissal		300.00	300.00	
Collections		485.01	327.29	157.72
Bail	15,080.00	186,708.40	188,780.40	13,008.00
<b>TOTAL</b>	<b>\$ 116,746.30</b>	<b>\$ 1,721,402.45</b>	<b>\$ 1,707,127.47</b>	<b>\$ 131,021.28</b>

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

New Jersey Environmental Infrastructure Trust Loan

During our review of the NJ Environmental Infrastructure Trust Loan, it was noted that there were no reimbursement requests filed for expenses incurred in 2014. It is recommended that reimbursement request be filed in a timely manner.

Management's Response

The Township will ensure that reimbursement request will be filed in a timely manner. In fact, a reimbursement request was filed in March 2015.

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

Other Trust Funds

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

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

Management's Response

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

Police Outside Services

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

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

Management's Response

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

Examination of Minutes

During the course of our audit it was noted that preparation of minutes of public meetings were several months behind, and were not available for audit review, however, we were able to review agendas, resolutions and ordinances.

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

Management's Response

In the future, the Township will ensure all minutes are prepared timely.

Overexpenditures

The Current Fund appropriation reserves were overexpended in the amount of \$20,141. Overexpenditures are violations of State statute and resolute in a restriction of the utilization of fund balance. It is recommended that appropriations be monitored to prevent overexpenditures.

Management's Response

The Chief Financial Officer will review line items periodically to ensure that funds are available for expenses generated and is implementing a new system in 2015 that will not allow overexpenditures.

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

Golf and Recreation Utility

During our review of the Golf and Recreation Utility, it was noted that a late fee was not collected in accordance with the provisions of the contract with the caterer for the banquet facilities at the Knoll Country Club. However, since the Township implemented a corrective action plan for 2014, a formal recommendation is not judged to be warranted.

Examination of Claims

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

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

Management's Response

The Administration will reinforce the Township's policy to obtain a purchase order prior to all purchases.

Health Benefit Withholdings

During our review of the payroll we recalculate health benefit deductions for accuracy. We noted that the calculation for prescriptions was not modified when the premiums changed mid-year.

It is recommended that the Township recalculate employee's health benefit contributions whenever there is a change in the policy to ensure the correct amount is being contributed.

Management's Response

The Administration will ensure that health benefit deductions are recalculated whenever there is a change in the policy or a change in employee's pay.

Federal and State Grants

There are a large number of older federal and state grants receivable and appropriated grant reserves in the Federal and State Grant Fund as well as older grant receivable balances in the General Capital Fund as of December 31, 2014. It is recommended that the Township review the grant receivables and a determination be made as to whether they are collectible or should be cancelled. Also, the appropriated grant reserve balances should be investigated and expended, reappropriated, cancelled or returned to the proper agency as applicable.

Management's Response

The federal and state grants receivable and appropriated grant reserves in the Federal and State Grant Fund as well as the uncollected grants receivable balance in the General Capital Fund will be reviewed and appropriate action will be taken.

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

Interfunds

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

Management's Response

The Township will liquidate all interfunds in 2015.

Payroll

During the previous year and continuing during the current year, it was noted that the Township needed to amend various payroll tax filings and review certain payroll withholding. The Township initiated a corrective action plan to resolve these issues, and is in process of amending and filing corrected reports, therefore no formal recommendation is warranted.

Payments Processing

The processing and payment of claims are administered by a third party administrator. The American Institute of Certified Public Accountants (AICPA) issues standards for audits of service management companies. Statement of Standards for Attest Engagements (SSAE) specifically number 16, sets standards for audits of service management organizations in what is referred to as Service Organization Control (SOC). SOC audits examine the system processes, controls, etc. and tests those controls to insure the controls are being followed. NJAC 5:30-17.5 establishes conditions and requirements that Service Management Organizations must meet. It specifically lists Statement on Auditing Standards (SAS) No. 70. The SOC report has superseded SAS 70 and is now the required report. The third party administrator does not have a current SOC report. Additionally it is recommended that surety coverage be obtained with Parsippany Troy-Hills as the named insured to cover any potential losses.

It is recommended that all service management companies provide the Township with a required SOC report and surety coverage be obtained to cover any potential losses.

Management's Response

The Administration will ensure that all service management companies provide the Township with a SOC report, and the related surety coverage.

Status of Prior Year Recommendations

The Township initiated a corrective action plan to resolve the comments and recommendations from the 2013 audit report. The Township is in the process of implementing procedures to resolve the recommendations from the 2013 audit report, where possible.

TOWNSHIP OF PARSIPPANY-TROY HILLS  
SUMMARY OF RECOMMENDATIONS

It is recommended that:

1. Professional service agreements be properly awarded by resolution, in all cases.
2. New Jersey Environmental Infrastructure Trust Loan reimbursement requests be filed in a timely manner.
3. A Dedication by Rider be obtained for all Other Trust Fund reserves.
4. A continued improvement be made in the accounting records of the police outside services.
5. All minutes of public meetings be prepared on a more timely basis.
6. Appropriations be monitored to prevent overexpenditures.
7. A purchase order be prepared prior to all purchases.
8. The Township recalculate employee's health benefit contributions whenever there is a change in the policy to ensure the correct amount is being contributed.
9. The Township review the grant receivables and a determination be made as to whether they are collectible or should be cancelled. Also, the appropriated grant reserve balances should be investigated and expended, reappropriated, cancelled or returned to the proper agency as applicable.
10. Interfunds be liquidated in a timely manner.
11. All service management companies provide the Township with a required SOC report and surety coverage be obtained to cover any potential losses.

\* \* \* \* \*