

TOWNSHIP OF PARSIPPANY-TROY HILLS
SUMMARY OR SYNOPSIS OF AUDIT REPORT FOR PUBLICATION

Attention is directed to the fact that a Summary or Synopsis of the Audit Report together with the recommendations is the minimum required to be published pursuant to N.J.S. 40A:5-7.

Summary of Synopsis of 2015 Audit report of the Township of Parsippany-Troy Hills as required by N.J.S. 40A:5-7.

COMBINED COMPARATIVE BALANCE SHEET

| <u>ASSETS</u> | December 31, | |
|--|--------------------------|--------------------------|
| | 2015 | 2014 |
| Cash and Cash Equivalents | \$ 75,739,718.02 | \$ 74,271,629.52 |
| Taxes, Liens, Assessments Utility Charges Receivable | 3,364,070.86 | 3,412,876.65 |
| Property Acquired for Taxes Assessed Valuation | 1,428,800.00 | 1,428,800.00 |
| Accounts Receivable and Other Assets | 8,476,390.39 | 12,003,858.94 |
| Inventory | 143,625.00 | 223,624.96 |
| Fixed Capital - Utility | 264,893,182.15 | 259,186,779.15 |
| Deferred Charges to Future Taxation | 81,099,234.52 | 77,988,088.54 |
| Deferred Charges to Revenue of Succeeding Years | | 46,038.80 |
| | <u>\$ 435,145,020.94</u> | <u>\$ 428,561,696.56</u> |
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | | |
| Bonds, Loans and Notes Payable | \$ 104,613,525.14 | \$ 103,682,219.30 |
| Improvement Authorizations | 58,374,578.99 | 56,580,846.01 |
| Other Liabilities and Special Funds | 32,068,625.92 | 34,689,161.47 |
| Amortization of Debt for Fixed Capital | 209,383,597.84 | 205,144,389.70 |
| Reserve for Certain Assets Receivable | 6,644,126.59 | 5,497,018.35 |
| Fund Balances | 24,060,566.46 | 22,968,061.73 |
| | <u>\$ 435,145,020.94</u> | <u>\$ 428,561,696.56</u> |

TOWNSHIP OF PARSIPPANY-TROY HILLS
SUMMARY OR SYNOPSIS OF AUDIT REPORT FOR PUBLICATION
(Continued)

Comparative Schedule of Operations and Change in
Fund Balance - Current Fund

| | Year Ended December 31, | |
|---|-------------------------|-----------------|
| | 2015 | 2014 |
| <u>Revenue and Other Income Realized</u> | | |
| Fund Balance Utilized | \$ 3,234,126.27 | \$ 3,580,000.00 |
| Fund Balance Anticipated with Prior Written Consent of Director of Local Government Services | 483,321.88 | |
| | 3,717,448.15 | 3,580,000.00 |
| Miscellaneous Revenue Anticipated | 16,924,473.68 | 15,334,272.68 |
| Receipts from: | | |
| Delinquent Taxes | 1,286,405.14 | 1,237,601.54 |
| Current Taxes | 196,138,496.80 | 193,110,200.02 |
| Nonbudget Revenue | 892,363.56 | 1,174,110.73 |
| Other Credits to Income: | | |
| Unexpended Balance of Appropriation Reserves | 1,092,537.63 | 632,310.22 |
| Tax Overpayments Cancelled | 41,052.93 | |
| Special District Taxes Cancelled | 9,183.50 | 31,890.02 |
| Federal and State Grants Receivable Cancelled | 6,704.86 | |
| Interfunds Returned | 210,915.74 | 353,876.15 |
| Total Income | 220,319,581.99 | 215,454,261.36 |
| <u>Expenditures</u> | | |
| Budget and Emergency Appropriations: | | |
| Municipal Purposes | 64,472,432.25 | 63,470,203.87 |
| County Taxes | 21,430,683.55 | 21,618,328.19 |
| Local School District Taxes | 126,663,553.00 | 124,231,081.00 |
| Open Space Taxes | 1,438,970.28 | 1,437,200.73 |
| Special District Taxes | 3,197,824.50 | 3,073,254.02 |
| Reserve for Pending Tax Appeals | 500,000.00 | 240,000.00 |
| Prior Year Senior Citizens Deductions Disallowed | 24,354.11 | 24,543.83 |
| Overexpenditure of Appropriation Reserve | | 20,140.70 |
| Interfunds and Other Receivables Advanced | 1,347,208.15 | 210,915.74 |
| Refund of Prior Year Revenue | 8,567.48 | 23,729.50 |
| Total Expenditures | 219,083,593.32 | 214,349,397.58 |
| Excess in Revenue | 1,235,988.67 | 1,104,863.78 |
| Adjustments to Excess Before Fund Balance: | | |
| Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Year | 1,363,585.00 | 1,885,420.70 |
| Statutory Excess to Fund Balance | 2,599,573.67 | 2,990,284.48 |
| <u>Fund Balance</u> | | |
| Balance January 1 | 5,860,002.44 | 6,449,717.96 |
| | 8,459,576.11 | 9,440,002.44 |
| Decreased by: | | |
| Utilized as Anticipated Revenue | 3,717,448.15 | 3,580,000.00 |
| Balance December 31 | \$ 4,742,127.96 | \$ 5,860,002.44 |

TOWNSHIP OF PARSIPPANY-TROY HILLS
SUMMARY OR SYNOPSIS OF AUDIT REPORT FOR PUBLICATION
(Continued)

Comparative Schedule of Operations and Change in
Fund Balance - Water Utility Fund

| | Year Ended December 31, | |
|---|-------------------------|-----------------|
| | 2015 | 2014 |
| <u>Revenue and Other Income Realized</u> | | |
| Fund Balance Utilized | \$ 700,000.00 | \$ 700,000.00 |
| Rents | 8,343,669.36 | 7,812,442.83 |
| Interest on Investments | 33,155.92 | 15,964.21 |
| Water Utility Capital Fund Balance | | 23,557.00 |
| Miscellaneous Revenue | 21,683.35 | 116,247.10 |
| Other Credits to Income: | | |
| Unexpended Balance of Appropriation Reserves | 173,183.95 | 231,520.22 |
| Total Income | 9,271,692.58 | 8,899,731.36 |
| <u>Expenditures</u> | | |
| Budget Expenditures: | | |
| Operating | 5,699,870.00 | 5,408,699.00 |
| Capital Improvements | 425,000.00 | 880,000.00 |
| Debt Service | 1,048,506.20 | 1,000,579.95 |
| Deferred Charges | 25,900.00 | |
| Statutory Expenditures | 358,418.00 | 367,193.00 |
| Prior Year Revenue Refunds | 10,275.20 | 896.19 |
| Total Expenditures | 7,567,969.40 | 7,657,368.14 |
| Excess in Revenue | 1,703,723.18 | 1,242,363.22 |
| <u>Fund Balance</u> | | |
| Balance January 1 | 5,339,046.49 | 4,796,683.27 |
| | 7,042,769.67 | 6,039,046.49 |
| Decreased by: | | |
| Utilized as Anticipated Revenue | 700,000.00 | 700,000.00 |
| Prior Year Fund Balance Appropriated as Revenue - Current Fund | 200,000.00 | |
| Balance December 31 | \$ 6,142,769.67 | \$ 5,339,046.49 |

TOWNSHIP OF PARSIPPANY-TROY HILLS
SUMMARY OR SYNOPSIS OF AUDIT REPORT FOR PUBLICATION
(Continued)

Comparative Schedule of Operations and Change in
Fund Balance - Sewer Utility Fund

| | Year Ended December 31 | |
|---|------------------------|------------------|
| | 2015 | 2014 |
| <u>Revenue and Other Income Realized</u> | | |
| Fund Balance Utilized | \$ 1,000,000.00 | \$ 1,000,000.00 |
| Sewer Rents | 14,926,606.58 | 13,779,790.46 |
| Septage Removal | 625,879.34 | 737,064.71 |
| Interest on Investments | 103,391.73 | 47,824.80 |
| Capacity and Connection Fees | | 144,145.22 |
| Sewer Utility Capital Fund Balance | | 110,196.00 |
| Nonbudget Revenue | 45,777.10 | 109,228.96 |
| Other Credits to Income: | | |
| Unexpended Balance of Appropriation Reserves | 919,139.77 | 122,459.24 |
| Total Income | 17,620,794.52 | 16,050,709.39 |
| <u>Expenditures</u> | | |
| Budget Expenditures: | | |
| Operating | 10,612,307.00 | 9,876,234.00 |
| Capital Improvements | 680,000.00 | 2,000,000.00 |
| Debt Service | 2,839,790.31 | 2,605,925.80 |
| Deferred Charges and Statutory Expenditures | 546,050.00 | 630,323.00 |
| Refund of Prior Year Revenue | 6,960.53 | 762.69 |
| Total Expenditures | 14,685,107.84 | 15,113,245.49 |
| Excess in Revenue | 2,935,686.68 | 937,463.90 |
| <u>Fund Balance</u> | | |
| Balance January 1 | 10,955,140.94 | 11,172,677.04 |
| | 13,890,827.62 | 12,110,140.94 |
| Decreased by: | | |
| Utilization as Anticipated Revenue | 1,000,000.00 | 1,000,000.00 |
| Prior Year Fund Balance Appropriated as Revenue - | | |
| Current Fund | 1,550,000.00 | 155,000.00 |
| Balance December 31 | \$ 11,340,827.62 | \$ 10,955,140.94 |

TOWNSHIP OF PARSIPPANY-TROY HILLS
SUMMARY OR SYNOPSIS OF AUDIT REPORT FOR PUBLICATION

(Continued)

Comparative Schedule of Operations and Change in
Fund Balance - Golf and Recreation Utility Fund

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
SUMMARY OR SYNOPSIS OF AUDIT REPORT FOR PUBLICATION
(Continued)

RECOMMENDATIONS

It is recommended that:

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

* * * * *

The above summary or synopsis was prepared from the report of audit of the Township of Parsippany-Troy Hills, County of Morris, for the calendar year 2015. This report of audit, submitted by Raymond G. Sarinelli, Registered Municipal Accountant, of Nisivoccia LLP, is on file at the Township Clerk's office and may be inspected by any interested person.

CLERK

