

*TOWNSHIP OF
PARSIPPANY-TROY HILLS*

COUNTY OF MORRIS

REPORT OF AUDIT

2020

*NISIVOCCIA LLP
CERTIFIED PUBLIC ACCOUNTANTS*

TOWNSHIP OF PARSIPPANY-TROY HILLS

COUNTY OF MORRIS

REPORT OF AUDIT

2020

TOWNSHIP OF PARSIPPANY-TROY HILLS
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2020

<u>PART I – Financial Statements and Supplementary Data</u>	<u>Page</u>
Independent Auditors' Report	1-3
<u>Financial Statements</u>	<u>Exhibit</u>
<u>Current Fund</u>	
Comparative Balance Sheet – Regulatory Basis	A
Comparative Statement of Operations and Change in Fund Balance – Regulatory Basis	A-1
Statement of Revenue – Regulatory Basis	A-2
Statement of Expenditures – Regulatory Basis	A-3
<u>Trust Funds</u>	
Comparative Balance Sheet – Regulatory Basis	B
Statement of Fund Balance – Regulatory Basis - Assessment Trust Fund (Not Applicable)	B-1
Statement of Revenue – Regulatory Basis - Assessment Trust Fund (Not Applicable)	B-2
Statement of Expenditures – Regulatory Basis - Assessment Trust Fund (Not Applicable)	B-3
<u>General Capital Fund</u>	
Comparative Balance Sheet – Regulatory Basis	C
Statement of Fund Balance – Regulatory Basis	C-1
<u>Water Utility Fund</u>	
Comparative Balance Sheet – Regulatory Basis	D
Comparative Statement of Operations and Change in Fund Balance – Regulatory Basis - Water Utility Operating Fund	D-1
Statement of Fund Balance – Regulatory Basis - Water Utility Capital Fund	D-1A
Statement of Revenue – Regulatory Basis - Water Utility Operating Fund	D-2
Statement of Expenditures – Regulatory Basis - Water Utility Operating Fund	D-3
<u>Sewer Utility Fund</u>	
Comparative Balance Sheet – Regulatory Basis	E
Comparative Statement of Operations and Change in Fund Balance – Regulatory Basis – Sewer Utility Operating Fund	E-1
Statement of Fund Balance - Sewer Utility Capital Fund	E-1A
Statement of Revenue - Sewer Utility Operating Fund	E-2
Statement of Expenditures - Sewer Utility Operating Fund	E-3
<u>Golf and Recreation Utility Fund</u>	
Comparative Balance Sheet – Regulatory Basis	F
Comparative Statement of Operations and Change in Fund Balance – Regulatory Basis – Golf and Recreation Utility Operating Fund	F-1
Statement of Fund Balance – Golf and Recreation Utility Capital Fund	F-1A
Statement of Revenue – Golf and Recreation Utility Operating Fund	F-2
Statement of Expenditures – Golf and Recreation Utility Operating Fund	F-3
<u>Public Assistance Fund</u>	
Comparative Balance Sheet – Regulatory Basis	G
<u>General Fixed Assets Account Group</u>	
Comparative Balance Sheet – Regulatory Basis	H
<u>Notes to Financial Statements</u>	<u>Page</u> 1-43
<u>Supplementary Data</u>	<u>Schedule</u>
Roster of Officials	1

TOWNSHIP OF PARSIPPANY-TROY HILLS
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2020
(Continued)

PART I – Financial Statements and Supplementary Data (Cont'd)

<u>Current Fund</u>	<u>Schedule</u>
Schedule of Cash and Investments	A-4
Schedule of Cash - Collector	A-5
Schedule of Cash - Grant Funds (Not Applicable)	A-6
Schedule of Taxes Receivable and Analysis of Property Tax Levy	A-7
Schedule of Tax Title Liens	A-8
Schedule of Revenue Accounts Receivable	A-9
Schedule of Other Liens Receivable	A-10
Schedule of 2019 Appropriation Reserves	A-11
Schedule of Local School District Taxes Payable	A-12
Schedule of Special Emergency Notes Payable	A-13
Schedule of Federal and State Grants Receivable – Federal and State Grant Fund	A-14
Schedule of Unappropriated Reserves – Federal and State Grant Fund	A-15
Schedule of Appropriated Reserves – Federal and State Grant Fund	A-16
<u>Trust Funds</u>	
Schedule of Cash - Treasurer	B-4
Schedule of Reserve for Animal Control Fund Expenditures - Animal Control Fund	B-5
<u>General Capital Fund</u>	
Schedule of Cash	C-2
Analysis of Cash	C-3
Schedule of Deferred Charges to Future Taxation - Unfunded	C-4
Schedule of Improvement Authorizations	C-5
Schedule of Capital Improvement Fund	C-6
Schedule of Bond Anticipation Notes Payable	C-7
Schedule of Serial Bonds Payable	C-8
Schedule of Refunding Bonds Payable	C-8A
Schedule of Green Acres Trust Acquisition Loan Payable (Not Applicable)	C-9
Schedule of Bonds and Notes Authorized But Not Issued	C-10
<u>Water Utility Fund</u>	
Schedule of Cash - Treasurer - Water Utility Fund	D-4
Analysis of Cash - Water Utility Capital Fund	D-5
Schedule of Consumer Accounts Receivable - Water Utility Operating Fund	D-6
Schedule of Water Utility Liens Receivable - Water Utility Operating Fund	D-6A
Schedule of Inventory- Water Utility Operating Fund	D-6B
Schedule of Fixed Capital - Water Utility Capital Fund	D-7
Schedule of Fixed Capital Authorized and Uncompleted - Water Utility Capital Fund	D-8
Schedule of 2019 Appropriation Reserves - Water Utility Operating Fund	D-9
Schedule of Improvement Authorizations - Water Utility Capital Fund	D-10
Schedule of Capital Improvement Fund - Water Utility Capital Fund	D-11
Schedule of Reserve for Amortization - Water Utility Capital Fund	D-12
Schedule of Deferred Reserve for Amortization - Water Utility Capital Fund	D-12A
Schedule of Bond Anticipation Notes Payable - Water Utility Capital Fund	D-13
Schedule of Serial Bonds Payable - Water Utility Capital Fund	D-14
Schedule of Refunding Bonds Payable	D-14A
Schedule of NJ Environmental Infrastructure Loans Payable- Water Utility Capital Fund	D-15
Schedule of Bonds and Notes Authorized but not Issued - Water Utility Capital Fund	D-16

TOWNSHIP OF PARSIPPANY-TROY HILLS
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2020
(Continued)

PART I – Financial Statements and Supplementary Data (Cont'd)

Supplementary Data (Cont'd)

Schedule

Sewer Utility Fund

Schedule of Cash and Investments - Treasurer - Sewer Utility Fund	E-4
Analysis of Sewer Capital Cash - Sewer Utility Capital Fund	E-5
Schedule of Consumer Accounts Receivable - Sewer Utility Operating Fund	E-6
Schedule of Sewer Utility Liens Receivable - Sewer Utility Operating Fund	E-6A
Schedule of Inventory - Sewer Utility Operating Fund	E-6B
Schedule of Fixed Capital - Sewer Utility Capital Fund	E-7
Schedule of Fixed Capital Authorized and Uncompleted - Sewer Utility Capital Fund	E-8
Schedule of 2019 Appropriation Reserves - Sewer Utility Operating Fund	E-9
Schedule of Improvement Authorizations - Sewer Utility Capital Fund	E-10
Schedule of Capital Improvement Fund - Sewer Utility Capital Fund	E-11
Schedule of Deferred Reserve for Amortization - Sewer Utility Capital Fund	E-12
Schedule of Reserve for Amortization – Sewer Utility Capital Fund	E-12A
Schedule of Bond Anticipation Notes Payable- Sewer Utility Capital Fund	E-13
Schedule of Serial Bonds Payable - Sewer Utility Capital Fund	E-14
Schedule of Refunding Bonds Payable	E-14A
Schedule of NJ Environmental Infrastructure Trust Loans Payable #1	E-15
Schedule of NJ Environmental Infrastructure Trust Loans Payable #2	E-15A
Schedule of Bonds and Notes Authorized but not Issued - Sewer Utility Capital Fund	E-16

Golf and Recreation Utility Fund

Schedule of Cash - Treasurer – Golf and Recreation Utility Fund	F-4
Analysis of Capital Cash - Golf and Recreation Utility Capital Fund	F-5
Schedule of Consumer Accounts Receivable – Golf and Recreation Utility Operating Fund	F-6
Schedule of Inventory – Golf and Recreation Operating Fund	F-6A
Schedule of Fixed Capital – Golf and Recreation Utility Capital Fund	F-7
Schedule of Fixed Capital Authorized and Uncompleted – Golf and Recreation Utility Capital Fund	F-8
Schedule of 2019 Appropriation Reserves – Golf and Recreation Utility Operating Fund	F-9
Schedule of Improvement Authorizations – Golf and Recreation Utility Capital Fund	F-10
Schedule of Capital Improvement Fund – Golf and Recreation Utility Capital Fund	F-11
Schedule of Reserve for Amortization - Golf and Recreation Utility Capital Fund	F-12
Schedule of Deferred Reserve for Amortization – Golf and Recreation Utility Capital Fund	F-12A
Schedule of Bond Anticipation Notes Payable- Golf and Recreation Utility Capital Fund (Not Applicable)	F-13
Schedule of Serial Bonds Payable – Golf and Recreation Utility Capital Fund	F-14
Schedule of Bonds and Notes Authorized but not Issued – Golf and Recreation Utility Capital Fund	F-15

Public Assistance Fund

Schedule of Cash - Treasurer	G-1
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PART II – Single Audit

Page

Schedule of Expenditures of Federal Awards	1
Schedule of Expenditures of State Awards	2-3
Notes to Schedules of Expenditures of Federal and State Awards	4
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 <i>Government Auditing Standards</i>	5-6

TOWNSHIP OF PARSIPPANY-TROY HILLS
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2020
(Continued)

	<u>Page</u>
<u>PART II – Single Audit (Cont’d)</u>	
Independent Auditors’ Report on Compliance for Each Major Federal and State Program and Report on Internal Control Over Compliance	7-9
Schedule of Findings and Responses	10-12
Summary Schedule of Prior Audit Findings	13
<u>PART III – Comments and Recommendations</u>	
Comments and Recommendations	14-22
Summary of Recommendations	23

TOWNSHIP OF PARSIPPANY-TROY HILLS

PART I

FINANCIAL STATEMENTS AND

SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2020



Independent Auditors' Report

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

Report on the Financial Statements

We have audited the financial statements – *regulatory basis* - of the various funds of the Township of Parsippany-Troy Hills, in the County of Morris (the "Township") as of and for the years ended December 31, 2020 and 2019, 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

The Honorable Mayor and Members
of the Township Council
Township of Parsippany-Troy Hills
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 and account group of the Township as of December 31, 2020 and 2019, or the changes in financial position or where applicable, cash flows thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the various funds and account group of the Township of Parsippany-Troy Hills as of December 31, 2020 and 2019, and the results of operations and changes in fund balance, where applicable, of such funds, thereof for the years then ended on the basis of the accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, as described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements of the various funds that collectively comprise the Township's financial statements. The supplementary data schedules listed in the table of contents and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the financial statements.

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.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 23, 2021 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Parsippany-Troy Hills' internal control over financial reporting and compliance.

Mount Arlington, New Jersey
August 23, 2021

Nisiroccia LLP
NISIVOCCIA LLP

Valerie A. Dolan

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
COUNTY OF MORRIS
2020
CURRENT FUND

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

	Ref.	December 31,	
		2020	2019
<u>ASSETS</u>			
Regular Fund:			
Cash and Cash Equivalents		\$ 19,526,085.55	\$ 4,888,711.86
Investments		6,681,790.10	10,443,843.70
	A-4	<u>26,207,875.65</u>	<u>15,332,555.56</u>
Change Funds		1,315.00	1,065.00
Due from State of N.J. for Veterans' and Senior Citizens' Deductions		58,228.27	57,403.28
		<u>26,267,418.92</u>	<u>15,391,023.84</u>
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-7	1,162,640.14	1,067,578.17
Tax Title Liens Receivable	A-8	832,100.68	652,538.22
Property Acquired for Taxes at Assessed Valuation		1,428,800.00	1,428,800.00
Revenue Accounts Receivable	A-9	9,768.91	163,616.15
Other Liens Receivable	A-10	191,926.95	191,926.95
Due from:			
General Capital Fund	C		257,890.00
Water Utility Operating Fund	D	208,401.93	
Sewer Utility Capital Fund	E	22,440.53	
Golf and Recreation Utility Operating Fund	F	2,901,287.68	
Payroll		168,378.32	
Total Receivables and Other Assets With Full Reserves		<u>6,925,745.14</u>	<u>3,762,349.49</u>
Deferred Charges:			
Special Emergency Authorization		1,718,066.60	1,699,705.60
Operating Deficit	A-1	1,577,900.64	
Overexpenditure of Appropriations	A-3	44,728.78	
Overexpenditure of Appropriation Reserve	A-1	67,497.20	
Expenditure without Appropriation - Federal and State Grant Fund	A-1	39,800.00	
Total Deferred Charges		<u>3,447,993.22</u>	<u>1,699,705.60</u>
Total Regular Fund		<u>36,641,157.28</u>	<u>20,853,078.93</u>
Federal and State Grant Fund:			
Due from Current Fund	A	1,796,650.97	1,090,419.51
Due from Open Space Trust Fund	B		77,653.50
Federal and State Grants Receivable	A-14	242,995.30	840,871.42
Total Federal and State Grant Fund		<u>2,039,646.27</u>	<u>2,008,944.43</u>
<u>TOTAL ASSETS</u>		<u>\$ 38,680,803.55</u>	<u>\$ 22,862,023.36</u>

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

	Ref.	December 31	
		2020	2019
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Regular Fund:			
Current Appropriations			
Appropriation Reserves:			
Encumbered	A-3;A-11	\$ 1,151,106.89	\$ 1,445,611.64
Unencumbered	A-3;A-11	4,702,218.70	2,779,771.53
		<u>5,853,325.59</u>	<u>4,225,383.17</u>
Accounts Payable - Vendors			52,489.47
County Taxes Payable			104,009.32
Special Emergency Notes Payable	A-13	977,987.00	1,624,297.00
Prepaid Taxes		2,397,179.64	2,614,860.28
Tax Overpayments		179,885.96	73,770.14
Prepaid Revenue			86,826.22
Due to State of New Jersey:			
Construction Code Fees		102,117.00	19,856.00
Marriage License Fees		1,050.00	1,225.00
Burial Fees		45.00	
Due to:			
Federal and State Grant Fund	A	1,796,650.97	1,090,419.51
Animal Control Fund	B	11,570.88	
Other Trust Funds	B	1,365,757.09	162,072.97
General Capital Fund	C	7,129,032.38	
Water Utility Capital Fund	D	5,780,254.45	
Sewer Utility Operating Fund	E	944,119.79	
Golf and Recreation Utility Capital Fund	F	454,997.92	
Payroll			2,075.14
Reserve for:			
Tax Appeals		1,661,097.77	1,983,104.52
Accumulated Revenue Unappropriated - Watershed Moratorium		55,178.00	55,178.00
		<u>28,710,249.44</u>	<u>12,095,566.74</u>
Reserve for Receivables and Other Assets	A	6,925,745.14	3,762,349.49
Fund Balance	A-1	1,005,162.70	4,995,162.70
		<u>36,641,157.28</u>	<u>20,853,078.93</u>
Total Regular Fund			
Federal and State Grant Fund:			
Due to Other Trust Fund	B	697.80	697.80
Due to Open Space Trust Fund	B	5,299.93	
Unappropriated Reserves	A-15	21,680.20	6,235.44
Appropriated Reserves	A-16	2,011,968.34	2,002,011.19
		<u>2,039,646.27</u>	<u>2,008,944.43</u>
Total Federal and State Grant Fund			
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 38,680,803.55</u>	<u>\$ 22,862,023.36</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.	<u>Year Ended December 31,</u>	
		<u>2020</u>	<u>2019</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 3,990,000.00	\$ 3,990,000.00
Miscellaneous Revenue Anticipated		17,420,015.56	22,796,113.16
Receipts from:			
Delinquent Taxes		1,100,012.31	1,025,331.43
Current Taxes		223,825,220.50	217,549,113.61
Nonbudget Revenue		1,843,661.25	241,444.13
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		1,112,171.61	777,935.12
Tax Overpayments Canceled			56,857.46
Accounts Payable Canceled		17,098.94	1,269.94
Federal and State Grants Appropriated Reserves Canceled		79,192.72	
Interfunds and Other Receivables Returned		257,890.00	672,921.18
Total Income		<u>249,645,262.89</u>	<u>247,110,986.03</u>
<u>Expenditures</u>			
Budget and Emergency Appropriations:			
Municipal Purposes		75,816,720.32	73,822,800.35
County Taxes		22,845,283.50	22,867,942.06
Local School District Taxes		144,015,021.00	140,701,467.00
Open Space Taxes		1,457,314.43	1,455,458.23
Special District Taxes		4,383,440.00	4,261,490.00
Reserve for Pending Tax Appeals			1,000,000.00
Federal and State Grants Receivable Canceled		59,915.12	
Prior Year Senior Citizens Deductions Disallowed		20,519.86	18,795.21
Overexpenditure of Appropriation Reserve		67,497.20	
Expenditure without Appropriation - Federal and State Grant Fund		39,800.00	
Refund of Prior Year Revenue		840.62	
Interfunds and Other Receivables Advanced		3,300,508.46	257,890.00
Total Expenditures		<u>252,006,860.51</u>	<u>244,385,842.85</u>
Excess/(Deficit) in Revenue		(2,361,597.62)	2,725,143.18
Adjustments to Excess Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year:			
Special Emergency Authorization (40A:4-53)		631,671.00	440,934.00
Overexpenditure of Appropriations		44,728.78	
Overexpenditure of Appropriation Reserve		67,497.20	
Expenditure without Appropriation - Federal and State Grant Fund		39,800.00	
Operating Deficit to be Raised in Budget of Succeeding Year		<u>\$ 1,577,900.64</u>	
Statutory Excess to Fund Balance			3,166,077.18

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

	<u>Ref.</u>	<u>Year Ended December 31,</u>	
		<u>2020</u>	<u>2019</u>
<u>Fund Balance</u>			
Balance January 1		4,995,162.70	5,819,085.52
		<u>4,995,162.70</u>	<u>8,985,162.70</u>
Decreased by:			
Utilized as Anticipated Revenue		<u>3,990,000.00</u>	<u>3,990,000.00</u>
Balance December 31	A	<u>\$ 1,005,162.70</u>	<u>\$ 4,995,162.70</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, 2020

	<u>Budget</u>	<u>Added by NJSA 40A:4-87</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Fund Balance Anticipated	\$ 3,990,000.00		\$ 3,990,000.00	
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	90,000.00		93,230.00	\$ 3,230.00
Other	300,000.00		231,484.00	68,516.00 *
Fees and Permits	900,000.00		783,997.92	116,002.08 *
Fines and Costs:				
Municipal Court	530,000.00		265,574.02	264,425.98 *
Interest and Costs on Taxes	270,000.00		438,292.79	168,292.79
Interest of Investments and Deposits	524,024.00		250,217.36	273,806.64 *
Garbage and Trash Removal	1,600,000.00		1,553,240.86	46,759.14 *
Community Center Revenue - Concession Rents	200,000.00		88,846.39	111,153.61 *
Hotel Tax	2,500,000.00		1,040,512.04	1,459,487.96 *
Ambulance Service Billing	1,000,000.00		822,801.05	177,198.95 *
Lease of Township Assets	600,000.00		691,617.48	91,617.48
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	4,495,023.00		4,495,023.00	
Watershed Moratorium	55,178.00		55,178.00	
Uniform Construction Code Fees	2,275,000.00		1,553,791.05	721,208.95 *
Shared Services - Municipal Court	252,102.00		252,102.52	0.52
Uniform Fire Safety Act - Ch. 383, P.L. 1985	201,547.51		203,295.00	1,747.49
Reserve for Debt Service	500,000.00		500,000.00	
Water Utility Operating Surplus of Prior Year	450,000.00		450,000.00	
Sewer Utility Operating Surplus of Prior Year	2,100,000.00		2,100,000.00	
Cablevision Franchise Fees	289,450.76		289,450.76	
Payment in Lieu of Taxes - BT Property LLC (UPS)	527,370.00		480,030.80	47,339.20 *

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020
(Continued)

	Budget	Added by NJSA 40A:4-87	Realized	Excess or Deficit *
Miscellaneous Revenue (Cont'd):				
State of New Jersey:				
Recycling Tonnage Grant	\$ 21,140.00	\$ 179,992.86	\$ 179,992.86	
Municipal Alliance Grant 2020/2021			21,140.00	
Drive Sober or Get Pulled Over		5,500.00	5,500.00	
Click It or Ticket	3,960.00		3,960.00	
Body Armor Replacement Fund	9,229.19		9,229.19	
Bulletproof Vest Partnership Grant		12,804.75	12,804.75	
Clean Communities Program		104,354.54	104,354.54	
Alcohol Education Rehabilitation and Enforcement		416.77	416.77	
Recreation for Individuals with Disabilities	2,275.44		2,275.44	
NJ DOT - Old Bloomfield Ave Phase II		400,000.00	400,000.00	
Donation - Spencer Savings PPE Grant		1,800.00	1,800.00	
Donation - EMS COVID-19	100.00		100.00	
CARES ACT - Stimulus	21,756.97		21,756.97	
Maddie's Fund - Foster Care - Animal Control		1,000.00	1,000.00	
Best Friends Animal Society - RRSTA Covid Relief Grant		4,000.00	4,000.00	
Target - Youth Soccer Grants Program		1,000.00	1,000.00	
NJDEP - It Pays to Plug In - NJ Electric Vehicle Charging Grant		12,000.00	12,000.00	
Total Miscellaneous Revenue	19,718,156.87	722,868.92	17,420,015.56	\$ 3,021,010.23 *
Receipts from Delinquent Taxes	1,174,198.29		1,100,012.31	74,185.98 *

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020
(Continued)

Amount to be Raised by Taxes for Support of

Municipal Budget:

Local Tax for Municipal Purposes
Minimum Library Tax

Budget Totals

Nonbudget Revenue

	Budget	Added by NJSA 40A:4-87	Realized	Excess or Deficit *
	\$ 48,548,847.62		\$ 50,121,458.57	\$ 1,572,610.95
	2,902,703.00		2,902,703.00	
	<u>51,451,550.62</u>		<u>53,024,161.57</u>	<u>1,572,610.95</u>
	76,333,905.78	\$ 722,868.92	75,534,189.44	\$ 1,522,585.26 *
	<u>\$ 76,333,905.78</u>	<u>\$ 722,868.92</u>	<u>\$ 77,377,850.69</u>	

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020
(Continued)

Allocation of Current Tax Collections:

Collection of Current Taxes	\$ 223,825,220.50
Allocated to Local School, Municipal Open Space, Special District and County Taxes	172,701,058.93
	51,124,161.57
Add: Appropriation "Reserve for Uncollected Taxes"	1,900,000.00
	\$ 53,024,161.57

Receipts from Delinquent Taxes:

Delinquent Tax Collections	\$ 1,086,468.57
Tax Title Lien Collections	13,543.74
	\$ 1,100,012.31

Analysis of Fees and Permits:

Registrar	\$ 3,429.50
Zoning	66,952.55
Engineering	40,651.50
Fire Prevention	323,642.00
Police	5,810.00
Planning Board	57,940.00
Recreation	1,583.04
Board of Housing	218,140.00
Department of Public Works	59,124.41
Mayor	11,775.00
Tax Collector	500.00
	789,548.00
Less: Refunds	5,550.08
	\$ 783,997.92

Analysis of Other Licenses:

Clerk	\$ 68,257.00
Health	157,360.00
Registrar	5,967.00
	231,584.00
Less: Refunds	100.00
	\$ 231,484.00

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020
(Continued)

Analysis of Uniform Construction Code Fees

Construction Code Official:	\$ 1,585,465.25
Less: Refunds	<u>31,674.20</u>
	<u><u>\$ 1,553,791.05</u></u>

Miscellaneous Revenue Not Anticipated:

Reimbursements	\$ 336,544.46	
False Alarms	17,575.00	
Sale/Lease of Township Assets	65,110.00	
Tax Sale Premium Forfeiture	36,900.00	
Administrative Fee - Senior Citizens and Veterans Deductions	4,508.43	
Certified List	2,320.00	
Restitution	3,950.00	
Returned Checks	1,634.00	
Duplicate Tax Certificates	350.00	
Photostats -All Departments	123.80	
Bail Forfeiture	1,077.61	
Health Clinic	100.00	
FEMA Reimbursement	1,245,280.79	
Other Miscellaneous	<u>12,733.60</u>	
		\$ 1,728,207.69
Prepaid Revenue Applied:		
Lease of Township Assets		86,826.22
Due from Animal Control Fund - Statutory Excess in Reserve for Animal Control Fund Expenditures		<u>28,627.34</u>
		<u><u>\$ 1,843,661.25</u></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, 2020

	Appropriations		Expended By		Unexpended Balance Cancelled	Over- Expenditures
	Budget	Budget After Modification	Paid or Charged	Reserved		
Operations Within "CAPS":						
GENERAL GOVERNMENT:						
Executive:						
Salaries and Wages	\$ 215,025.00	\$ 215,025.00	\$ 203,257.22	\$ 11,767.78		
Other Expenses	43,300.00	43,300.00	35,590.88	7,709.12		
General Administration:						
Salaries and Wages	428,793.00	438,793.00	432,007.39	6,785.61		
Other Expenses	61,420.00	61,420.00	19,997.70	41,422.30		
Township Council:						
Salaries and Wages	47,220.00	47,220.00	47,225.16			
Other Expenses	3,150.00	3,150.00	200.00	2,950.00		\$ 5.16
Municipal Clerk:						
Salaries and Wages	256,692.00	256,692.00	246,869.40	9,822.60		
Other Expenses	82,490.00	82,490.00	57,350.53	25,139.47		
Grant Writer:						
Other Expenses	18,000.00	24,000.00	18,000.00	6,000.00		
Treasury:						
Salaries and Wages	221,433.00	272,433.00	281,563.48			9,130.48
Other Expenses	73,970.00	73,970.00	69,950.46	4,019.54		
Audit	84,140.00	84,140.00	83,390.00	750.00		
Tax Collection:						
Salaries and Wages	71,976.00	71,976.00	73,795.99			1,819.99
Other Expenses	38,400.00	38,400.00	25,953.06	12,446.94		
Tax Assessment Administration:						
Salaries and Wages	294,203.00	316,836.00	316,835.54	0.46		
Other Expenses	56,400.00	56,400.00	38,852.10	17,547.90		
Legal Services and Costs:						
Other Expenses	690,000.00	690,000.00	400,128.78	289,871.22		
Engineering Services and Costs:						
Salaries and Wages	431,974.00	501,834.00	436,182.92	65,651.08		
Other Expenses	53,510.00	53,510.00	28,860.01	24,649.99		

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled	Over- Expenditures
	Budget	Budget After Modification	Paid or Charged	Reserved		
Operations Within "CAPS" (Continued):						
LAND USE ADMINISTRATION:						
Department of Planning:						
Salaries and Wages	\$ 66,885.00	\$ 84,211.00	\$ 81,333.37	\$ 2,877.63		
Other Expenses	56,700.00	56,700.00	34,258.49	22,441.51		
Board of Adjustment:						
Salaries and Wages	31,290.00	31,290.00		31,290.00		
Other Expenses	18,945.00	18,945.00	11,737.96	7,207.04		
CODE ENFORCEMENT AND ADMINISTRATION:						
Housing and Zoning Code Enforcement:						
Salaries and Wages	522,859.00	557,764.00	534,257.49	23,506.51		
Other Expenses	53,300.00	53,300.00	32,775.81	20,524.19		
INSURANCE:						
Unemployment Insurance	146,880.00	146,880.00	95,880.00	51,000.00		
Liability Insurance	645,690.00	645,690.00	487,341.83	158,348.17		
Worker Compensation	738,570.00	753,570.00	695,928.55	57,641.45		
Employee Group Health	10,546,290.00	10,229,314.00	9,670,675.77	558,638.23		
Health Benefit Waivers	127,500.00	127,500.00	74,584.83	52,915.17		
PUBLIC SAFETY:						
Police Department:						
Salaries and Wages	16,455,470.00	16,417,470.00	16,049,459.89	368,010.11		
Other Expenses	787,982.00	748,982.00	747,354.13	1,627.87		
Office of Emergency Management:						
Salaries and Wages	33,014.00	33,014.00	29,921.64	3,092.36		
Other Expenses	284,378.00	284,378.00	218,230.64	66,147.36		
Aid to First Aid Organization	210,000.00	210,000.00	210,000.00			
Fire Prevention Bureau:						
Salaries and Wages	360,520.00	360,520.00	370,975.03			
Other Expenses	52,987.18	52,987.18	42,318.90	10,668.28		
Municipal Court:						
Salary and Wages	535,054.00	535,054.00	500,273.97	34,780.03		
Other Expenses	31,680.00	31,680.00	17,563.18	14,116.82		
						\$ 10,455.03

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled	Over- Expenditures
	Budget	Budget After Modification	Paid or Charged	Reserved		
Operations Within "CAPS" (Continued):						
PUBLIC SAFETY (Contd):						
Prosecutor:						
Salary and Wages	\$ 30,004.00	\$ 30,004.00		\$ 30,004.00		
Other Expenses	35,000.00	35,000.00	\$ 33,000.00	2,000.00		
PUBLIC WORKS:						
Streets and Road Maintenance:						
Salaries and Wages	1,831,892.00	1,831,892.00	1,720,164.62	111,727.38		
Other Expenses	721,880.00	721,880.00	445,282.77	276,597.23		
Garbage and Trash Removal:						
Salary and Wages	2,400,848.00	2,400,848.00	2,274,450.06	126,397.94		
Other Expenses	854,600.00	854,600.00	677,911.17	176,688.83		
Buildings and Grounds:						
Salary and Wages	263,783.00	263,783.00	254,784.71	8,998.29		
Other Expenses	244,900.00	244,900.00	199,100.01	45,799.99		
Vehicle Maintenance:						
Other Expenses	651,900.00	651,900.00	487,350.41	164,549.59		
Condominium Costs	270,000.00	270,000.00		270,000.00		
HEALTH AND HUMAN SERVICES::						
Public Health Services:						
Salaries and Wages	397,551.00	442,575.00	449,866.36			\$ 7,291.36
Other Expenses	38,600.00	38,600.00	34,281.78	4,318.22		
Senior Citizen Center:						
Salaries and Wages	319,204.00	319,204.00	296,859.35	22,344.65		
Other Expenses	50,440.00	50,440.00	38,951.97	11,488.03		
Animal Control:						
Other Expenses	195,000.00	195,000.00				
Contribution to Day Care Center	60,400.00	60,400.00				
Ambulance Services:						
Salaries and Wages	915,058.00	944,569.00	960,595.76			16,026.76
Other Expenses	231,600.00	219,600.00	162,917.18	56,682.82		

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled	Over- Expenditures
	Budget	Budget After Modification	Paid or Charged	Reserved		
Operations Within "CAPS" (Continued):						
RECREATION AND EDUCATION:						
Recreation Services:						
Salaries and Wages	\$ 590,951.00	\$ 547,951.00	\$ 441,854.24	\$ 106,096.76		
Other Expenses	155,350.00	198,350.00	182,244.38	16,105.62		
Maintenance of Parks:						
Salaries and Wages	1,946,042.00	1,946,042.00	1,861,249.02	84,792.98		
Other Expenses	188,100.00	188,100.00	169,871.97	18,228.03		
UTILITIES:						
Utilities and Gasoline	2,024,800.00	1,956,800.00	1,368,146.86	588,653.14		
Solid Waste Disposal Costs	1,950,000.00	1,950,000.00	1,797,847.49	152,152.51		
UNIFORM CONSTRUCTION CODE:						
Department of Buildings and Inspections:						
Salaries and Wages	1,219,073.00	1,219,073.00	1,161,565.52	57,507.48		
Other Expenses	263,250.00	263,250.00	163,352.21	99,897.79		
UNCLASSIFIED:						
Retirement Payout (Special Emergency + \$631,671.00)		631,671.00	631,671.00			
Total Operations Within "CAPS"	52,728,316.18	53,187,270.18	48,789,600.94	4,442,398.02		\$ 44,728.78
Contingent	15,000.00	15,000.00		15,000.00		
Total Operations Including Contingent Within "CAPS"	52,743,316.18	53,202,270.18	48,789,600.94	4,457,398.02		44,728.78
Detail:						
Salaries and Wages	30,014,314.00	30,086,073.00	29,025,348.13	1,060,724.87		
Other Expenses (Including Contingent)	22,729,002.18	23,116,197.18	19,764,252.81	3,351,944.37		

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled	Over- Expenditures
	Budget	Budget After Modification	Paid or Charged	Reserved		
Operations Within "CAPS" (Continued):						
Deferred Charges and Statutory Expenditures-						
Municipal within "CAPS":						
Statutory Expenditures:						
Contributions to:						
Social Security System (O.A.S.I.)	\$ 1,650,000.00	\$ 1,650,000.00	\$ 1,501,043.21	\$ 148,956.79		
Public Employees' Retirement System	1,890,067.00	1,890,067.00	1,870,117.00	19,950.00		
Police and Firemen's Retirement System of N.J.	3,556,391.00	3,556,391.00	3,556,391.00			
Defined Contribution Retirement Program	15,840.00	15,840.00	14,926.59	913.41		
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	7,112,298.00	7,112,298.00	6,942,477.80	169,820.20		
Total General Appropriations for Municipal Purposes Within "CAPS"	59,855,614.18	60,314,568.18	55,732,078.74	4,627,218.22		\$ 44,728.78
Operations Excluded from "CAPS":						
Maintenance of Free Public Library	3,170,661.00	3,170,661.00	3,170,660.92	0.08		
LOSAP:						
Other Expenses	75,000.00	75,000.00		75,000.00		
Shared Service Agreements:						
Shared Services Agreement - Health Office	74,695.00	74,695.00	74,694.60	0.40		
Public and Private Programs Offset by Revenues:						
Recycling Tonnage Grant (N.J.S.A. 40A:4-87 + \$179,992.86)		179,992.86	179,992.86			
Clean Communities Grant (N.J.S.A. 40A:4-87 + \$104,354.54)		104,354.54	104,354.54			
Body Armor Replacement Fund	9,229.19	9,229.19	9,229.19			
Bulletproof Vest Partnership (N.J.S.A. 40A:4-87 + \$12,804.75)		12,804.75	12,804.75			
Municipal Alliance Grant 2020-2021	21,140.00	21,140.00	21,140.00			
Municipal Alliance Grant 2020-2021 Match	5,285.00	5,285.00	5,285.00			
Click It or Ticket	3,960.00	3,960.00	3,960.00			
Drive Sober or Get Pulled Over (N.J.S.A. 40A:4-87 + \$5,500.00)		5,500.00	5,500.00			
Alcohol Education Rehabilitation and Enforcement (N.J.S.A. 40A:4-87 + \$416.77)		416.77	416.77			

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled	Over- Expenditures
	Budget	Budget After Modification	Paid or Charged	Reserved		
Operations Excluded from "CAPS" (Continued):						
Public and Private Programs Offset by Revenues:						
Recreation for Individuals with Disabilities	\$ 2,275.44	\$ 2,275.44	\$ 2,275.44			
Recreation for Individuals with Disabilities - Local Match	4,000.00	4,000.00	4,000.00			
Maddie's Fund - Foster Care - Animal Control (N.J.S.A. 40A:4-87 + \$1,000.00)		1,000.00	1,000.00			
Best Friends Animal Society - RRSTA Covid Relief Grant (N.J.S.A. 40A:4-87 + \$4,000.00)		4,000.00	4,000.00			
Target Community Relations Grant (N.J.S.A. 40A:4-87 + \$1,000.00)		1,000.00	1,000.00			
NJDEP Grants (N.J.S.A. 40A:4-87 + \$12,000.00)		12,000.00	12,000.00			
NJ DOT - Old Bloomfield Ave Phase II (N.J.S.A. 40A:4-87 + \$400,000.00)		400,000.00	400,000.00			
Donation - EMS COVID-19	100.00	100.00	100.00			
CARES ACT - Stimulus	21,756.97	21,756.97	21,756.97			
Spencer Savings PPE Grant (N.J.S.A. 40A:4-87 + \$1,800.00)		1,800.00	1,800.00			
Total Operations Excluded from "CAPS"	3,388,102.60	4,110,971.52	4,035,971.04	\$ 75,000.48		
Detail:						
Other Expenses	3,388,102.60	4,110,971.52	4,035,971.04	75,000.48		
Capital Improvements Excluded from "CAPS":						
Capital Improvement Fund	630,596.00	630,596.00	630,596.00			
Total Capital Improvements Excluded from "CAPS"	630,596.00	630,596.00	630,596.00			
Municipal Debt Service Excluded from "CAPS":						
Payment of Bond Principal	7,530,000.00	7,530,000.00	7,530,000.00			
Interest on Bonds	2,224,000.00	2,224,000.00	2,223,114.54		\$ 885.46	
Interest on Notes	365,000.00	365,000.00	349,431.30		15,568.70	
Total Municipal Debt Service Excluded from "CAPS"	10,119,000.00	10,119,000.00	10,102,545.84		16,454.16	

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled	Over- Expenditures
	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 2015	\$ 121,591.00	\$ 172,717.00	\$ 172,717.00			
Retirement Payout 2016	80,389.00	121,591.00	121,591.00			
Retirement Payout 2017	150,426.00	80,389.00	80,389.00			
Retirement Payout 2018	61,187.00	150,426.00	150,426.00			
Retirement Payout 2019	27,000.00	61,187.00	61,187.00			
Master Plan 2019		27,000.00	27,000.00			
Total Deferred Charges - Municipal - Excluded from "CAPS"	440,593.00	613,310.00	613,310.00			
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	14,578,291.60	15,473,877.52	15,382,422.88	\$ 75,000.48	\$ 16,454.16	
Subtotal General Appropriations	74,433,905.78	75,788,445.70	71,114,501.62	4,702,218.70	16,454.16	\$ 44,728.78
Reserve for Uncollected Taxes	1,900,000.00	1,900,000.00	1,900,000.00			
Total General Appropriations	\$ 76,333,905.78	\$ 77,688,445.70	\$ 73,014,501.62	\$ 4,702,218.70	\$ 16,454.16	\$ 44,728.78

Ref.

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TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020
(Continued)

		Analysis of	
	Ref.	Budget After Modification	Paid or Charged
Adopted Budget		\$ 76,333,905.78	
Special Emergency Authorization (40A:4-53)		631,671.00	
Added by NJSA 40A:4-87		722,868.92	
		\$ 77,688,445.70	
Cash Disbursed			\$ 69,804,011.89
Due to Federal and State Grant Fund			790,615.52
Deferred Charges			613,310.00
Encumbrances	A		1,151,106.89
Reserve for Uncollected Taxes			1,900,000.00
			74,259,044.30
Less: Refunds			1,244,542.68
			\$ 73,014,501.62

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
COUNTY OF MORRIS
2020
TRUST FUNDS

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

	Ref.	December 31,	
		2020	2019
<u>ASSETS</u>			
Animal Control Fund:			
Cash and Cash Equivalents	B-4	\$ 83,106.10	\$ 82,725.22
Change Fund		50.00	50.00
Due from Current Fund	A	11,570.88	
		<u>94,726.98</u>	<u>82,775.22</u>
Other Trust Funds:			
Cash and Cash Equivalents	B-4	20,089,126.00	19,881,115.79
Assets in the Hands of Plan Administrator:			
Workers' Compensation Plan		108,457.73	96,624.61
Due from Municipal Court			1,553.50
Due from Current Fund	A	1,365,757.09	162,072.97
Due from Federal and State Grant Fund - Other Trust Fund	A	697.80	697.80
Due from Federal and State Grant Fund - Open Space Trust Fund	A	5,299.93	
Due from Golf and Recreation Utility Operating Fund	F		13,787.50
Due from Public Assistance Fund	G	99,428.25	
Due from Payroll		28,665.39	
Off Duty Police Receivable			27,790.50
Community Development Block Grant - Federal Grants Receivable		198,817.22	503,212.57
Deferred Charge to Future Taxation - Deficit in Workers' Compensation - Self Insurance Fund - Municipal		90,624.61	
		<u>21,986,874.02</u>	<u>20,686,855.24</u>
<u>TOTAL ASSETS</u>		<u>\$ 22,081,601.00</u>	<u>\$ 20,769,630.46</u>

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

	Ref.	December 31,	
		2020	2019
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Fund:			
Due to State of New Jersey		\$ 542.00	\$ 183.20
Reserve for Animal Control Expenditures	B-5	56,414.40	52,091.44
Reserve for Donations		37,770.58	30,500.58
		<u>94,726.98</u>	<u>82,775.22</u>
Other Trust Funds:			
Due to Federal and State Grant Fund - Open Space Trust Fund	A		77,653.50
Due to Golf and Recreation Utility Operating Fund	F	669,791.16	
Due to General Capital Fund	C	35,000.00	
Reserve for:			
Special Deposits		9,035,634.69	9,345,332.43
Premiums on Tax Sale		963,600.00	977,800.00
Security Deposits		17,111.99	17,111.99
Off Duty Police		221,034.51	136,557.08
Municipal Open Space Preservation Trust Fund		4,927,011.34	5,002,358.81
Workers' Compensation - Self Insurance Fund - Municipal			435,262.66
Workers' Compensation - Self Insurance Fund - Contractor		108,457.73	96,624.61
Police Explorer Program		233.45	3,249.88
LOSAP		138,229.11	147,155.68
Employee Health Benefit Self Insurance Fund - Municipal		3,059,479.02	2,004,202.18
Employee Health Benefit Self Insurance Fund - Contractor		958,256.62	395,958.07
State Unemployment Insurance Fund		649,086.05	504,375.78
Storm Recovery		365,131.13	400,000.00
Accumulated Sick and Vacation Compensation		640,000.00	640,000.00
Community Development Block Grant - Grant Trust Fund Expenditures		198,817.22	503,212.57
		<u>21,986,874.02</u>	<u>20,686,855.24</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 22,081,601.00</u>	<u>\$ 20,769,630.46</u>

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
ASSESSMENT TRUST FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

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, 2020

NOT APPLICABLE

ASSESSMENT TRUST FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

NOT APPLICABLE

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
COUNTY OF MORRIS
2020
GENERAL CAPITAL FUND

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

	Ref.	December 31,	
		2020	2019
<u>ASSETS</u>			
Cash and Cash Equivalents	C-2	\$ 4,615,096.39	\$ 18,759,890.91
Due from Current Fund	A	7,129,032.38	
Due from Other Trust Fund	B	35,000.00	
Grants Receivable:			
New Jersey Department of Transportation		2,176.35	2,176.35
Deferred Charges to Future Taxation:			
Funded		79,295,000.00	74,555,000.00
Unfunded	C-4	30,179,751.91	32,848,143.91
<u>TOTAL ASSETS</u>		<u>\$ 121,256,057.03</u>	<u>\$ 126,165,211.17</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds Payable	C-8	\$ 72,260,000.00	\$ 66,250,000.00
Refunding Bonds	C-8A	7,035,000.00	8,305,000.00
Bond Anticipation Notes Payable	C-7	11,500,000.00	16,000,000.00
Improvement Authorizations:			
Funded	C-5	9,172,620.52	10,767,541.24
Unfunded	C-5	19,805,288.87	22,956,720.26
Due from Current Fund	A		257,890.00
Capital Improvement Fund	C-6	152,353.00	73,158.00
Reserve for:			
Deposit for Regional Contribution Agreement		261,420.19	261,420.19
Developer Contributions		79,652.68	79,652.68
Payment of Debt Service		491,386.30	991,386.30
Emergency Preparedness		122,442.50	122,442.50
Fund Balance	C-1	375,892.97	100,000.00
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 121,256,057.03</u>	<u>\$ 126,165,211.17</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, 2019	C	\$ 100,000.00
Increased by:		
Premium on Bond and Note Sale		\$ 205,978.97
Reimbursement of Prior Year Expense:		
Developer's Escrow Deposit		<u>69,914.00</u>
		<u>275,892.97</u>
Balance December 31, 2020	C	<u>\$ 375,892.97</u>

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
COUNTY OF MORRIS
2020
WATER UTILITY FUND

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

	Ref.	December 31,	
		2020	2019
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents	D-4	\$ 3,629,512.33	\$ 4,280,950.44
Petty Cash Fund		300.00	150.00
Due from Water Utility Capital Fund	D	89,281.77	
		<u>3,719,094.10</u>	<u>4,281,100.44</u>
Receivables and Inventory with Full Reserves:			
Consumer Accounts Receivable	D-6	885,396.66	199,712.85
Water Utility Liens Receivable	D-6A	252.57	252.57
Inventory	D-6B	254,963.00	263,762.00
Total Receivables and Inventory with Full Reserves		<u>1,140,612.23</u>	<u>463,727.42</u>
Total Operating Fund		<u>4,859,706.33</u>	<u>4,744,827.86</u>
Capital Fund:			
Cash and Cash Equivalents	D-4	13,044,175.18	8,464,175.18
Due from Current Fund	A	5,780,254.45	
Fixed Capital	D-7	38,599,107.02	36,578,448.10
Fixed Capital Authorized and Uncompleted	D-8	24,383,000.00	17,443,000.00
Total Capital Fund		<u>81,806,536.65</u>	<u>62,485,623.28</u>
<u>TOTAL ASSETS</u>		<u>\$ 86,666,242.98</u>	<u>\$ 67,230,451.14</u>

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

	Ref.	December 31,	
		2020	2019
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Appropriation Reserves:			
Encumbered	D-3;D-9	\$ 136,860.13	\$ 372,825.26
Unencumbered	D-3;D-9	1,269,748.83	249,829.94
		<u>1,406,608.96</u>	<u>622,655.20</u>
Accounts Payable			9.35
Accrued Interest on Bonds		71,115.63	67,821.98
Accrued Interest on Loans		395.83	791.67
Accrued Interest on Notes		33,546.67	
Water Rent Overpayments		58,352.77	22,498.36
Due to Current Fund	A	208,401.93	
Reserve for Water Master Plan		24,250.03	24,250.03
		<u>1,802,671.82</u>	<u>738,026.59</u>
Reserve for Receivables and Inventory	D	1,140,612.23	463,727.42
Fund Balance	D-1	1,916,422.28	3,543,073.85
		<u>4,859,706.33</u>	<u>4,744,827.86</u>
Total Operating Fund			
Capital Fund:			
Bond Anticipation Notes Payable	D-13	12,580,000.00	
Serial Bonds Payable	D-14	12,105,000.00	12,865,000.00
Refunding Bonds Payable	D-14A		35,000.00
N.J. Environmental Infrastructure Loans Payable	D-15	33,496.10	67,604.01
Improvement Authorizations:			
Funded	D-10	5,528,087.27	7,862,260.63
Unfunded	D-10	11,871,579.28	3,000,000.00
Capital Improvement Fund	D-11	314,498.22	314,498.22
Due to Water Utility Operating Fund	D	89,281.77	
Reserve for:			
Debt Service		192,749.21	192,749.21
Amortization	D-12	37,183,549.92	36,678,783.09
Deferred Amortization	D-12A	1,080,000.00	1,375,000.00
Preliminary Expense			5,446.35
Fund Balance	D-1a	828,294.88	89,281.77
		<u>81,806,536.65</u>	<u>62,485,623.28</u>
Total Capital Fund			
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 86,666,242.98</u>	<u>\$ 67,230,451.14</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,	
		2020	2019
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	\$	2,328,195.00	\$ 1,451,000.00
Rents		8,507,899.84	7,818,985.45
Interest on Investments		49,974.60	136,332.21
Water Utility Capital Fund Balance		89,281.77	
Miscellaneous Revenue		279,999.31	580,237.99
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		156,997.98	118,346.37
Cancellation of Prior Year Accounts Payable		9.35	
		<u>11,412,357.85</u>	<u>10,104,902.02</u>
<u>Expenditures</u>			
Budget Expenditures:			
Operating		8,656,626.00	8,064,437.00
Debt Service		1,227,688.42	1,008,637.40
Statutory Expenditures		376,500.00	372,377.00
		<u>10,260,814.42</u>	<u>9,445,451.40</u>
Excess in Revenue		1,151,543.43	659,450.62
<u>Fund Balance</u>			
Balance January 1		3,543,073.85	4,939,623.23
		<u>4,694,617.28</u>	<u>5,599,073.85</u>
Decreased by:			
Utilized as Anticipated Revenue		2,328,195.00	1,451,000.00
Prior Year Fund Balance Appropriated as Revenue - Current Fund		450,000.00	605,000.00
		<u>450,000.00</u>	<u>605,000.00</u>
Balance December 31	D	<u>\$ 1,916,422.28</u>	<u>\$ 3,543,073.85</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, 2019	D	\$ 89,281.77
Increased by:		
Cancellation of Improvement Authorizations		\$ 619,341.08
Premium on Note Sale		<u>208,953.80</u>
		<u>828,294.88</u>
		<u>917,576.65</u>
Decreased by:		
Anticipated as Revenue in Water Utility Operating Fund Budget		<u>89,281.77</u>
Balance December 31, 2020	D	<u><u>\$ 828,294.88</u></u>

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
WATER UTILITY OPERATING FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

	Anticipated	Realized	Excess/ Deficit *
Operating Fund Balance Anticipated	\$ 2,328,195.00	\$ 2,328,195.00	
Water Rents	7,811,300.00	8,507,899.84	\$ 696,599.84
Interest on Investments	66,350.00	49,974.60	16,375.40 *
Water Capital Fund Balance	89,281.00	89,281.77	0.77
	10,295,126.00	10,975,351.21	680,225.21
Nonbudget Revenue		279,999.31	279,999.31
	\$ 10,295,126.00	\$ 11,255,350.52	\$ 960,224.52
 <u>Analysis of Water Rents</u>			
Cash Received		\$ 8,485,401.48	
Overpayments Applied		22,498.36	
		\$ 8,507,899.84	
 <u>Analysis of Nonbudget Revenue</u>			
Interest on Water Rents		\$ 32,786.51	
Final Fee		19,529.06	
Off/On Fee		14,654.20	
Capacity/Connection Fees		211,294.32	
Other		1,735.22	
		\$ 279,999.31	

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, 2020

	Appropriations		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operating:					
Salaries and Wages	\$ 2,843,574.00	\$ 2,843,574.00	\$ 2,520,601.28	\$ 322,972.72	
Other Expenses	5,813,052.00	5,813,052.00	4,935,780.89	877,271.11	
Debt Service:					
Payment of Bond Principal	795,000.00	795,000.00	795,000.00		
Interest on Bonds	370,000.00	370,000.00	365,026.28		\$ 4,973.72
Interest on Notes	60,000.00	60,000.00	33,546.67		26,453.33
Environmental Infrastructure Loan	37,000.00	37,000.00	34,115.47		2,884.53
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	176,500.00	176,500.00	176,328.00	172.00	
Social Security (O.A.S.I.)	200,000.00	200,000.00	130,667.00	69,333.00	
	<u>\$ 10,295,126.00</u>	<u>\$ 10,295,126.00</u>	<u>\$ 8,991,065.59</u>	<u>\$ 1,269,748.83</u>	<u>\$ 34,311.58</u>

Ref.

D

Analysis of Paid or Charged

Cash Disbursed	\$ 8,861,313.56
Encumbrances Payable	136,860.13
Accrued Interest on Bonds	365,026.28
Accrued Interest on Loans	1,504.16
Accrued Interest on Notes	33,546.67
	<u>9,398,250.80</u>
Less: Refunds	<u>407,185.21</u>
	<u>\$ 8,991,065.59</u>

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
COUNTY OF MORRIS
2020
SEWER UTILITY FUND

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

	Ref.	December 31,	
		2020	2019
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents		\$ 5,452,322.13	\$ 5,337,004.55
Investments			3,125,366.56
		<u>5,452,322.13</u>	<u>8,462,371.11</u>
Due from Current Fund	E-4	5,452,322.13	8,462,371.11
Due from Sewer Utility Capital Fund	A	944,119.79	
	E	62,235.89	
		<u>6,458,677.81</u>	<u>8,462,371.11</u>
Receivables and Inventory With Full Reserves:			
Consumer Accounts Receivable	E-6	1,642,778.56	1,274,043.76
Sewer Utility Liens Receivable	E-6A	721.81	721.81
Inventory	E-6B	67,506.00	99,757.74
Total Receivables and Inventory with Full Reserves		<u>1,711,006.37</u>	<u>1,374,523.31</u>
Total Operating Fund		<u>8,169,684.18</u>	<u>9,836,894.42</u>
Capital Fund:			
Cash and Cash Equivalents	E-4	18,709,668.03	11,044,668.03
Fixed Capital	E-7	140,640,056.25	140,340,056.25
Fixed Capital Authorized and Uncomplete	E-8	70,881,000.00	56,766,000.00
Total Capital Fund		<u>230,230,724.28</u>	<u>208,150,724.28</u>
TOTAL ASSETS		<u>\$ 238,400,408.46</u>	<u>\$ 217,987,618.70</u>

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

	Ref.	December 31	
		2020	2019
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves:			
Encumbered	E-3;E-9	\$ 64,144.50	\$ 580,640.33
Unencumbered	E-3;E-9	3,191,328.19	1,203,639.36
		<u>3,255,472.69</u>	<u>1,784,279.69</u>
Accrued Interest on Loans		57,198.43	60,607.35
Accrued Interest on Bonds		98,479.17	95,064.34
Accrued Interest on Notes		28,440.00	
Sewer Rent Overpayments		116,462.41	35,187.06
Prepaid Sewer Rents		22,881.02	
Due to Public Assistance Fund	G	15,712.68	
Due to Golf and Recreation Utility Operating Fund	F	2,377.07	
		<u>3,597,023.47</u>	<u>1,975,138.44</u>
Reserve for Receivables and Inventory	E	1,711,006.37	1,374,523.31
Fund Balance	E-1	2,861,654.34	6,487,232.67
		<u>8,169,684.18</u>	<u>9,836,894.42</u>
Total Operating Fund			
Capital Fund:			
Bond Anticipation Notes Payable	E-13	10,665,000.00	
Serial Bonds Payable	E-14	16,355,000.00	17,430,000.00
Refunding Bonds Payable	E-14A		110,000.00
NJ Environmental Infrastructure Trust Loans Payable #1	E-15	83,859.74	92,738.31
NJ Environmental Infrastructure Trust Loans Payable #2	E-15A	9,368,884.93	10,384,166.78
Improvement Authorizations:			
Funded	E-10	7,605,897.64	10,516,980.95
Unfunded	E-10	20,703,849.13	6,577,352.00
Due to Current Fund	A	22,440.53	
Due to Sewer Utility Operating Fund	E	62,235.89	
Capital Improvement Fund	E-11	466,000.00	466,000.00
Reserve for:			
Amortization	E-12	141,025,916.94	139,840,916.94
Deferred Amortization	E-12a	23,694,493.83	22,670,333.41
Fund Balance	E-1a	177,145.65	62,235.89
		<u>230,230,724.28</u>	<u>208,150,724.28</u>
Total Capital Fund			
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 238,400,408.46</u>	<u>\$ 217,987,618.70</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	
		2020	2019
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	\$	3,366,000.00	\$ 1,500,000.00
Sewer and Other Rents		15,104,738.79	14,496,104.33
Septage Removal		606,008.41	767,615.52
Interest on Investments		150,171.04	377,191.25
Sewer Utility Capital Fund Balance		62,235.89	
Nonbudget Revenue		256,555.25	797,456.32
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		918,878.19	1,046,098.61
Total Income		<u>20,464,587.57</u>	<u>18,984,466.03</u>
<u>Expenditures</u>			
Budget Expenditures:			
Operating		15,016,934.00	13,438,210.00
Debt Service		2,876,731.90	2,519,943.74
Deferred Charges and Statutory Expenditures		730,500.00	681,485.00
Total Expenditures		<u>18,624,165.90</u>	<u>16,639,638.74</u>
Excess in Revenue		1,840,421.67	2,344,827.29
<u>Fund Balance</u>			
Balance January 1		<u>6,487,232.67</u>	<u>7,892,405.38</u>
		8,327,654.34	10,237,232.67
Decreased by:			
Utilization as Anticipated Revenue		3,366,000.00	1,500,000.00
Prior Year Fund Balance Appropriated as Revenue - Current Fund		<u>2,100,000.00</u>	<u>2,250,000.00</u>
Balance December 31	E	<u>\$ 2,861,654.34</u>	<u>\$ 6,487,232.67</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, 2019	E	\$ 62,235.89
Increased by:		
Premium on Note Sale		<u>177,145.65</u>
		239,381.54
Decreased by:		
Utilized as Anticipated Revenue in Sewer Utility Operating Fund		<u>62,235.89</u>
Balance December 31, 2020	E	<u>\$ 177,145.65</u>

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
SEWER UTILITY CAPITAL FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess/ Deficit *</u>
Operating Fund Balance Anticipated	\$ 3,366,000.00	\$ 3,366,000.00	
Sewer Rents	14,456,740.00	15,104,738.79	\$ 647,998.79
Interest on Investments	200,000.00	150,171.04	49,828.96 *
Septage Removal	675,000.00	606,008.41	68,991.59 *
Sewer Capital Fund Balance	<u>62,236.00</u>	<u>62,235.89</u>	<u>0.11 *</u>
	18,759,976.00	19,289,154.13	529,178.13
Nonbudget Revenue		<u>256,555.25</u>	<u>256,555.25</u>
	<u>\$ 18,759,976.00</u>	<u>\$ 19,545,709.38</u>	<u>\$ 785,733.38</u>

Analysis of Sewer Rents:

Collections	\$ 15,069,551.73
Overpayments Applied	<u>35,187.06</u>
	<u>\$ 15,104,738.79</u>

Analysis of Interest on Investments

Collected by Treasurer	\$ 77,699.72
Due from Sewer Utility Capital Fund	<u>72,471.32</u>
	<u>\$ 150,171.04</u>

Analysis of Nonbudget Revenue:

Interest on Sewer Rents	\$ 37,814.12
Interest on Sludge Rents	6,566.08
Capacity/Connection Fees	<u>212,175.05</u>
	<u>\$ 256,555.25</u>

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

	Appropriations		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operating:					
Salaries and Wages	\$ 4,224,636.00	\$ 4,224,637.00	\$ 3,650,467.94	\$ 574,169.06	
Other Expenses	10,792,297.00	10,792,297.00	8,372,917.38	2,419,379.62	
Debt Service:					
Payment of Bond Principal	1,185,000.00	1,185,000.00	1,185,000.00		\$ 1,585.17
Interest on Bonds	497,703.00	497,703.00	496,117.83		121,560.00
Interest on Notes	150,000.00	150,000.00	28,440.00		12,664.93
Environmental Infrastructure Loan	1,179,840.00	1,179,839.00	1,167,174.07		
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	330,500.00	330,500.00	330,304.00	196.00	
Social Security System (O.A.S.I.)	400,000.00	400,000.00	202,416.49	197,583.51	
	<u>\$ 18,759,976.00</u>	<u>\$ 18,759,976.00</u>	<u>\$ 15,432,837.71</u>	<u>\$ 3,191,328.19</u>	<u>\$ 135,810.10</u>

Ref.

E

TOWNSHIP OF PARSIPPANY-TROY HILLS
SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020
(Continued)

		Analysis of	
	Ref.	Budget After Modification	Paid or Charged
Adopted Budget		\$ 18,759,976.00	
Cash Disbursed			\$ 15,276,340.81
Encumbered	E		64,144.50
Accrued Interest on Bonds			496,117.83
Accrued Interest on Notes			28,440.00
Accrued Interest on Loans			149,938.72
			16,014,981.86
Less: Refunds			582,144.15
			\$ 15,432,837.71

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
COUNTY OF MORRIS
2020
GOLF AND RECREATION UTILITY FUND

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

	Ref.	December 31,	
		2020	2019
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents	F-4	\$ 4,440,888.97	\$ 1,646,827.25
Change Funds		1,800.00	1,800.00
		<u>4,442,688.97</u>	<u>1,648,627.25</u>
Due from Other Trust Funds - Open Space	B	669,791.16	
Due from Sewer Utility Operating Fund	E	2,377.07	
Due from Golf and Recreation Utility Capital Fund	F	73,070.00	
		<u>5,187,927.20</u>	<u>1,648,627.25</u>
Receivables and Inventory With Full Reserves:			
Consumer Accounts Receivable	F-6	43,397.07	71,873.67
Inventory	F-6a	123,134.51	103,658.29
		<u>166,531.58</u>	<u>175,531.96</u>
Deferred Charges:			
Emergency Authorization (40A:4-48)			100,000.00
Overexpenditure of Appropriations	F-3	20,172.53	
Total Deferred Charges		<u>20,172.53</u>	<u>100,000.00</u>
		<u>5,374,631.31</u>	<u>1,924,159.21</u>
Total Operating Fund			
Capital Fund:			
Cash and Cash Equivalents	F-4	3,915,417.60	5,538,048.05
Due from Current Fund	A	454,997.92	
Fixed Capital	F-7	25,617,805.11	25,413,276.61
Fixed Capital Authorized and Uncompleted	F-8	8,832,299.50	7,336,828.00
		<u>38,820,520.13</u>	<u>38,288,152.66</u>
		<u>38,820,520.13</u>	<u>38,288,152.66</u>
<u>TOTAL ASSETS</u>			
		<u>\$ 44,195,151.44</u>	<u>\$ 40,212,311.87</u>

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

	Ref.	December 31,	
		2020	2019
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Appropriation Reserves:			
Encumbered	F-3;F-9	\$ 46,699.13	\$ 117,689.82
Unencumbered	F-3;F-9	467,433.68	354,169.95
		<u>514,132.81</u>	<u>471,859.77</u>
Sales Tax Payable		7,676.43	
Accrued Interest on Bonds		45,693.24	44,814.58
Membership Overpayments		18,077.36	9,948.79
Due to Golf Pro		15,082.50	
Due to Current Fund	A	2,901,287.68	
Due to Other Trust Funds - Open Space	B		13,787.50
		<u>3,501,950.02</u>	<u>540,410.64</u>
Reserve for Receivables and Inventory	F	166,531.58	175,531.96
Fund Balance	F-1	<u>1,706,149.71</u>	<u>1,208,216.61</u>
Total Operating Fund		<u>5,374,631.31</u>	<u>1,924,159.21</u>
Capital Fund:			
Serial Bonds Payable	F-14	7,310,000.00	6,190,000.00
Improvement Authorizations:			
Funded	F-10	1,721,801.69	2,919,384.30
Unfunded	F-10	984.00	984.00
Capital Improvement Fund	F-11	161,593.05	161,593.05
Due to Golf and Recreation Utility Operating Fund	F	73,070.00	
Reserve for:			
Preliminary Expenses - Miniature Golf Recreation Facility		12,000.00	12,000.00
Payment of Debt Service		2,400,000.00	2,400,000.00
Amortization	F-12	26,916,355.11	26,300,351.61
Deferred Amortization	F-12a	222,765.50	258,769.00
Fund Balance	F-1a	<u>1,950.78</u>	<u>45,070.70</u>
Total Capital Fund		<u>38,820,520.13</u>	<u>38,288,152.66</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 44,195,151.44</u>	<u>\$ 40,212,311.87</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,	
		2020	2019
<u>Revenue and Other Income Realized</u>			
Fund Balance Anticipated	\$	1,079,625.00	\$ 900,000.00
Golf Fees		3,770,023.71	2,454,831.31
Concession Fees		255,000.00	360,000.00
Merchandise Sales		127,741.54	
Interest on Investments		33,750.08	113,427.46
Golf and Recreation Capital Fund Balance		45,070.00	-
Miscellaneous Revenue		147,157.31	35,068.72
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		315,304.46	387,974.71
Total Income		<u>5,773,672.10</u>	<u>4,251,302.20</u>
<u>Expenditures</u>			
Budget Expenditures:			
Operating		3,889,114.00	3,300,357.00
Capital Improvements			100,000.00
Deferred Charges and Statutory Expenditures		327,172.53	210,744.00
Total Expenditures		<u>4,216,286.53</u>	<u>3,611,101.00</u>
Excess in Revenue/Statutory Excess to Fund Balance		1,557,385.57	640,201.20
Adjustments to Excess Before Fund Balance:			
Expenditures included above which are by Statute			
Deferred Charges to Budget of Succeeding Year		20,172.53	100,000.00
Statutory Excess to Fund Balance		1,577,558.10	740,201.20
<u>Fund Balance</u>			
Balance January 1		<u>1,208,216.61</u>	<u>1,368,015.41</u>
		2,785,774.71	2,108,216.61
Decreased by:			
Utilized as Anticipated Revenue		<u>1,079,625.00</u>	<u>900,000.00</u>
Balance December 31	F	<u>\$ 1,706,149.71</u>	<u>\$ 1,208,216.61</u>

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

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

	<u>Ref.</u>		
Balance December 31, 2019	F	\$	45,070.70
Increased by:			
Premium on Bond Sale			1,950.08
			47,020.78
Decreased by:			
Utilized as Anticipated Revenue in the Golf and Recreation Utility Operating Fund			45,070.00
			45,070.00
Balance December 31, 2020	F	\$	1,950.78

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
GOLF AND RECREATION UTILITY CAPITAL FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess/ Deficit *</u>
Operating Fund Balance Anticipated	\$ 1,079,625.00	\$ 1,079,625.00	
Golf Fees	2,451,419.00	3,770,023.71	\$ 1,318,604.71
Concession Fees	360,000.00	255,000.00	105,000.00 *
Merchandise Sales	175,000.00	127,741.54	47,258.46 *
Interest on Investments	85,000.00	33,750.08	51,249.92 *
Capital Fund Balance	45,070.00	45,070.00	
	<u>4,196,114.00</u>	<u>5,311,210.33</u>	<u>1,115,096.33</u>
Nonbudget Revenue		147,157.31	147,157.31
	<u>\$ 4,196,114.00</u>	<u>\$ 5,458,367.64</u>	<u>\$ 1,262,253.64</u>

Analysis of Golf Fees

Collections - Golf Fees	\$ 3,760,074.92
Membership Overpayments Applied	9,948.79
	<u>\$ 3,770,023.71</u>

Analysis of Nonbudget Revenue

Utilities - Concessions	\$ 59,492.06
Other	87,665.25
	<u>\$ 147,157.31</u>

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
GOLF AND RECREATION UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

	<u>Appropriations</u>		<u>Expended by</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Over-Expenditures</u>
Operating:					
Salaries and Wages	\$ 2,157,997.00	\$ 2,157,997.00	\$ 1,770,358.52	\$ 387,638.48	
Other Expenses	1,731,117.00	1,731,117.00	1,651,531.80	79,585.20	
Statutory Expenditures:					
Special Emergency Authorizations	100,000.00	100,000.00	100,000.00		
Contribution to:					
Public Employees' Retirement System	107,000.00	107,000.00	106,790.00	210.00	
Social Security (O.A.S.I.)	100,000.00	100,000.00	120,172.53		\$ 20,172.53
	<u>\$ 4,196,114.00</u>	<u>\$ 4,196,114.00</u>	<u>\$ 3,748,852.85</u>	<u>\$ 467,433.68</u>	<u>\$ 20,172.53</u>

Ref.

F

F

Analysis of Paid or Charged

Cash Disbursed	\$ 725,946.62
Due to Current Fund	2,901,287.68
Encumbrances Payable	46,699.13
Deferred Charges	<u>100,000.00</u>
	3,773,933.43
Less: Refunds	<u>25,080.58</u>
	<u>\$ 3,748,852.85</u>

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
COUNTY OF MORRIS
2020
PUBLIC ASSISTANCE FUND

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

	<u>Ref.</u>	<u>December 31,</u>	
<u>ASSETS</u>		<u>2020</u>	<u>2019</u>
Cash and Cash Equivalents	G-1	\$ 87,668.62	\$ 95,617.57
Due from Sewer Utility Operating Fund	E	<u>15,712.68</u>	
<u>TOTAL ASSETS</u>		<u>\$ 103,381.30</u>	<u>\$ 95,617.57</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Due to Other Trust Fund	B	\$ 99,428.25	
Reserve for Public Assistance		<u>3,953.05</u>	<u>\$ 95,617.57</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 103,381.30</u>	<u>\$ 95,617.57</u>

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
COUNTY OF MORRIS
2020
GENERAL FIXED ASSETS ACCOUNT GROUP

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

	December 31,	
<u>ASSETS</u>	2020	2019
Land	\$ 114,261,584.00	\$ 113,382,397.00
Buildings	42,407,748.00	34,115,018.00
Machinery and Equipment	33,312,888.00	27,901,170.00
Construction in Progress	13,363,613.00	
<u>TOTAL ASSETS</u>	<u>\$ 203,345,833.00</u>	<u>\$ 175,398,585.00</u>
<u>RESERVE</u>		
Reserve for Fixed Assets	\$ 203,345,833.00	\$ 175,398,585.00
<u>TOTAL RESERVE</u>	<u>\$ 203,345,833.00</u>	<u>\$ 175,398,585.00</u>

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020

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 Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. As the financial reporting entity was established in accordance with New Jersey statutes, the requirements of GASB Codification Section 2100 were not followed and, accordingly, the reporting entity could be different from accounting principles generally accepted in the United States of America.

B. Description of Funds

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

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

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020
 (Continued)

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

B. Description of Funds (Cont'd)

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

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

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

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

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

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

C. Basis of Accounting

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

The more significant accounting policies in New Jersey follow.

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

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

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020
 (Continued)

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

C. Basis of Accounting (Cont'd)

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

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

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

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

- E. Other significant accounting policies include:

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

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

Investments – Investments are stated at cost.

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

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020
 (Continued)

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

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

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

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

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

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

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

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

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020
(Continued)

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

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

Note 2: Long-Term Debt

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

Summary of Municipal Debt

	December 31,		
	2020	2019	2018
<u>Issued</u>			
General:			
Bonds and Notes	\$ 90,795,000	\$ 90,555,000	\$ 82,230,000
Water Utility:			
Bonds, Loans and Notes	24,718,496	12,967,604	8,553,974
Sewer Utility:			
Bonds, Loans and Notes	36,472,745	28,016,905	24,917,000
Golf and Recreation Utility:			
Bonds and Notes	7,310,000	6,190,000	6,825,000
Total Issued	<u>159,296,241</u>	<u>137,729,509</u>	<u>122,525,974</u>
Less:			
Funds Temporarily Held to Pay Bonds and Notes:			
General	571,039	1,071,039	1,503,251
Water Utility	192,749	192,749	192,749
Golf and Recreation Utility	2,400,000	2,400,000	2,400,000
Total Deductions	<u>3,163,788</u>	<u>3,663,788</u>	<u>4,096,000</u>
Net Debt Issued	<u>156,132,453</u>	<u>134,065,721</u>	<u>118,429,974</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020
(Continued)

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

Summary of Municipal Debt (Cont'd)

	December 31,		
	2020	2019	2018
<u>Authorized but not Issued:</u>			
General:			
Bonds, Loans and Notes	\$ 18,679,752	\$ 16,848,144	\$ 21,306,085
Water Utility:			
Bonds, Loans and Notes	61	3,000,061	225,061
Sewer Utility:			
Bonds, Loans and Notes	10,327,901	6,577,901	6,097,901
Golf and Recreation Utility:			
Bonds and Notes	984	984	253,593
Total Authorized but not Issued	<u>29,008,698</u>	<u>26,427,090</u>	<u>27,882,640</u>
Net Bonds and Notes Issued and			
Authorized but not Issued	<u>\$ 185,141,151</u>	<u>\$ 160,492,811</u>	<u>\$ 146,312,614</u>

Summary of Municipal Debt Issued and Outstanding – Prior Year

	Balance 12/31/2018	Additions	Retirements	Balance 12/31/2019
Serial Bonds:				
General Capital Fund	\$ 58,730,000	\$ 22,640,000	\$ 6,815,000	\$ 74,555,000
Water Utility Capital Fund	5,960,000	7,670,000	730,000	12,900,000
Sewer Utility Capital Fund	8,925,000	9,570,000	955,000	17,540,000
Golf and Recreation Utility Capital Fund	6,825,000		635,000	6,190,000
Bond Anticipation Notes:				
General Capital Fund	23,500,000	16,000,000	23,500,000	16,000,000
Water Utility Capital Fund	2,500,000		2,500,000	
Sewer Utility Capital Fund	4,500,000		4,500,000	
Loans Payable:				
Water Utility Capital Fund:				
NJ Environmental Infrastructure Loan	93,974		26,370	67,604
Sewer Utility Capital Fund:				
NJ Environmental Infrastructure Loan	11,492,000		1,015,095	10,476,905
Total	<u>\$ 122,525,974</u>	<u>\$ 55,880,000</u>	<u>\$ 40,676,465</u>	<u>\$ 137,729,509</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020
(Continued)

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

Summary of Municipal Debt Issued and Outstanding – Current Year

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

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition, which follows, is prepared in accordance with the required method of setting up the Debt Statement and indicates a statutory net debt of 1.249%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 23,275,000	\$ 23,275,000	
Water Utility Debt	24,718,557	24,718,557	
Sewer Utility Debt	46,800,646	46,800,646	
Golf and Recreation Utility Debt	7,310,984	7,310,984	
General Debt	109,474,752	571,039	\$ 108,903,713
	<u>\$ 211,579,939</u>	<u>\$ 102,676,226</u>	<u>\$ 108,903,713</u>

Net Debt: \$108,903,713 divided by Equalized Valuation basis per N.J.S. 40A:2-2, as amended, of \$8,717,713,583 = 1.249%.

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020
(Continued)

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

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

3-1/2% Average Equalized Valuation of Real Property	\$ 305,119,975
Net Debt	<u>108,903,713</u>
Remaining Borrowing Power	<u>\$ 196,216,262</u>

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

Cash Receipts from Fees, Rents or Other Charges for Year	\$ 11,255,351
Deductions:	
Operating and Maintenance Cost	\$ 9,033,126
Debt Service	<u>1,227,688</u>
	<u>10,260,814</u>
Excess in Revenue	<u>\$ 994,537</u>

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

Cash Receipts from Fees, Rents or Other Charges for Year	\$ 19,545,709
Deductions:	
Operating and Maintenance Cost	\$ 15,747,434
Debt Service	<u>2,876,732</u>
	<u>18,624,166</u>
Excess in Revenue	<u>\$ 921,543</u>

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

Cash Receipts from Fees, Rents or Other Charges for Year	\$ 5,458,368
Deductions:	
Operating and Maintenance Cost	<u>4,216,287</u>
Excess in Revenue	<u>\$ 1,242,081</u>

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

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020
(Continued)

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

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

Year Ended December 31,	General		Water Utility	
	Principal	Interest	Principal	Interest
2021	\$ 8,350,000	\$ 2,410,657	\$ 848,496	\$ 347,463
2022	8,770,000	2,130,638	850,000	322,463
2023	9,170,000	1,841,888	885,000	297,213
2024	9,175,000	1,543,763	750,000	270,763
2025	9,170,000	1,246,163	765,000	246,763
2026-2030	33,420,000	2,560,144	3,965,000	853,088
2031-2035	1,240,000	12,400	2,275,000	399,094
2036-2039			1,800,000	106,875
	<u>\$ 79,295,000</u>	<u>\$ 11,745,653</u>	<u>\$ 12,138,496</u>	<u>\$ 2,843,722</u>

Year Ended December 31,	Sewer Utility		Golf and Recreation Utility	
	Principal	Interest	Principal	Interest
2021	\$ 2,235,232	\$ 601,891	\$ 630,000	\$ 189,647
2022	2,258,309	553,755	715,000	257,550
2023	2,277,392	504,791	720,000	155,850
2024	2,126,483	454,961	740,000	139,250
2025	2,150,578	408,215	740,000	120,050
2026-2030	9,634,751	1,286,535	3,475,000	301,900
2031-2035	2,925,000	495,188	290,000	5,800
2036-2039	2,200,000	130,625		
	<u>\$ 25,807,745</u>	<u>\$ 4,435,961</u>	<u>\$ 7,310,000</u>	<u>\$ 1,170,047</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020
(Continued)

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

Analysis of Debt Issued and Outstanding at December 31, 2020

General Capital Fund

Serial Bonds

<u>Purpose</u>	<u>Maturities of Bonds</u>		<u>Interest</u>	<u>Balance</u>
	<u>Outstanding Dec. 31, 2020</u>			
	<u>Date</u>	<u>Amount</u>	<u>Rate</u>	<u>Dec. 31, 2020</u>
Refunding Bonds	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%	\$ 7,035,000
General Improvements	11/1/21-23	1,150,000	3.00%	3,450,000
General Improvements	9/15/2021-23	3,000,000	2.00%	
	9/15/2024-25	4,000,000	2.50%	
	9/15/2026-28	4,000,000	3.00%	
	9/15/2029	3,500,000	3.00%	
	9/15/2030	3,510,000	2.50%	36,010,000
General Improvements	5/1/2021	2,280,000	4.00%	
	5/1/2022-25	2,465,000	4.00%	
	5/1/2026	2,195,000	4.00%	
	5/1/2027-28	2,005,000	4.00%	
	5/1/2029	2,005,000	2.25%	20,350,000
General Improvements	6/1/2021	620,000	3.00%	
	6/1/2022	815,000	3.00%	
	6/1/2023	1,095,000	3.00%	
	6/1/2024-27	1,240,000	3.00%	
	6/1/2028-31	1,240,000	2.00%	12,450,000
				<u>\$ 79,295,000</u>

Bond Anticipation Notes

<u>Purpose</u>	<u>Maturities of Notes</u>		<u>Interest</u>	<u>Balance</u>
	<u>Outstanding Dec. 31, 2020</u>			
	<u>Date</u>	<u>Amount</u>	<u>Rate</u>	<u>Dec. 31, 2020</u>
Various Capital Improvements	11/11/2021	\$ 11,500,000	2.00%	<u>\$ 11,500,000</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020
(Continued)

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

Analysis of Debt Issued and Outstanding at December 31, 2020

Water Utility Capital Fund

<u>Serial Bonds</u>	<u>Maturities of Bonds</u>		<u>Interest</u>	<u>Balance</u>
	<u>Outstanding Dec. 31, 2020</u>			
<u>Purpose</u>	<u>Date</u>	<u>Amount</u>	<u>Rate</u>	<u>Dec. 31, 2020</u>
Water Improvements	11/1/2021-23	\$ 175,000	3.00%	\$ 525,000
Water Improvements	9/15/2021	365,000	2.00%	
	9/15/2022	375,000	2.00%	
	9/15/2023	385,000	2.00%	
	9/15/2024	400,000	2.50%	
	9/15/2025	415,000	2.50%	
	9/15/2026	425,000	3.00%	
	9/15/2027	440,000	3.00%	
	9/15/2028-29	450,000	3.00%	
	9/15/2030	450,000	2.50%	4,155,000
Water Improvements	5/1/2021	275,000.00	4.00%	
	5/1/2022	300,000.00	4.00%	
	5/1/2023	325,000.00	4.00%	
	5/1/2024-28	350,000.00	4.00%	
	5/1/2029-30	350,000.00	2.25%	
	5/1/2031	475,000.00	2.25%	
	5/1/2032-36	450,000.00	2.25%	
	5/1/2037-39	450,000.00	3.00%	<u>7,425,000</u>
				<u>\$ 12,105,000</u>
<u>Loan Payable</u>	<u>Final Maturity Date of NJ</u>		<u>Interest</u>	<u>Balance</u>
<u>Purpose</u>	<u>Environmental Infrastructure</u>			
	<u>Loan Payable</u>		<u>Rate</u>	<u>Dec. 31, 2020</u>
Improvement of Water Supply and Distribution System	8/1/2021		4.75%	<u>\$ 33,496</u>
<u>Bond Anticipation Notes</u>	<u>Maturities of Notes</u>		<u>Interest</u>	<u>Balance</u>
	<u>Outstanding Dec. 31, 2020</u>			
<u>Purpose</u>	<u>Date</u>	<u>Amount</u>	<u>Rate</u>	<u>Dec. 31, 2020</u>
Improvement of Water System	11/11/2021	\$ 12,580,000	2.00%	<u>\$ 12,580,000</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020
(Continued)

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

Analysis of Debt Issued and Outstanding at December 31, 2020

Sewer Utility Capital Fund

<u>Serial Bonds</u>	<u>Maturities of Bonds</u>		<u>Interest</u>	<u>Balance</u>
	<u>Outstanding Dec. 31, 2020</u>			
<u>Purpose</u>	<u>Date</u>	<u>Amount</u>	<u>Rate</u>	<u>Dec. 31, 2020</u>
Sewer Improvements	11/1/2021-23	\$ 370,000	3.00%	\$ 1,110,000
Sewer Improvements	9/15/2021-23	450,000	2.00%	
	9/15/2024-25	650,000	2.50%	
	9/15/2026-27	650,000	3.00%	
	9/15/2028	660,000	3.00%	
	9/15/2029	675,000	3.00%	
	9/15/2030	690,000	2.50%	5,975,000
Sewer Improvements	5/1/2021	375,000.00	4.00%	
	5/1/2022	385,000.00	4.00%	
	5/1/2023	390,000.00	4.00%	
	5/1/2024	400,000.00	4.00%	
	5/1/2025	410,000.00	4.00%	
	5/1/2026	420,000.00	4.00%	
	5/1/2027	430,000.00	4.00%	
	5/1/2028	435,000.00	4.00%	
	5/1/2029-30	450,000.00	2.25%	
	5/1/2031	600,000.00	2.25%	
	5/1/2032-33	600,000.00	2.50%	
	5/1/2034	575,000.00	2.50%	
	5/1/2035-36	550,000.00	2.50%	
5/1/2037-39	550,000.00	3.00%	9,270,000	
				<u>\$ 16,355,000</u>

<u>Loan Payable</u>	<u>Final Maturity Date of NJ</u>	<u>Interest</u>	<u>Balance</u>
<u>Purpose</u>	<u>Loan Payable</u>	<u>Rate</u>	<u>Dec. 31, 2020</u>
Sewer Improvements	8/1/2029	3.00% to 5.00%	<u>\$ 9,452,745</u>

<u>Bond Anticipation Notes</u>	<u>Maturities of Notes</u>		<u>Interest</u>	<u>Balance</u>
	<u>Outstanding Dec. 31, 2020</u>			
<u>Purpose</u>	<u>Date</u>	<u>Amount</u>	<u>Rate</u>	<u>Dec. 31, 2020</u>
Various Sewer Improvements	11/11/2021	\$ 10,665,000	2.00%	<u>\$ 10,665,000</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020
(Continued)

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

Analysis of Debt Issued and Outstanding at December 31, 2020

Golf and Recreation Utility Capital Fund

Serial Bonds

<u>Purpose</u>	<u>Maturities of Bonds</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2020</u>
	<u>Outstanding Date</u>	<u>Dec. 31, 2020 Amount</u>		
General Improvements	11/1/2021-23	\$ 80,000	3.00%	\$ 240,000
General Improvements	9/15/2021	475,000	2.00%	
	9/15/2022-23	500,000	2.00%	
	9/15/2024-25	600,000	2.50%	
	9/15/2026-29	550,000	3.00%	
	9/15/2030	550,000	2.50%	
	11/1/2023	80,000	3.00%	5,425,000
General Improvements	6/1/2021	75,000	3.00%	
	6/1/2022	135,000	3.00%	
	6/1/2023	140,000	3.00%	
	6/1/2026-27	145,000	3.00%	
	6/1/2028-32	145,000	2.00%	1,645,000
				<u>\$ 7,310,000</u>
Total Debt Issued and Outstanding				<u>\$ 159,296,241</u>

N.J. Environmental Infrastructure Loan

Loan agreements were entered into by the Township of Parsippany-Troy Hills with the New Jersey Department of Environmental Protection for the purpose of improvements to the water system in 2001 at an interest rate of 4.75% and for the purpose of improvements to the wastewater treatment plant in 2010 at an interest rate of 3.00% to 5.00%. Loans payable at December 31, 2020 for the Water Utility Capital Fund and Sewer Utility Capital Fund were \$33,496 and \$9,452,745, respectively.

Refunding Bonds:

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

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020
(Continued)

Note 3: Fund Balances Appropriated

Fund Balances at December 31, 2020 which are appropriated and included as anticipated revenue in their own respective funds and other funds for the year ending December 31, 2021 budget were as follows:

Current Fund	\$	-0-
Water Utility Operating Fund	\$	1,800,000
Sewer Utility Operating Fund	\$	2,800,000
Golf and Recreation Utility Operating Fund	\$	1,234,948

Note 4: Pension Plans

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

A. Public Employees’ Retirement System (PERS)

Plan Description

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

Benefits Provided

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

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020
(Continued)

Note 4: Pension Plans (Cont'd)

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

Benefits Provided (Cont'd)

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

Contributions

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

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and are adjusted by the rate of return on the actuarial value of assets.

Township contributions to PERS amounted to \$2,668,295 for 2020.

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

Pension Liabilities and Pension Expense

At June 30, 2020, the Township's liability was \$47,312,722 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2020, the Township's proportion was 0.290%, which was an increase of 0.019% from its proportion measured as of June 30, 2019.

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020
(Continued)

Note 4: Pension Plans (Cont'd)

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

Pension Liabilities and Pension Expense (Cont'd)

For the year ended December 31, 2020, the Township recognized actual pension expense in the amount of \$2,668,295.

Actuarial Assumptions

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

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00 – 6.00% based on age
Thereafter	3.00 – 7.00% based on age
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and a 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020
(Continued)

Note 4: Pension Plans (Cont'd)

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

Long Term Expected Rate of Return

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

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based upon 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020
(Continued)

Note 4: Pension Plans (Cont'd)

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

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

The following presents the Township's proportionate share of the collective net pension liability as of June 30, 2020 calculated using the discount rate as disclosed below, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

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

Pension Plan Fiduciary Net Position

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

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

Plan Description

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020
(Continued)

Note 4: Pension Plans (Cont'd)

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

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:16A. The PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after 4 years of service.

The following represents the membership tiers for PFRS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to May 22, 2010
2	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
3	Members who were eligible to enroll on or after June 28, 2011

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

Contributions

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing members. The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual amounts over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of the assets.

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020
(Continued)

Note 4: Pension Plans (Cont'd)

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

Special Funding Situation

Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specified financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer.

Township contributions to PFRS amounted to \$3,556,391 for the year ended December 31, 2020. During the fiscal year ended June 30, 2020, the State of New Jersey contributed \$579,757 to the PFRS for normal pension benefits on behalf of the Township, which is less than the contractually required contribution of \$853,857.

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

Pension Liabilities and Pension Expense

At June 30, 2020, the Township's liability for its proportionate share of the net pension liability was \$48,546,888. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2020, the Township's proportion was 0.376%, which was an increase of 0.024% from its proportion measured as of June 30, 2019.

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020
(Continued)

Note 4: Pension Plans (Cont'd)

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

Pension Liabilities and Pension Expense (Cont'd)

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

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

For the year ended December 31, 2020, the Township recognized total pension expense of \$3,556,391.

Actuarial Assumptions

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

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

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020
(Continued)

Note 4: Pension Plans (Cont'd)

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

Actuarial Assumptions (Cont'd)

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

Long Term Expected Rate of Return

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

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020
(Continued)

Note 4: Pension Plans (Cont'd)

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

Discount Rate – PFRS

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based upon 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

The following presents the total net pension liability (including the State’s proportionate share of the net pension liability attributable to the Township) as of June 30, 2020 calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

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

Plan Fiduciary Net Position – PFRS

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020
(Continued)

Note 4: Pension Plans (Cont'd)

C. Defined Contribution Retirement Program (DCRP)

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

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

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

For DCRP, the Township recognized pension expense of \$14,927 for the year ended December 31, 2020. Employee contributions to DCRP amounted to \$20,271 for the year ended December 31, 2020.

Note 5: School District Taxes

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

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

Note 6: Accrued Sick and Vacation Benefits

The Township permits employees to accrue a limited amount of unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed-upon rate. It is estimated that the current cost of such unpaid compensation would approximate \$7,200,000 at December 31, 2020. This amount is not reported either as expenditure or a liability. It is expected that the cost of such unpaid compensation would be included in the Township's budget operating expenditures in the year in which it is used.

The reserve for accumulated sick and vacation compensation of \$640,000 reflected on the Other Trust Funds' balance sheet as of December 31, 2020 represents partial funding of the total estimated amount.

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020
(Continued)

Note 7: Selected Tax Information

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

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

Comparative Schedule of Tax Rate Information

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>Tax Rate</u>	<u>\$ 3.030</u>	<u>\$ 2.948</u>	<u>\$ 2.883</u>
<u>Apportionment of Tax Rate</u>			
Municipal	0.728	0.690	0.670
County	0.315	0.316	0.312
Local School	1.987	1.942	1.901
<u>Assessed Valuations</u>			
2020	<u>\$ 7,251,292,350</u>		
2019		<u>\$ 7,244,352,500</u>	
2018			<u>\$ 7,203,911,900</u>

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>
2020	\$ 225,247,446	\$ 223,825,221	99.36%
2019	218,814,889	217,549,114	99.42%
2018	212,964,361	211,751,826	99.43%

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020
(Continued)

Note 7: Selected Tax Information (Cont'd)

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

Note 8: Cash and Cash Equivalents and Investments

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

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

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

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

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

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

Deposits:

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

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

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

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020
(Continued)

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

Deposits: (Cont'd)

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

Investments

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

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020
(Continued)

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

Investments (Cont'd)

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

As of December 31, 2020, cash and cash equivalents and investments of the Township of Parsippany-Troy Hills consisted of the following:

<u>Fund</u>	<u>Cash and Cash Equivalents</u>		<u>Investments</u>	<u>Total</u>
	<u>Cash on Hand</u>	<u>Checking Accounts</u>	<u>Certificate of Deposits</u>	
Current Fund	\$ 1,315	\$ 19,526,086	\$ 6,681,790	\$ 26,209,191
Animal Control Trust Fund	50	83,106		83,156
Other Trust Fund		20,089,126		20,089,126
General Capital Fund		4,615,096		4,615,096
Water Utility Operating Fund	300	3,629,512		3,629,812
Water Utility Capital Fund		13,044,175		13,044,175
Sewer Utility Operating Fund		5,452,322		5,452,322
Sewer Utility Capital Fund		18,709,668		18,709,668
Golf and Recreation Utility Operating Fund	1,800	4,440,889		4,442,689
Golf and Recreation Utility Capital Fund		3,915,418		3,915,418
Public Assistance Fund		87,669		87,669
	<u>\$ 3,465</u>	<u>\$ 93,593,067</u>	<u>\$ 6,681,790</u>	<u>\$ 100,278,322</u>

The carrying amount of the Township's cash and cash equivalents and investments at December 31, 2020, was \$100,278,322 and the bank balance was \$101,533,094.

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020
(Continued)

Note 9: Risk Management

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

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

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

- a.) Liability Other Than Motor Vehicles
- b.) Property Damage Other Than Motor Vehicles
- c.) Motor Vehicle
- d.) Public Officials’ Liability/Employment Practices Coverage
- e.) Environmental Coverage

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

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

Selected financial information for the Fund as of December 31, 2020 is as follows:

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

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, 2020
(Continued)

Note 9: Risk Management (Cont'd)

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

Health Benefits Insurance

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

A. Specific Loss:

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

B. Aggregate Loss:

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

Processing and payment of claims is administered by Meritain Health.

There is a provision included in the financial statements in the Other Trust Fund – Reserve for Employee Health Benefit for claims incurred but not reported as of December 31, 2020 of \$4,017,735.64, which exceeds the estimated amount for unpaid losses and loss adjustment expenses, provided by the Township Health Insurance Advisor.

A summary of activity in the Other Trust Fund Reserve for Employee Benefit Self Insurance Fund - Contractor fund is detailed as follows:

	<u>2020</u>	<u>2019</u>
Balance, Beginning of the Year	\$ 395,958	\$ 2,012
Provision for Insured Events	<u>13,410,249</u>	<u>13,914,472</u>
	13,806,207	13,916,484
Claims and Claim Adjustment Expenses Attributable to Insured Events	<u>12,847,950</u>	<u>13,520,526</u>
Balance, End of the Year	<u>\$ 958,257</u>	<u>\$ 395,958</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020
(Continued)

Note 9: Risk Management (Cont'd)

Workers' Compensation

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

A. Specific Loss:

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

There has been no provision included in the financial statements for loss reserves as of December 31, 2020.

Claims for excess workers' compensation are funded on a cash basis through a loss fund which is administered by D and H Alternative Risk Solutions. A summary of the workers' compensation fund held by the insurance agent is detailed as follows:

	<u>2020</u>	<u>2019</u>
Balance, Beginning of the Year	\$ 96,625	\$ 106,451
Provisions for Insured Events	<u>1,776,663</u>	<u>1,044,833</u>
	1,873,288	1,151,284
Claims and Claim Adjustment Expenses Attributable to Insured Events	<u>1,764,830</u>	<u>1,054,659</u>
Balance, End of the Year	<u>\$ 108,458</u>	<u>\$ 96,625</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, 2020. This estimate is based on the estimated ultimate cost of settling the reported claims considering the historical experience, various other industry statistics, including the effects of inflation and other societal or economic factors. The ultimate cost may be more or less than the estimated liability. The unpaid losses are stated net of any recoveries from excess loss insurance and reinsurance coverages. A reserve has been established in the Other Trust Fund Reserve for Workers' Compensation in the amount of \$17,833.

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020
(Continued)

Note 9: Risk Management (Cont'd)

Workers' Compensation Loss Reserves (Cont'd)

Loss reserves, at December 31, 2020 and 2019, respectively, which have been estimated by the Fund's Actuary and Servicing Agents, are as follows:

	2020	2019
Case Reserves	\$ 4,846,183	\$ 4,881,201
Less: Excess Coverage	3,116,650	3,656,807
Total Loss Reserves (Expenses)	\$ 1,729,533	\$ 1,224,394

New Jersey Unemployment Compensation Insurance

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

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

Year	Township Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2020	\$ 146,880	\$ 52,083	\$ 54,253	\$ 649,086
2019	188,000	29,019	239,287	504,376
2018	162,750	98,027	41,967	526,644

Note 10: Deferred Compensation Plan

The Township of Parsippany-Troy Hills offers its employees four 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, Metropolitan Life Insurance Company, Lincoln Financial and AXA Equitable Life Insurance Company, are available to all Township employees and permit participants to defer a portion of their salary. The deferred compensation is not available to employees until termination, retirement, unforeseeable emergency, or upon death to their beneficiaries.

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020
(Continued)

Note 11: Interfund Receivables and Payables

The following interfund balances remain on the balance sheet at December 31, 2020:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 3,132,131	\$ 17,482,383
Federal and State Grant Fund	1,796,651	5,998
Animal Control Fund	11,571	
Other Trust Funds	1,471,183	704,791
General Capital Fund	7,164,032	
Water Utility Operating Fund	89,282	208,402
Water Utility Capital Fund	5,780,254	89,282
Sewer Utility Operating Fund	1,006,356	18,090
Sewer Utility Capital Fund		84,677
Golf and Recreation Utility Operating Fund	745,238	2,901,288
Golf and Recreation Utility Capital Fund	454,998	73,070
Public Assistance Trust Fund	15,713	99,428
	<u>\$ 21,667,409</u>	<u>\$ 21,667,409</u>

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

Note 12: Commitments and Contingencies

The Township is periodically involved in various lawsuits arising in the normal course of the Township’s operations including claims for property damage, personal injury and various contract disputes. The ultimate effect of such litigation cannot be ascertained at this time since they are currently in various stages of discovery. In the opinion of management, the ultimate outcome of these lawsuits will not have a material adverse effect on the Township's financial position and operations as of December 31, 2020.

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

Various tax appeals on assessed valuations have been filed against the Township and are awaiting tax court decisions. The ultimate outcome and effect of such appeals have not been determined; however, the Township Tax Assessor will aggressively defend the Township’s assessments. The Township has established a reserve for this contingency in the amount of \$1,661,098.

The Township bills the Township of East Hanover, and three other municipalities for sewer usage. Currently, the Township is in dispute as to how much the Township of East Hanover owes Parsippány-Troy Hills. The amount recorded as receivable on the Sewer Utility Fund balance sheet at December 31, 2020 is fully reserved, therefore the possible cancellation of part of the receivable will not impact operations, but would reduce the receivable and offsetting reserve.

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020
(Continued)

Note 13: Deferred Charges to be Raised in Succeeding Years

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2020, the Township had the following deferred charges:

	Balance Dec. 31, 2020	Required 2021 Budget Appropriation	Balance to Years Subsequent Budgets
Current Fund:			
Special Emergency Appropriation	\$ 1,718,067	\$ 566,930	\$ 1,151,137
Operating Deficit	1,577,901		1,577,901
Overexpenditure of Appropriations	44,729		44,729
Overexpenditure of Appropriation Reserve	67,497		67,497
Expenditure without Appropriation - Federal and State Grant Fund	39,800		39,800
Golf and Recreation Utility Operating Fund:			
Overexpenditure of Appropriations	20,173		20,173

The appropriations in the 2021 budget are not less than that required by statute.

Note 14: Economic Dependency

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

Note 15: Tax Abatements

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

As of December 31, 2020, the Township provides a tax abatement to a redeveloper of BT Property, LLC in the Township pursuant to N.J.S.A 40A:20-1 et seq., the Long Term Tax Exemption Law, and a financial agreement between the Township and the redeveloper. The agreement is for a period of 30 years. 2017 was the first year in which the payments under this agreement was effective.

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020
(Continued)

Note 15: Tax Abatements (Cont'd)

One or 80% of the amount of taxes otherwise due on the value of the land and improvements, whichever is greater. The minimum annual service charge per the agreement shall be the amount of total taxes levied against all real property in the area covered under this tax abatement in the last full tax year in which that area was subject to taxation, and the minimum annual service charge shall be paid in each year in which the other provisions of the financial agreement would result in less than the minimum annual service charge being paid. In the event that the net profits on the redevelopment property exceed the allowable net profits for such period the redeveloper shall pay such excess net profits to the Township as an additional service charge. Additionally, the Township shall remit to the County of Morris on a quarterly basis, 5% of the Annual Service Charge received from the redeveloper in accordance with N.J.S.A. 40A:20-12b. The Township recognized revenue in the amount of \$480,031 from this annual service charge or payment in lieu of taxes recorded as an anticipated miscellaneous revenue in the Current Fund. The taxes which would have been paid on this property for 2020 without the abatement would have been \$750,195 of which \$165,637 would have been for the local municipal tax and municipal open space tax.

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

Note 16: Postemployment Benefits Other than Pensions (OPEB)

A. General Information about the Township's OPEB Plan

Plan Description and Benefits Provided

Employees who retire from the Township may be eligible for post-employment medical, prescription drug, dental, and vision benefits based on the number of years of service completed. Police officers and their dependents are eligible for both pre-65 and post-65 subsidized retirement coverage, whereas the remaining units receive pre-65 retirement coverage only.

Retiree medical benefits provided by the Township are fully insured through Aetna Health with three plan offerings; Open Access Plus, OA Plus for Supervisors, and Traditional (Passive) PPO. For pharmacy benefits, 3 copay options are available to retirees based on unit. Two dental plans are available to retirees and is self-funded. Vision benefits are also available to retirees and is fully insured through VSP.

Base plan costs for all benefits for pre-65 and post-65 retirees are based on fully insured premium rates for the 2020 and 2021 plan years. Plan costs are based 100% before retiree contributions and assumed to include all administrative expenses and PPACA fees due at this time. The medical and prescription drug costs reflect a combined active and retiree population (pre-65 and post-65), therefore adjustments were necessary to convert the base plan costs into specific pre-65 and post-65 retiree costs to appropriately reflect Medicare integration and plan morbidity.

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020
(Continued)

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

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

Retiree Contribution Rates

Contribution rates for future retirees will be based on the State of New Jersey's new contribution formula per implementation of Chapter 78. Contributions are calculated using a varying formula based on the retirees' base salary at retirement with a minimum contribution of 1.5% of base salary. Active employees hired prior to implementation of Chapter 78 with less than 20 years of service at implementation had their contribution phased in over a 4-year period. Employees hired on or after June 28, 2011 will have their contribution set at the highest year 4 contribution level. As the 4-year phase in period has expired, all active employees' contribution level is at the highest level.

Contributions for all current and future Police retirees are non-contributory. Non-police current retirees and future retirees with twenty (20) or more years of service at June 28, 2011 are non-contributory (i.e., the Township pays 100% of the benefit cost).

Employees Covered by Benefit Terms

As of May 2021, there was a total of 605 active employees and retirees, reflecting the sum of 427 active employees (383 electing coverage and 44 waiving coverage) and 178 retirees including 16 surviving spouses. For valuation purposes, it is assumed that 100% of individuals waiving coverage elect coverage in retirement at the coverage tier indicated in the census.

Total OPEB Liability

The Township's OPEB liability of \$304,110,163 was measured as of December 31, 2020 and was determined by an actuarial valuation based on census information provided in May 2021.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the fiscal year January 1, 2020 to December 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	2.02%
Salary Increases	3.00% per year

The discount rate used was 2.02% which is based on an end of year measurement date of 12/31/20 and is consistent with the prescribed discount interest rate methodology under GASB 74/75. The valuation discount rate was 2.90%.

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020
(Continued)

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

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

Actuarial Assumptions and Other Inputs (Cont'd)

The following assumptions are used for annual healthcare cost inflation (trend):

Health Care Trend Rates	Year	Pre 65	Post 65
Year 1 Trend	January 1, 2022	7.00%	7.00%
Ultimate Trend	2032 & Later	4.50%	4.50%
Grading per Year		0.25%	0.25%

The mortality table used for the current valuation was the Society of Actuaries Pub-2010 Public Retirement Plans Healthy Male and Female Total Dataset Headcount-Weighted Mortality tables based on Employee and Healthy Annuitant Tables for both pre and post retirement projected with mortality improvements using the most current Society of Actuaries Mortality Improvement Scale MP-2019.

The valuation is based on the decrement tables from the New Jersey Public Employees' Retirement System (PERS) and the New Jersey Police and Firemen's Retirement System (PFRS). Decrement tables are based on the July 1, 2018 Annual Report of the Actuary for both PERS and PFRS.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at January 1, 2020	\$ 281,316,723
Changes for Year:	
Service Cost	5,594,270
Interest on total OPEB Liability	5,625,681
Change in Assumptions	17,208,796
Benefit Payments	<u>(5,635,307)</u>
Net Changes	<u>22,793,440</u>
Balance at December 31, 2020	<u>\$ 304,110,163</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020
(Continued)

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

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

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Township as well as what the Township's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage lower (1.02 percent) or 1 percentage higher (3.02 percent) than the current discount rate:

	December 31, 2020		
	1%	Discount Rate	1%
	Decrease (1.02%)	(2.02%)	Increase (3.02%)
Total OPEB Liability	\$ 385,706,406	\$ 304,110,163	\$ 245,126,410

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Township as well as what the Township's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage lower or 1 percentage higher than the valuation healthcare cost trend rates:

	December 31, 2020		
	1%	Valuation Healthcare Trend Rates	1%
	Decrease		Increase
Total OPEB Liability	\$ 217,794,272	\$ 304,110,163	\$ 369,100,445

OPEB Expense

For the year ended December 31, 2020, the Township's OPEB expense was \$19,618,315 as determined by the actuarial valuation.

Actual retiree payments to 177 retired employees in 2020 is estimated to be \$2,847,602.

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020
 (Continued)

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

B. State Health Benefit Local Government Retired Employees Plan

General Information about the OPEB Plan

Plan Description

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost sharing multiple employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

Benefits Provided

The Plan provides medical and prescription drug coverage to retirees and their covered dependents of the participating employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees.

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

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020
(Continued)

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

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

Contributions

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Special Funding Situation

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. For New Jersey local governments who report under the regulatory basis of accounting, the net OPEB liability and related deferred inflows are not recorded in the financial statements and there is only note disclosure of this information.

Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources, or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net OPEB liability that is associated with the local participating employer.

Allocation Methodology

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB (benefit)/expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are based on separately calculated total OPEB liabilities. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit)/expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2018 through June 30, 2019. Employer and nonemployer allocation percentages were rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer and nonemployer may result in immaterial differences.

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020
(Continued)

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

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

OPEB Expense

The total OPEB liability as of June 30, 2020 was not available from the State of New Jersey Division of Pensions and Benefits as of the date of this report. The Township has rolled forward the net OPEB liability as of June 30, 2019 with no adjustments. The Division of Local Government Services, Department of Community affairs, State of New Jersey is permitting municipalities to include June 30, 2019 OPEB information in the Note to the Financial Statements as the June 30, 2020 OPEB information has not been released as of this audit. The total OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019.

At June 30, 2019, the Township had a liability of \$-0- for its proportionate share of the net OPEB liability. At June 30, 2019, the Township's proportion was .000000% which was an decrease of .000966% from its proportion measured as of June 30, 2018. Additionally, the State's proportionate share of the net OPEB liability attributable to the Township at June 30, 2019 was \$19,091,248. At June 30, 2019, the State's proportion related to the Township was .345498%. This is the percentage of the total State Share of the net OPEB liability of the Plan.

For the year ended June 30, 2019 the Township's OPEB benefit as determined by the State of New Jersey Division of Pensions and Benefits was \$463. Additionally, during the year ended June 30, 2019, the State of New Jersey's OPEB expense related to the Township was \$253,059.

Actuarial Assumptions and Other Inputs

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

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

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

Mortality:

- PERS Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019
- PFRS Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020
(Continued)

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

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

Actuarial Assumptions and Other Inputs (Cont'd)

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

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate initially is 5.7% and decreases to a 4.5% long term trend rate after eight years. For post 65 medical benefits the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 is reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long term rate after eight years.

Discount Rate

The discount rate for June 30, 2019 was 3.50%. The discount rate for June 30, 2018 was 3.87%. This represents the municipal bond rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Note 17: Fixed Assets

The following is a summarization of the activity of the Township's fixed assets for the years ended December 31, 2020 and 2019:

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020
(Continued)

Note 17: Fixed Assets (Cont'd)

	Balance Dec. 31, 2018	Additions	Deletions/ Adjustments	Balance Dec. 31, 2019
Land	\$ 113,382,397			\$ 113,382,397
Buildings	34,115,018			34,115,018
Furniture and Equipment	41,433			41,433
Vehicles and Road Equipment	22,469,710			22,469,710
Machinery and Equipment	5,390,027			5,390,027
	<u>\$ 175,398,585</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 175,398,585</u>

Note 18: Open Space Trust Fund

The Township created an Open Space Trust Fund with a tax levy of \$.02 per \$100 of assessed valuation in 1989. The funds collected are used to acquire and maintain open space property in the Township. The balances in the Open Space Trust Fund at December 31, 2020 and 2019 were \$4,927,011.34 and \$5,002,358.81. respectively.

Note 19: Subsequent Event

The COVID-19 outbreak in the United States and specifically in New Jersey continues to have an impact on the Township’s operations and finances. Though the impact on the Township’s operations cannot be reasonably estimated at this date, the following is likely to continue through at least mid-year 2021: Interest on investments, court revenue and hotel tax continue to be negatively impacted compared to years previous to 2020.

The finances of the Township’s Water Utility, Sewer Utility and Golf and Recreation Utility Operating Funds could possibly be impacted by a larger number of unpaid balances as well as a significant decline in interest earning similar to that of the Current Fund.

TOWNSHIP OF PARSIPPANY-TROY HILLS

SUPPLEMENTARY DATA

TOWNSHIP OF PARSIPPANY-TROY HILLS
ROSTER OF OFFICIALS
YEAR ENDED DECEMBER 31, 2020

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

Name	Title	Amount of Bond	Name of Corporate or Personal Surety
Michael Soriano	Mayor		
Michael J. dePierro	Council President		
Loretta Gragnani	Council Vice President		
Paul Carifi, Jr.	Councilman		
Janice McCarthy	Councilwoman		
Emily Peterson	Councilwoman		
Frederick Carr	Administrator (from 8/2020)	*	
Keith Kazmark	Administrator (to 8/2020)	*	
Khaled Madin	Clerk	*	
Juan Uribe	Chief Financial Officer (from 9/2020)	\$1,000,000	Garden State Municipal Joint Insurance Fund
Ann Cucci	Chief Financial Officer (to 10/2020)	\$1,000,000	Garden State Municipal Joint Insurance Fund
Terence M. Whalen	Tax Collector	\$1,000,000	Garden State Municipal Joint Insurance Fund
Daniel Cassese	Tax Assessor	*	
Michael Hardie	Director of Purchasing	*	
Justin Lizza	Engineer		
James L. Lott	Attorney		
Anthony Frese	Judge	\$1,000,000	Garden State Municipal Joint Insurance Fund
Gerald Scala	Judge	\$1,000,000	Garden State Municipal Joint Insurance Fund
Alvaro Leal	Court Administrator	\$1,000,000	Garden State Municipal Joint Insurance Fund

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

All bonds were examined and were properly executed.

TOWNSHIP OF PARSIPPANY-TROY HILLS
COUNTY OF MORRIS
2020
CURRENT FUND

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

	<u>Ref.</u>	
Balance December 31, 2019	A	\$ 15,332,555.56
Increased by Receipts:		
Tax Collector	\$ 225,070,629.30	
Revenue Accounts Receivable	15,932,321.17	
Miscellaneous Revenue Not Anticipated	1,728,207.69	
Due from / to State of New Jersey:		
Veterans and Senior Citizens' Deductions	225,421.59	
Construction Code Fees Payable	102,117.00	
Marriage License Fees Payable	4,375.00	
Burial Fees Payable	45.00	
Interest on Investments	250,217.36	
Reserve for Accumulated Revenue Unappropriated -		
Watershed Moratorium	55,178.00	
Special Emergency Notes Payable	977,987.00	
Due to/from:		
Federal and State Grant Fund:		
Federal and State Grants Receivable	1,313,056.08	
Unappropriated Reserves	21,680.20	
Animal Control Fund:		
Reserve for Donations	7,270.00	
Miscellaneous Fees	32,928.22	
General Capital Fund:		
Interfund Advanced/Returned	6,791,922.38	
Reserve to Pay Debt Service - Bond Resizing	595,000.00	
Water Utility Capital Fund	5,780,254.45	
Sewer Utility Operating Fund:		
Interfund Returned	944,119.79	
Golf and Recreation Utility Capital Fund	3,324,580.53	
Appropriation Refunds	1,244,542.68	
Appropriation Reserve Refunds	12.00	
		264,401,865.44
		279,734,421.00

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

Ref.

Decreased by Disbursements:

2020 Appropriation Expenditures	\$	69,804,011.89
2019 Appropriation Reserves		3,180,720.76
Accounts Payable		35,390.53
Change Fund		250.00
Tax Overpayment Refunds		65,434.96
Local School District Taxes		144,015,021.00
County Taxes		22,949,292.82
Fire District Taxes		4,383,440.00
Due State of New Jersey:		
Construction Code Fees Payable		19,856.00
Marriage License Fees Payable		4,550.00
Reserve for Tax Appeals		322,006.75
Special Emergency Notes Payable		1,624,297.00
Due to / from:		
Federal and State Grant Fund:		
Appropriated Reserve Expenditures		658,312.22
Other Trust Funds		253,630.31
Water Utility Operating Fund - Interfund Advanced		208,401.93
Sewer Utility Capital Fund - Interfund Advanced		22,440.53
Golf and Recreation Utility Operating Fund:		
Budget Appropriations		2,901,287.68
Golf and Recreation Utility Capital Fund:		
Improvement Authorizations		2,869,582.61
Payroll - Interfund Advanced/Returned		170,453.46
Refund of Prior Year Revenue		840.62
Refund of Current Year Revenue:		
Other Licences		100.00
Fees and Permits		5,550.08
Uniform Construction Code Fees		31,674.20

\$ 253,526,545.35

Balance December 31, 2020

A

\$ 26,207,875.65

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2020

Increased by Receipts:			
Taxes Receivable		\$ 222,050,062.35	
Tax Title Liens Receivable		13,543.74	
2021 Prepaid Taxes		2,397,179.64	
Interest and Costs on Taxes		438,292.79	
Third Party Liens		740,642.15	
Premiums on Tax Sale		1,016,700.00	
Tax Overpayments		<u>171,550.78</u>	
			\$ 226,827,971.45
Decreased by:			
Payments to Treasurer		225,070,629.30	
Payments to Other Trust Funds:			
Special Deposits		740,642.15	
Reserve for Premiums on Tax Sale		<u>1,016,700.00</u>	
			<u>\$ 226,827,971.45</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
SCHEDULE OF CASH - GRANT FUNDS
YEAR ENDED DECEMBER 31, 2020

NOT APPLICABLE

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

Year	Balance		Collections		State of NJ Veterans' and Senior Citizens' Deductions	Canceled	Transferred to Tax Title Liens	Balance Dec 31, 2020
	Dec 31, 2019	2020 Levy	2019	2020				
2018	\$ 1,500.03		\$ 1,500.00				\$ 0.03	
2019	1,066,078.14		1,084,968.57		\$ (20,519.86)		116.33	
	1,067,578.17		1,086,468.57		(20,519.86)		116.36	
2020		\$ 225,247,446.11	\$ 2,614,860.28	220,963,593.78	246,766.44	\$ 68,392.44	1,162,523.78	
	\$ 1,067,578.17	\$ 225,247,446.11	\$ 2,614,860.28	\$ 222,050,062.35	\$ 226,246.58	\$ 68,392.44	\$ 1,162,640.14	

Ref. A

Analysis of 2020 Property Tax Levy

Tax Yield:

General Purpose Tax	\$ 219,701,554.92
Business Personal Property Taxes	12,603.29
Special District Taxes	4,391,837.03
Added and Omitted Taxes	1,141,450.87
	<u>\$ 225,247,446.11</u>

Tax Levy:

Local School District Taxes	\$ 144,015,021.00
Open Space Taxes	1,457,314.43
Special District Taxes	4,383,440.00
County Taxes	\$ 22,728,804.42
Due County for Added and Omitted Taxes	116,479.08
	<u>22,845,283.50</u>
	<u>172,701,058.93</u>

Local Tax for Municipal Purposes Levied	48,548,847.62
Minimum Library Tax Levied	2,902,703.00
Add: Additional Tax Levied	1,094,836.56
	<u>52,546,387.18</u>
	<u>\$ 225,247,446.11</u>

A

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

	<u>Ref.</u>	
Balance December 31, 2019	A	\$ 652,538.22
Increased by:		
Transfer from Taxes Receivable		\$ 192,822.49
Interest and Costs Accrued at Sale		<u>283.71</u>
		<u>193,106.20</u>
		845,644.42
Decreased by:		
Collections		<u>13,543.74</u>
Balance December 31, 2020	A	<u><u>\$ 832,100.68</u></u>

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

	Balance Dec 31, 2019	Accrued in 2020	Received in 2020	Balance Dec 31, 2020
Clerk:				
Alcoholic Beverages Licenses	\$	93,230.00	\$ 93,230.00	
Other Licenses		68,257.00	68,257.00	
Health:				
Other Licenses		157,360.00	157,360.00	
Registrar:				
Other Licenses		5,967.00	5,967.00	
Fees and Permits:				
Registrar		3,429.50	3,429.50	
Zoning		66,952.55	66,952.55	
Engineering		40,651.50	40,651.50	
Fire Prevention		323,642.00	323,642.00	
Planning Board		57,940.00	57,940.00	
Recreation		1,583.04	1,583.04	
Board of Housing		218,140.00	218,140.00	
Recycling		59,124.41	59,124.41	
Administration		11,775.00	11,775.00	
Tax Collector		500.00	500.00	
Police		5,810.00	5,810.00	
Municipal Court:				
Fines and Costs	\$	36,184.10	265,574.02	\$ 9,768.91
Garbage and Trash Removal		113,774.92	1,553,240.86	
Community Center Revenue - Concession Rents		88,846.39	88,846.39	
Hotel Tax		1,040,512.04	1,040,512.04	
Ambulance Service Billing		822,801.05	822,801.05	
Lease Rentals		13,657.13	691,617.48	

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

	Balance Dec 31, 2019	Accrued in 2020	Received in 2020	Balance Dec 31, 2020
Energy Receipts Taxes	\$ 4,495,023.00		\$ 4,495,023.00	
Watershed Moratorium	55,178.00		55,178.00	
Construction Code Official: Fees and Permits	1,585,465.25		1,585,465.25	
Uniform Fire Safety Act	203,295.00		203,295.00	
Municipal Court - Shared Services	252,102.52		252,102.52	
General Capital Fund - Reserve for Debt Service	500,000.00		500,000.00	
Water Utility Operating Surplus of Prior Year	450,000.00		450,000.00	
Sewer Utility Operating Surplus of Prior Year	2,100,000.00		2,100,000.00	
Cablevision Franchise Fees	289,450.76		289,450.76	
Payment in Lieu of Taxes - BT Property LLC (UPS)	480,030.80		480,030.80	
	<u>\$ 163,616.15</u>	<u>\$ 15,833,651.93</u>	<u>\$ 15,987,499.17</u>	<u>\$ 9,768.91</u>

Ref.

A

A

Cash Received	\$ 15,932,321.17
Reserve for Accumulated Revenue	
Unappropriated - Watershed	
Moratorium	55,178.00
	<u>\$ 15,987,499.17</u>

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

	<u>Ref.</u>	
Balance December 31, 2019	A	<u>\$ 191,926.95</u>
Balance December 31, 2020	A	<u>\$ 191,926.95</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
SCHEDULE OF 2019 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2020

	<u>Balance Dec 31, 2019</u>	<u>Balance After Modification</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>	<u>Over- Expended</u>
General Government:					
Executive:					
Other Expenses	\$ 13,717.50	\$ 13,305.36	\$ 8,339.20	\$ 4,966.16	
General Administration:					
Other Expenses	28,010.09	28,422.23	13,922.59	14,499.64	
Township Council:					
Other Expenses	2,060.00	2,060.00	80.00	1,980.00	
Municipal Clerk:					
Salaries and Wages	17.02				
Other Expenses	15,726.60	15,726.60	9,946.85	5,779.75	
Treasury:					
Salaries and Wages	1,253.55				
Other Expenses	6,392.63	6,392.63	6,387.23	5.40	
Audit	3.00	3.00		3.00	
Tax Collection:					
Salaries and Wages	11,429.21				
Other Expenses	20,289.01	20,289.01	13,664.50	6,624.51	
Tax Assessing:					
Salaries and Wages	2,500.19				
Other Expenses	16,758.56	16,758.56	12,205.97	4,552.59	
Legal Services and Costs:					
Other Expenses	309,965.22	309,965.22	209,905.57	100,059.65	
Engineering Services and Costs:					
Salaries and Wages	2,167.91				
Other Expenses	23,419.61	23,419.61	11,014.04	12,405.57	
Department of Planning:					
Salaries and Wages	3,242.66	0.06		0.06	
Other Expenses	75,252.01	75,252.01	55,720.10	19,531.91	
Board of Adjustment:					
Salaries and Wages	450.00				
Other Expenses	5,637.82	5,637.82	3,700.03	1,937.79	
Housing and Zoning Code Enforcement:					
Salaries and Wages	14,102.41				
Other Expenses	22,866.15	22,866.15	9,872.09	12,994.06	
Insurance:					
Liability Insurance	539.86	539.86		539.86	
Worker Compensation	92,156.00	92,156.00	92,156.00		
Employee Health and Group Life	188,683.96	516,788.69	516,783.69	5.00	
Library Medical	15,171.80	7,058.28	7,058.28		
Public Safety:					
Police Department:					
Salaries and Wages	827.66				
Other Expenses	336,537.67	336,537.67	269,545.94	66,991.73	
Office of Emergency Management:					
Salaries and Wages	1,500.04				
Other Expenses	25,927.56	25,927.56	21,915.04	4,012.52	
Aid to First Aid Organization:					
Other Expenses	17,500.00	17,500.00	17,500.00		

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
SCHEDULE OF 2019 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2020

	<u>Balance Dec 31, 2019</u>	<u>Balance After Modification</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>	<u>Over- Expended</u>
Public Safety:					
Fire Prevention Bureau:					
Salaries and Wages	\$ 3,220.38				
Other Expenses	19,152.16	\$ 19,152.16	\$ 12,081.68	\$ 7,070.48	
Municipal Court:					
Salaries and Wages	5,145.34				
Other Expenses	21,866.34	21,866.34	12,879.57	8,986.77	
Prosecutor:					
Salaries and Wages	4.00	4.00		4.00	
Other Expenses	9,238.93	9,238.93	8,250.00	988.93	
Public Works:					
Street and Road Maintenance:					
Other Expenses	197,481.09	197,481.09	135,401.33	62,079.76	
Garbage and Trash Removal:					
Salaries and Wages	96,358.40				
Other Expenses	72,511.67	152,511.67	147,004.65	5,507.02	
Buildings and Grounds:					
Salaries and Wages	24,638.66				
Other Expenses	87,087.72	87,087.72	50,871.08	36,216.64	
Vehicle Maintenance:					
Other Expenses	212,067.29	212,067.29	170,395.55	41,671.74	
Condominium Cost	270,000.00	270,000.00	259,965.89	10,034.11	
Health and Human Services:					
Public Health Services:					
Salaries and Wages	9,590.58				
Other Expenses	8,580.39	8,580.39	5,453.44	3,126.95	
Senior Citizen Center:					
Salaries and Wages	7,827.32				
Other Expenses	11,200.37	11,200.37	5,961.54	5,238.83	
Ambulance Services:					
Salaries and Wages	851.31				
Other Expenses	131,355.91	131,355.91	96,289.35	35,066.56	
Recreation and Education:					
Recreation Services:					
Salaries and Wages	53,053.33				
Other Expenses	174,778.88	174,778.88	20,769.07	154,009.81	
Maintenance of Parks:					
Salaries and Wages	131,995.14				
Other Expenses	112,062.34	112,062.34	84,987.36	27,074.98	
Utilities:					
Utilities and Gasoline	465,164.29	465,164.29	281,713.77	183,450.52	
Solid Waste Disposal Costs	490,328.97	490,328.97	461,659.33	28,669.64	
Uniform Construction Code:					
Department of Buildings and Inspections:					
Salaries and Wages	29,820.16				
Other Expenses	65,841.42	65,841.42	30,551.63	35,289.79	

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
SCHEDULE OF 2019 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2020

	<u>Balance Dec 31, 2019</u>	<u>Balance After Modification</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>	<u>Over- Expended</u>
Salary Adjustment	\$ 163,000.00	\$ 163,000.00		\$ 163,000.00	
Contingent	15,000.00	15,000.00		15,000.00	
Contribution to :					
Public Employees' Retirement System			\$ 67,497.20		\$ 67,497.20
Social Security System (O.A.S.I)	4,220.62	4,220.62	239.74	3,980.88	
DCRP Pension	2,834.46	2,834.46	1,069.46	1,765.00	
Contribution to LOSAP	<u>75,000.00</u>	<u>75,000.00</u>	<u>47,950.00</u>	<u>27,050.00</u>	
	<u>\$ 4,225,383.17</u>	<u>\$ 4,225,383.17</u>	<u>\$ 3,180,708.76</u>	<u>\$ 1,112,171.61</u>	<u>\$ 67,497.20</u>

Analysis of Balance December 31, 2019

Ref.

Encumbered	A	\$ 1,445,611.64
Unencumbered	A	<u>2,779,771.53</u>
		<u>\$ 4,225,383.17</u>

Analysis of Paid or Charged

Cash Disbursed	\$ 3,180,720.76
Less: Refunds	<u>12.00</u>
	<u>\$ 3,180,708.76</u>

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

Increased by:		
Levy - Calendar Year 2020		\$ 144,015,021.00
Decreased by:		
Payments to Local School District		<u>\$ 144,015,021.00</u>

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

Date Authorized	Purpose	Date of		Interest Rate	Balance Dec. 31, 2019	Issued	Matured	Balance Dec. 31, 2020
		Issue	Maturity					
Various	Accrued Vacation and Sick Time Liabilities	12/03/2019	11/13/2020	2.10%	\$ 1,624,297.00	\$ 977,987.00	\$ 1,624,297.00	\$ 977,987.00
		11/12/2020	11/11/2021	1.00%				
					<u>\$ 1,624,297.00</u>	<u>\$ 977,987.00</u>	<u>\$ 1,624,297.00</u>	<u>\$ 977,987.00</u>
				<u>Ref.</u>	A			A
					New Issue	\$ 977,987.00		
					Retired		\$ 1,624,297.00	
						<u>\$ 977,987.00</u>	<u>\$ 1,624,297.00</u>	

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

Grant	Balance	2020	Received	Transfer from Unappropriated Reserves	Canceled	Balance
	Dec 31, 2019	Revenue Realized				Dec 31, 2020
Clean Communities Program						
Body Armor Replacement Fund		\$ 104,354.54	\$ 104,354.54			
Bulleproof Vest Partnership Grant		9,229.19	9,229.19			
Recycling Tonnage Grant		12,804.75	12,804.75			
Municipal Alliance Grant 2017/2018	\$ 3,629.12	179,992.86	179,992.86	\$ 3,629.12		
Municipal Alliance Grant 2018/2019	28,143.00			28,143.00		
Municipal Alliance Grant 2019/2020	28,143.00			28,143.00		
Municipal Alliance Grant 2020/2021						
Click It or Ticket						
Highlands Initial Assessment	24,057.67		8,000.00	\$ 3,960.00		\$ 13,140.00
Drive Sober or Get Pulled Over 2018	275.00		12,000.00			12,057.67
Alcohol Education Rehabilitation and Enforcement		416.77	416.77			275.00
Recreation for Individuals with Disabilities	10,874.63	2,275.44		2,275.44		10,874.63
NJ Trafficking Org Task Force (NJ HIDTA)	15,000.00					15,000.00
Target Youth Soccer Grant		1,000.00	1,000.00			
Distracted Driving Statewide Crackdown Grant	880.00					880.00
Drive Sober or Get Pulled Over		5,500.00	5,500.00			
Smith-Baldwin House Renovation	24,469.00					24,469.00
Smith-Baldwin House Phase 2 Rehabilitation	258,064.00		256,726.00			1,338.00
Smith Baldwin House Archaeological Investment	54,836.00					54,836.00
NJDEP - It Pays to Plug In - NJ Electric Vehicle Charging Grant	392,500.00	12,000.00				12,000.00
NJ DOT - Greenbank Road Safety & Improvements		400,000.00	294,375.00			
NJ DOT - Old Bloomfield Ave Phase II		1,800.00	400,000.00			
Donation - Spencer Savings PPE Grant		100.00	1,800.00			
Donation - EMS COVID-19		100.00	100.00			
CARES ACT - Stimulus		21,756.97	21,756.97			
Maddie's Fund - Foster Care - Animal Control		1,000.00	1,000.00			
Best Friends Animal Society - RRRSTA Covid Relief Grant		4,000.00	4,000.00			
	\$ 840,871.42	\$ 781,330.52	\$ 1,313,056.08	\$ 6,235.44	\$ 59,915.12	\$ 242,995.30
	A					A
Original Budget		\$ 58,461.60				
Added by NJSA 40A:4-87		722,868.92				
		\$ 781,330.52				

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

Grant	Balance Dec 31, 2019	Received in Current Fund	Budget Revenue Realized	Balance Dec 31, 2020
Click It or Ticket	\$ 3,960.00		\$ 3,960.00	
Bulletproof Vest Partnership Grant		\$ 11,680.20		\$ 11,680.20
Emergency Management Performance Grant		10,000.00		10,000.00
ROID Grant	2,275.44		2,275.44	
	<u>\$ 6,235.44</u>	<u>\$ 21,680.20</u>	<u>\$ 6,235.44</u>	<u>\$ 21,680.20</u>
<u>Ref.</u>	A			A

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

Grant	Transfer from			Canceled	Balance Dec 31, 2020	Expenditure Without Appropriation
	Balance Dec 31, 2019	2020 Budget Appropriations	Paid or Charged			
Drunk Driving Enforcement Fund - FY 2019	\$ 22,709.20	\$ 10,111.20			\$ 12,598.00	
Clean Communities Program - FY 2018	120.00	120.00				
Clean Communities Program - FY 2019	53,191.99	53,191.99				
Clean Communities Program - FY 2020		\$ 104,354.54	83,757.70		20,596.84	
Highway Safety - Safe Corridors FY17	1,861.70			1,861.70		
Rutgers Watershed	1,400.19			1,400.19		
Body Armor Replacement Fund - FY 2020		9,229.19			9,229.19	
No Net Loss Grant - PF14-07	2,501.43				2,501.43	
Recycling Tonnage Grant - FY 2018	3,916.19		3,916.19		0.00	
Recycling Tonnage Grant - FY 2019	7,843.55		7,843.55		0.00	
Recycling Tonnage Grant - FY 2020		179,992.86			179,992.86	
Hazardous Discharge Site Remediation	3,940.00			3,940.00		
Emergency Assistance FY 2014	5,000.00			5,000.00		
Civil Defense Donation - Radiation Detection	1,401.62			1,401.62		
Alcohol Education, Rehabilitation and Enforcement Fund - 2013	2,638.73				2,638.73	
Alcohol Education, Rehabilitation and Enforcement Fund - 2014	413.56				413.56	
Alcohol Education, Rehabilitation and Enforcement Fund - 2018	5,261.23				5,261.23	
Alcohol Education, Rehabilitation and Enforcement Fund - 2019	3,214.99				3,214.99	
Alcohol Education, Rehabilitation and Enforcement Fund - 2020		416.77			416.77	
Highlands Initial Assessment Grant	25,258.57				25,258.57	
Storm Regulation	10,310.00					
Recreation for Individuals with Disabilities	10,874.63	2,275.44	2,275.44	10,310.00	10,874.63	
Recreation for Individuals with Disabilities Match	4,000.00	4,000.00	8,000.00			
Stream Cleaning and Desnagging	300,000.00				300,000.00	
Federal Emergency Management Agency:						
Emergency Management Performance Guarantee	16,400.00				16,400.00	
National Priority Safety Program Grant /						
Pedestrian Safety Grant	12,210.00				12,210.00	
NJ DOT - Greenbank Road Safety & Improvements	392,500.00				392,500.00	
NJ DOT - North Beverwyck Road Improvements	244,451.81				244,451.81	
NJ DOT - Old Bloomfield Ave Phase I	245,000.00				245,000.00	
NJ DOT - Old Bloomfield Ave Phase II		400,000.00			400,000.00	

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

Grant	Balance		Transfer from		Paid or Charged	Canceled	Balance Dec 31, 2020	Expenditure Without Appropriation
	Dec 31, 2019	Dec 31, 2019	2020 Budget Appropriations	2020 Budget Appropriations				
Municipal Alliance Match 2014/15	\$ 773.07					773.07		
Municipal Alliance Match 2015/16	8,184.14					8,184.14		
Municipal Alliance Extension	2,000.00					2,000.00		
Municipal Alliance Extension Match	1,000.00					1,000.00		
Municipal Alliance 2018/19	8,143.00					8,143.00		
Municipal Alliance Match 2018/19	7,036.00					7,036.00		
Municipal Alliance 2019/20	28,143.00					28,143.00		
Municipal Alliance Match 2019/20	7,036.00						7,036.00	
Municipal Alliance 2020/21		\$ 21,140.00					21,140.00	
Municipal Alliance Match 2021/21		5,285.00					5,285.00	
Drive Sober or Get Pulled Over		5,500.00		\$ 5,220.00			280.00	
Community Relations Grant		2,172.00		2,172.00				
Donation - Elks Lodge Fire Trailer		3,040.00		434.00				2,606.00
Best Friends Animal Society RRESTA Grant		10,000.00		987.00				9,013.00
Best Friends Animal Society - RRESTA Covid Relief Grant				3,871.99				128.01
Donation - Spencer Savings PPE Grant			4,000.00					1,800.00
Donation - EMS COVID-19			1,800.00					100.00
CARES ACT - Stimulus			21,756.97					21,756.97
Maddie's Fund - Foster Care - Animal Control			1,000.00		1,000.00			
Donation - Senior Activities FY 2013		1,000.00						1,000.00
Donation - Volunteer Ambulance		1,500.00						1,500.00
Donation - New Store Grant Community Relations		3,000.00						3,000.00
Fire Prevention Donation		2,000.00						2,000.00
Smith-Baldwin House Renovation:								
Grant Funds	156,958.50				196,758.50			\$ 39,800.00
Matching Funds	48,706.09				48,706.09			
Smith-Baldwin House Phase 2 Rehabilitation	258,064.00				258,064.00			
Smith Baldwin House Archeological Investment	54,836.00				54,836.00			
ClickIt or Ticket			3,960.00					3,960.00
Bulletproof Vest Partnership Grant			12,804.75					12,804.75
NJ Trafficking Org Task Force (NJ HIDTA)		15,000.00						15,000.00

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

Grant	Balance	Transfer from	Paid or	Canceled	Balance	Expenditure
	Dec 31, 2019	2020 Budget Appropriations				
Target Youth Soccer Grant	\$ 1,000.00	\$ 1,000.00			\$ 2,000.00	
NJDEP - It Pays to Plug In - NJ Electric Vehicle Charging Grant	6,000.00	12,000.00			12,000.00	
Senior Citizen of the Year Award - Charitable Trust Donation	\$ 2,002,011.19	\$ 790,615.52	\$ 741,265.65	\$ 79,192.72	\$ 2,011,968.34	\$ 39,800.00
					A	

Grant Funds:

- Original Budget \$ 58,461.60
- Added by NJSA 40A:4-87 722,868.92
- 781,330.52
- 9,285.00
- \$ 790,615.52

Analysis of Paid or Charged

- Due to Current Fund \$ 658,312.22
- Due to Open Space Trust Fund 82,953.43
- \$ 741,265.65

TOWNSHIP OF PARSIPPANY-TROY HILLS
COUNTY OF MORRIS
2020
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, 2019	B	\$ 82,725.22	\$ 19,881,115.79
Increased by Receipts:			
Animal Control Fees		\$ 24,384.60	
Due to State of New Jersey		2,636.40	
Miscellaneous		32,086.86	
Due from Current Fund - Budget Appropriation		195,000.00	
Special Deposits			\$ 1,932,264.08
Premiums on Tax Sale			1,016,700.00
Off Duty Police Deposits			723,881.66
Employee Health Benefit Self Insurance Fund - Municipal			14,537,915.41
Open Space Trust Fund Deposits and Interest			765,091.47
Worker's Compensation			1,245,590.80
Unemployment Insurance Trust Fund Deposits			170,297.61
Employee Health Benefit Self Insurance Fund - Contractor			13,410,248.92
Community Development Block Grant - Federal Grants Receivable			314,229.15
Due to Current Fund - Interfund Advanced/Returned			253,630.31
Due from Municipal Court			1,553.50
Due to/from Golf and Recreation Utility Operating Fund			682,700.00
		254,107.86	35,054,102.91
		336,833.08	54,935,218.70
Decreased by Disbursements:			
Due to State of New Jersey		2,277.60	
Expenditures Under R.S. 4:19-15.11		251,449.38	
Due from Federal and State Grant Fund:			
Appropriated Reserves - Open Space Trust Fund			82,953.43
Off Duty Police			611,613.73
Special Deposits			2,306,390.07
Police Explorer Program			3,016.43
Employee Health Benefit Self Insurance Fund - Municipal			13,482,638.57
Employee Health Benefit Self Insurance Fund - Contractor			12,847,950.37
Reserve for LOSAP			8,926.57
Reserve for Storm Recovery			34,868.87
Premiums on Tax Sale			1,030,900.00
Municipal Open Space Preservation Trust Fund			2,296,874.71
Worker's Compensation			1,771,478.07
Unemployment Insurance Trust Fund Expenditures			54,252.73
Community Development Block Grant - Federal Grant Fund Expenditures			314,229.15
		253,726.98	34,846,092.70
Balance December 31, 2020	B	\$ 83,106.10	\$ 20,089,126.00

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

	<u>Ref.</u>		
Balance December 31, 2019	B		\$ 52,091.44
Increased by:			
Animal License Fees Collected		\$ 24,384.60	
Late Fees		745.00	
Miscellaneous Fees		31,341.86	
Miscellaneous Fees - Due from Current Fund		32,928.22	
Budget Appropriation		<u>195,000.00</u>	
			<u>284,399.68</u>
			336,491.12
Decreased by:			
Animal Control Fund Expenditures Under R.S. 4:19-15.11		251,449.38	
Statutory Excess- Due to Current Fund		<u>28,627.34</u>	
			<u>280,076.72</u>
Balance December 31, 2020	B		<u><u>\$ 56,414.40</u></u>

License Fees Collected

<u>Year</u>	<u>Amount</u>
2018	\$ 28,773.00
2019	<u>27,641.40</u>
Maximum Allowable Reserve	<u><u>\$ 56,414.40</u></u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
COUNTY OF MORRIS
2020
GENERAL CAPITAL FUND

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

	<u>Ref.</u>	
Balance December 31, 2019	C	\$ 18,759,890.91
Increased by Receipts:		
Current Fund Budget Appropriation:		
Capital Improvement Fund	\$ 630,596.00	
Fund Balance:		
Premium on Sale of Bonds and Notes	205,978.97	
Developer's Escrow Deposit	69,914.00	
Bond Anticipation Notes Issued	11,500,000.00	
Bond Proceeds	12,450,000.00	
Improvement Authorization Refunds	3,200.00	
	<u>24,859,688.97</u>	<u>43,619,579.88</u>
Decreased by Disbursements:		
Improvement Authorization Expenditures	15,712,561.11	
Bond Anticipation Notes Matured	16,000,000.00	
Due to Current Fund as Anticipated Revenue:		
Reserve for Payment of Debt Service	500,000.00	
Due to/from Current Fund - Interfund Returned/Advanced	6,791,922.38	
	<u>39,004,483.49</u>	<u>39,004,483.49</u>
Balance December 31, 2020	C	<u>\$ 4,615,096.39</u>

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

Ord. No.	Improvement Description	Balance Dec. 31, 2019	2020 Improvement Authorizations	Funded by Reserve for Payment of Debt/Service	Serial Bonds Issued	Balance Dec. 31, 2020	Analysis of Balance December 31, 2020		
							Financed by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
<u>General Improvements:</u>									
91-27	Regional Contribution Agreement - City of Newark	\$ 453,643.69				\$ 453,643.69			\$ 453,643.69
06-08	Various Capital Improvements	3,408.32				3,408.32	\$ 3,408.32		
14-27	Various Capital Improvements	999,891.06				999,891.06	452,216.23		547,674.83
15-22	Various Capital Improvements	2,452,498.97	\$ 350,000.00			2,102,498.97			2,102,498.97
16-16	Various Capital Improvements	2,999,928.24		245,000.00	\$ 2,625,000.00	129,928.24			129,928.24
18-05	Various Road and Sidewalk Improvements	600,943.63				600,943.63	468,880.45		132,063.18
18-17	Various Capital Improvements	12,692,064.00			9,825,000.00	2,867,064.00			2,867,064.00
19-09	Various Capital Improvements	2,536,500.00				2,536,500.00	\$ 2,500,000.00		36,500.00
19-11	Various Capital Improvements	10,109,266.00				10,109,266.00	7,000,000.00		3,109,266.00
20-10	Various Road and Sidewalk Improvements		\$ 2,897,500.00			2,897,500.00	2,000,000.00	4,539.13	892,960.87
20-24	Various Capital Improvements		7,479,108.00			7,479,108.00	501,502.34		6,977,605.66
		<u>\$ 32,848,143.91</u>	<u>\$ 10,376,608.00</u>	<u>\$ 595,000.00</u>	<u>\$ 12,450,000.00</u>	<u>\$ 30,179,751.91</u>	<u>\$ 11,500,000.00</u>	<u>\$ 1,430,546.47</u>	<u>\$ 17,249,205.44</u>

<u>Ref.</u>	C	C
	Improvement Authorizations - Unfunded	\$ 19,805,288.87
	Less: Unexpended Proceeds of Bond Anticipation Notes Issued:	
	19-09	\$ 280,974.46
	19-11	<u>2,275,108.97</u>
		<u>2,556,083.43</u>
		<u>\$ 17,249,205.44</u>

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

	<u>Ref.</u>		
Balance December 31, 2019	C	\$	73,158.00
Increased by:			
Budget Appropriations			<u>630,596.00</u>
			703,754.00
Decreased by:			
Appropriated to Finance Improvement Authorizations			<u>551,401.00</u>
Balance December 31, 2020	C	\$	<u><u>152,353.00</u></u>

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

Ord. No.	Improvement Description	Date of			Interest Rate	Balance Dec. 31, 2019	Issued	Matured	Balance Dec. 31, 2020
		Original Issue	Issue	Maturity					
18-17	Various Capital Improvements	11/14/19	11/14/19	11/13/20	2.00%	\$ 9,000,000.00	\$ 9,000,000.00		
19-09	Various Capital Improvements	11/14/19	11/14/19	11/13/20	2.00%	1,000,000.00	1,000,000.00		\$ 1,000,000.00
19-09	Various Capital Improvements	11/12/20	11/12/20	11/11/21	2.00%		1,500,000.00		1,500,000.00
19-11	Various Capital Improvements	11/14/19	11/14/19	11/13/20	2.00%	6,000,000.00	6,000,000.00		6,000,000.00
19-11	Various Capital Improvements	11/12/20	11/12/20	11/11/21	2.00%		1,000,000.00		1,000,000.00
20-10	Various Road and Sidewalk Improvements	11/12/20	11/12/20	11/11/21	2.00%		2,000,000.00		2,000,000.00
						<u>\$ 16,000,000.00</u>	<u>\$ 11,500,000.00</u>	<u>\$ 16,000,000.00</u>	<u>\$ 11,500,000.00</u>
					Ref.				C
					New Issues		\$ 4,500,000.00		
					Renewals		7,000,000.00	\$ 7,000,000.00	
					Serial Bonds Issued			9,000,000.00	
							<u>\$ 11,500,000.00</u>	<u>\$ 16,000,000.00</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, 2019	Issued	Matured	Balance Dec. 31, 2020
			Outstanding Date	Dec. 31, 2020	Amount						
General Improvements	10/26/2010	\$ 14,425,000.00	11/1/2021-23	\$ 1,150,000.00	3.00%	\$ 4,600,000.00		\$ 1,150,000.00		\$ 3,450,000.00	
General Improvements	09/07/2017	43,827,000.00	9/15/2021-23	3,000,000.00	2.00%						
			9/15/2024-25	4,000,000.00	2.50%						
			9/15/2026-28	4,000,000.00	3.00%						
			9/15/2029	3,500,000.00	3.00%						
			9/15/2030	3,510,000.00	2.50%	39,010,000.00		3,000,000.00		36,010,000.00	
General Improvements	11/14/2019	22,640,000.00	5/1/2021	2,280,000.00	4.00%						
			5/1/2022	2,465,000.00	4.00%						
			5/1/2023	2,465,000.00	4.00%						
			5/1/2024	2,465,000.00	4.00%						
			5/1/2025	2,465,000.00	4.00%						
			5/1/2026	2,195,000.00	4.00%						
			5/1/2027	2,005,000.00	4.00%						
			5/1/2028	2,005,000.00	4.00%						
			5/1/2029	2,005,000.00	2.25%	22,640,000.00		2,290,000.00		20,350,000.00	
General Improvements	11/12/2020	12,450,000.00	6/1/2021	620,000.00	3.00%						
			6/1/2022	815,000.00	3.00%						
			6/1/2023	1,095,000.00	3.00%						
			6/1/2024	1,240,000.00	3.00%						
			6/1/2025	1,240,000.00	3.00%						
			6/1/2026	1,240,000.00	3.00%						
			6/1/2027	1,240,000.00	3.00%						
			6/1/2028	1,240,000.00	2.00%						
			6/1/2029	1,240,000.00	2.00%						
			6/1/2030	1,240,000.00	2.00%						
			6/1/2031	1,240,000.00	2.00%	\$ 12,450,000.00				12,450,000.00	
						\$ 66,250,000.00	\$ 12,450,000.00	\$ 6,440,000.00	\$ 72,260,000.00		

Ref.

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C

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds			Interest Rate	Balance Dec. 31, 2019	Matured	Balance Dec. 31, 2020
			Date	Outstanding Dec. 31, 2020	Amount				
Refunding Bonds	5/15/2012	\$ 15,190,000.00	7/15/2021	\$ 1,300,000.00		4.00%			
			7/15/2022	1,340,000.00		5.00%			
			7/15/2023	1,460,000.00		5.00%			
			7/15/2024	1,470,000.00		4.00%			
			7/15/2025	1,465,000.00		4.00%			
							\$ 8,305,000.00	\$ 1,270,000.00	\$ 7,035,000.00
							<u>\$ 8,305,000.00</u>	<u>\$ 1,270,000.00</u>	<u>\$ 7,035,000.00</u>

Ref.

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C

TOWNSHIP OF PARSIPPANY-TROY HILLS
GENERAL CAPITAL FUND
SCHEDULE OF GREEN ACRES TRUST ACQUISITION LOAN PAYABLE
YEAR ENDED DECEMBER 31, 2020

NOT APPLICABLE

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

Ord. No.	Improvement Description	Balance Dec. 31, 2019	2020 Improvement Authorizations	Serial Bonds Issued	Funded by Reserve for Payment of Debt Service	Bond Anticipation Notes Issued	Balance Dec. 31, 2020
91-27	Regional Contribution Agreement - City of Newark	\$ 453,643.69					\$ 453,643.69
06-08	Various Capital Improvements	3,408.32					3,408.32
14-27	Various Capital Improvements	999,891.06					999,891.06
15-22	Various Capital Improvements	2,452,498.97			\$ 350,000.00		2,102,498.97
16-16	Various Capital Improvements	2,999,928.24		\$ 2,625,000.00	245,000.00		129,928.24
18-05	Various Road and Sidewalk Improvements	600,943.63					600,943.63
18-17	Various Capital Improvements	3,692,064.00		825,000.00			2,867,064.00
19-09	Various Capital Improvements	1,536,500.00				\$ 1,500,000.00	36,500.00
19-11	Various Capital Improvements	4,109,266.00				1,000,000.00	3,109,266.00
20-10	Various Road and Sidewalk Improvements		\$ 2,897,500.00			2,000,000.00	897,500.00
20-24	Various Capital Improvements		7,479,108.00				7,479,108.00
		<u>\$ 16,848,143.91</u>	<u>\$ 10,376,608.00</u>	<u>\$ 3,450,000.00</u>	<u>\$ 595,000.00</u>	<u>\$ 4,500,000.00</u>	<u>\$ 18,679,751.91</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
COUNTY OF MORRIS
2020
WATER UTILITY FUND

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

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2019	D	\$ 4,280,950.44	\$ 8,464,175.18
Increased by Receipts:			
Consumer Accounts Receivable	\$	8,485,401.48	
Water Rent Overpayments		58,352.77	
Interest on Investments		49,974.60	
Miscellaneous Revenue		279,999.31	
Due to/from Current Fund - Interfund Advanced		208,401.93	
Appropriation Refunds		407,185.21	
Premium on Sale of Bond Anticipation Notes			\$ 208,953.80
Bond Anticipation Notes Issued		9,489,315.30	12,788,953.80
		<u>13,770,265.74</u>	<u>21,253,128.98</u>
Decreased by Disbursements:			
2020 Appropriation Expenditures		8,861,313.56	
2019 Appropriation Reserves		465,657.22	
Accrued Interest on Bonds		361,732.63	
Accrued Interest on Loans		1,900.00	
Petty Cash		150.00	
Reserve for Preliminary Expense			5,446.35
Due to Current Fund:			
Interfund Advanced			5,780,254.45
Fund Balance Utilized as Anticipated Revenue		450,000.00	
Improvement Authorizations			2,423,253.00
		<u>10,140,753.41</u>	<u>8,208,953.80</u>
Balance December 31, 2020	D	<u>\$ 3,629,512.33</u>	<u>\$ 13,044,175.18</u>

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

	Balance/ (Deficit) Dec. 31, 2019	Receipts		Disbursements		Transfers		Balance/ (Deficit) Dec. 31, 2020
		Bond Anticipation Notes	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	
Fund Balance	\$ 89,281.77		\$ 208,953.80			\$ 89,281.77	\$ 619,341.08	\$ 828,294.88
Due Water Utility Operating Fund							89,281.77	89,281.77
Due to Current Fund	314,498.22				\$ 5,780,254.45			(5,780,254.45)
Capital Improvement Fund	192,749.21							314,498.22
Reserve for Payment of Debt Service	5,446.35				5,446.35			192,749.21
Reserve for Preliminary Expense								
Ord. No.								
<u>General Improvements</u>								
12-25								(61.00)
14-25				\$ 174,223.01				16,418.27
15-21				6,509.90				
16-18				34,470.00		619,341.08		
17-13				94,814.09				206,345.98
18-18				951,662.74				1,797,960.28
19-08				68,010.73				
19-13				385,141.81				3,507,362.74
19-70			\$ 3,000,000.00	645,970.18				2,354,029.82
20-16			3,170,000.00	40,821.97				3,129,178.03
20-22			6,410,000.00	21,628.57				6,388,371.43
	\$ 8,464,175.18	\$ 12,580,000.00	\$ 208,953.80	\$ 2,423,253.00	\$ 5,785,700.80	\$ 708,622.85	\$ 708,622.85	\$ 13,044,175.18

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

	<u>Ref.</u>	
Balance December 31, 2019	D	\$ 199,712.85
Increased by:		
Water Rents Levied		9,193,583.65
		9,393,296.50
Decreased by:		
Collections:		
Water Collections	\$ 8,485,401.48	
Overpayments Applied	22,498.36	
		8,507,899.84
Balance December 31, 2020	D	\$ 885,396.66

WATER UTILITY OPERATING FUND
SCHEDULE OF WATER UTILITY LIENS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2019	D	\$ 252.57
Balance December 31, 2020	D	\$ 252.57

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

	<u>Ref.</u>	
Balance December 31, 2019	D	\$ 263,762.00
Less: Net Inventory Decrease		<u>8,799.00</u>
Balance December 31, 2020	D	<u>\$ 254,963.00</u>

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

	Balance Dec. 31, 2019	Additions by Ordinance	Balance Dec. 31, 2020
Organization	\$ 1,769.20		\$ 1,769.20
Reservation Land	2,653.66		2,653.66
Other Sources - Supply Land	109.76		109.76
Pumping System Land	54,322.42		54,322.42
Storage Reservoir Land	717.00		717.00
Other Distribution System Land	1,720.00		1,720.00
Miscellaneous Land	1,590.00		1,590.00
Wells	908,299.00		908,299.00
Pumping Station Structures	343,457.98		343,457.98
Electric Pumping Equipment	47,817.03		47,817.03
Diesel Power Pumping Equipment	13,263.45		13,263.45
Transmission Mains	75,935.26		75,935.26
Storage Reservoirs	557,680.19		557,680.19
Distribution Mains	737,619.75		737,619.75
Service Pipes	21,814.48		21,814.48
Meters	567,817.53		567,817.53
Fire Hydrants	116,661.59		116,661.59
General Equipment	1,581,670.19		1,581,670.19
Engineering and Superintendence	47,248.53		47,248.53
Legal Expenditures During Construction	8,054.14		8,054.14
Damage During Construction	15,000.00		15,000.00
Interest During Construction	13,971.95		13,971.95
Ditching and Grading Machines	47,482.90		47,482.90
Burroughs Bookkeeping Machine	3,735.67		3,735.67
Grawdall Shovel	30,795.00		30,795.00
Backhoe and Shovel	39,863.00		39,863.00
Office Equipment	16,358.00		16,358.00
Miscellaneous Equipment	466,632.09		466,632.09
Trucks and Automobiles	418,570.65		418,570.65
Vehicles and Equipment	678,000.00		678,000.00
Main Extensions	958,249.07		958,249.07
Communication Equipment	52,089.00		52,089.00
Compressors	5,400.00		5,400.00
Tractor Mower	1,759.00		1,759.00
Phillips Bookkeeping Machine and Related Costs	60,498.45		60,498.45
Improvement of Water Supply and Distribution System	25,441,177.16		25,441,177.16
Meter Reader System	2,606,000.00		2,606,000.00
Issuance Costs - Various	572,645.00		572,645.00
Various Major Information Technology and Telecommunications Equipment	60,000.00		60,000.00
Main Replacements		\$ 170,000.00	170,000.00
Supervisory Control and Data Acquisition Communication System Upgrades		350,000.00	350,000.00
Painting of Water Tank on Knoll Road		1,480,658.92	1,480,658.92
Replacement of Parking Lot and Water Department Lights		20,000.00	20,000.00
	<u>\$ 36,578,448.10</u>	<u>\$ 2,020,658.92</u>	<u>\$ 38,599,107.02</u>
	D		D

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

Improvement Description	Ord. No.	Balance Dec.31, 2019	2020 Authorizations	Transferred to Fixed Capital	Improvement Authorizations Canceled	Balance Dec.31, 2020
<u>General Improvements:</u>						
Improvements to Water Utility System	12-25	\$ 725,000.00				\$ 725,000.00
Improvements to Water Utility System	13-11	1,600,000.00				1,600,000.00
Improvements to Water Utility System	14-25	880,000.00				880,000.00
Improvements to Water Utility System	15-21	2,120,000.00		\$ 1,500,658.92	\$ 619,341.08	
Improvements to Water Utility System	16-18	170,000.00		170,000.00		
Improvements to Water Utility System	17-13	1,075,000.00				1,075,000.00
Improvements to Water Utility System	18-18	2,925,000.00				2,925,000.00
Water SCADA Upgrades	19-08	350,000.00		350,000.00		
Improvements to Water Utility System	19-13	4,598,000.00				4,598,000.00
Improvements to Water Utility System	19-70	3,000,000.00				3,000,000.00
Improvements to Water Utility System	20-16		\$ 3,170,000.00			3,170,000.00
Improvements to Water Utility System	20-22		6,410,000.00			6,410,000.00
		<u>\$ 17,443,000.00</u>	<u>\$ 9,580,000.00</u>	<u>\$ 2,020,658.92</u>	<u>\$ 619,341.08</u>	<u>\$ 24,383,000.00</u>

Ref.

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TOWNSHIP OF PARSIPPANY-TROY HILLS
WATER UTILITY OPERATING FUND
SCHEDULE OF 2019 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2020

	<u>Balance</u> <u>Dec. 31, 2019</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	\$ 30,362.61	\$ 30,362.61		\$ 30,362.61
Other Expenses	538,846.62	538,846.62	\$ 465,657.22	73,189.40
Statutory Expenditures:				
Contribution to:				
Social Security (O.A.S.I.)	<u>53,445.97</u>	<u>53,445.97</u>		<u>53,445.97</u>
	<u>\$ 622,655.20</u>	<u>\$ 622,655.20</u>	<u>\$ 465,657.22</u>	<u>\$ 156,997.98</u>

Analysis of Balance December 31, 2019

	<u>Ref.</u>
Encumbered	D \$ 372,825.26
Unencumbered	D <u>249,829.94</u>
	<u>\$ 622,655.20</u>

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

Ord. No.	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2019		2020 Authorizations Deferred Charges to Future Revenue	Paid or Charged	Authorizations Canceled to Fund Balance	Balance Dec. 31, 2020	
				Funded	Unfunded				Funded	Unfunded
14-25	Improvements to Water Utility System	08/21/14	\$ 880,000.00	\$ 190,641.28			\$ 174,223.01		\$ 16,418.27	
15-21	Improvements to Water Utility System	09/15/15	2,120,000.00	625,850.98			6,509.90	\$ 619,341.08		
16-18	Improvements to Water Utility System	07/19/16	170,000.00	34,470.00			34,470.00			
17-13	Improvements to Water Utility System	07/11/17	1,075,000.00	301,160.07			94,814.09		206,345.98	
18-18	Improvements to Water Utility System	09/11/18	2,925,000.00	2,749,623.02			951,662.74		1,797,960.28	
19-08	Water SCADA Upgrades	04/16/19	350,000.00	68,010.73			68,010.73			
19-13	Improvements to Water Utility System	06/25/19	4,598,000.00	3,892,504.55			385,141.81		3,507,362.74	
19-70	Improvements to Water Utility System	12/17/19	3,000,000.00		\$ 3,000,000.00		645,970.18			\$ 2,354,029.82
20-16	Improvements to Water Utility System	05/05/20	3,170,000.00			\$ 3,170,000.00	40,821.97			3,129,178.03
20-22	Improvements to Water Utility System	07/21/20	6,410,000.00			6,410,000.00	21,628.57			6,388,371.43
				\$ 7,862,260.63	\$ 3,000,000.00	\$ 9,580,000.00	\$ 2,423,253.00	\$ 619,341.08	\$ 5,528,087.27	\$ 11,871,579.28

Ref.

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

	<u>Ref.</u>	
Balance December 31, 2019	D	<u>\$ 314,498.22</u>
Balance December 31, 2020	D	<u><u>\$ 314,498.22</u></u>

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

	<u>Ref.</u>	
Balance December 31, 2019	D	\$ 36,678,783.09
Increased by:		
Water Utility Operating Budget:		
Serial Bonds		\$ 795,000.00
Infrastructure Loans		34,107.91
Transfer from Deferred Reserve for Amortization		<u>295,000.00</u>
		<u>1,124,107.91</u>
		37,802,891.00
Decreased by:		
Improvement Authorizations Canceled		<u>619,341.08</u>
Balance December 31, 2020	D	<u><u>\$ 37,183,549.92</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, 2019	To Reserve for Amortization	Balance Dec. 31, 2020
<u>General Improvements:</u>					
14-25	Improvements to Water Utility System	08/21/14	\$ 880,000.00		\$ 880,000.00
15-21	Improvements to Water Utility System	09/15/15	125,000.00	\$ 125,000.00	
16-18	Improvements to Water Utility System	07/19/16	170,000.00	170,000.00	
18-18	Improvements to Water Utility System	09/11/18	200,000.00		200,000.00
			<u>\$ 1,375,000.00</u>	<u>\$ 295,000.00</u>	<u>\$ 1,080,000.00</u>
	<u>Ref.</u>		D		D

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

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

Ref.

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

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Balance Dec. 31, 2019</u>	<u>Matured</u>	<u>Balance Dec. 31, 2020</u>
Water Improvements	5/15/2012	\$ 245,000.00	<u>\$ 35,000.00</u>	<u>\$ 35,000.00</u>	<u>\$ -0-</u>
		<u>Ref.</u>	D		D

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

	<u>Ref.</u>	
Balance December 31, 2019	D	\$ 67,604.01
Less: 2020 Payment of Principal		<u>34,107.91</u>
Balance December 31, 2020	D	<u><u>\$ 33,496.10</u></u>

Schedule of Principal and Interest Payments Outstanding December 31, 2020
2001 Issue

<u>Due Date</u>	<u>Trust Loan</u>		<u>Fund Loan</u>	<u>Balance of</u>
	<u>Interest</u>	<u>Principal</u>	<u>Principal</u>	<u>Loans</u>
				\$ 33,496.10
2/1/2021	\$ 475.00		\$ 305.99	33,190.11
8/1/2021	<u>475.00</u>	<u>\$ 20,000.00</u>	<u>13,190.11</u>	
	<u><u>\$ 950.00</u></u>	<u><u>\$ 20,000.00</u></u>	<u><u>\$ 13,496.10</u></u>	

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

Ord. No.	Improvement Description	Balance Dec.31, 2019	2020 Authorizations	Bond Anticipation Notes Issued	Balance Dec.31, 2020
<u>General Improvements:</u>					
12-25	Improvements to Water Utility System	\$ 61.00			\$ 61.00
19-70	Improvements to Water Utility System	3,000,000.00		\$ 3,000,000.00	
20-16	Improvements to Water Utility System		\$ 3,170,000.00	3,170,000.00	
20-22	Improvements to Water Utility System		6,410,000.00	6,410,000.00	
		<u>\$ 3,000,061.00</u>	<u>\$ 9,580,000.00</u>	<u>\$ 12,580,000.00</u>	<u>\$ 61.00</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
COUNTY OF MORRIS
2020
SEWER UTILITY FUND

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

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2019	E	\$ 8,462,371.11	\$ 11,044,668.03
Increased by Receipts:			
Sewer Rents and Septage Removal Receivable		\$ 15,675,560.14	
Miscellaneous Revenue		256,555.25	
Interest Earned on Investments		77,699.72	
Prepaid Sewer Rents		22,881.02	
Sewer Rent Overpayments		116,462.41	
Due to/from Current Fund:			
Interfund Advanced/Returned			\$ 22,440.53
Due to Sewer Utility Operating Fund - Interest Earned		72471.32	72,471.32
Due from Sewer Utility Capital Fund - Interest Earned		15,712.68	
Due to Public Assistance Fund		2,377.07	
Due to Golf and Recreation Utility Operating Fund		582,144.15	
Appropriation Refunds			87,053.89
Premium on Sale of Bond Anticipation Notes			177,145.65
Bond Anticipation Notes Issued			10,665,000.00
		<u>16,821,863.76</u>	<u>11,024,111.39</u>
		25,284,234.87	22,068,779.42
Decreased by Disbursements:			
2020 Appropriation Expenditures		15,276,340.81	
2019 Appropriation Reserves		865,401.50	
Interest on Bonds		492,703.00	
Interest on Loans		153,347.64	
Due to/from Current Fund:			
Interfund Advanced		944,119.79	
Fund Balance Utilized as Anticipated Revenue		2,100,000.00	
Due to Sewer Utility Operating Fund:			
Interest Earned			72,471.32
Improvement Authorization Expenditures			3,286,640.07
		<u>19,831,912.74</u>	<u>3,359,111.39</u>
Balance December 31, 2020	E	\$ 5,452,322.13	\$ 18,709,668.03

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

	Balance/ (Deficit) Dec. 31, 2019	Receipts		Disbursements		Balance/ (Deficit) Dec. 31, 2020	
		Miscellaneous	Bond Anticipation Notes	Improvement Authorizations	Miscellaneous		From
Sewer Capital Fund Balance	\$ 62,235.89	\$ 177,145.65				\$	177,145.65
Due Sewer Utility Operating Fund		72,471.32				\$ 62,235.89	62,235.89
Capital Improvement Fund	466,000.00				\$ 72,471.32		466,000.00
Due Current Fund		22,440.53					22,440.53
				\$ 200.00			13,811.07
				38,505.23			190,445.54
				352,599.82			765,348.83
				293,273.85			(548.81)
				460,899.77			1,298,978.00
				3,380.00			1,132,856.68
		50,000.00		105,483.84			255,400.46
				187,600.00			402,813.11
				375,045.82			809,815.45
				425,249.85			1,059,569.85
		37,053.89					(254,335.97)
							1,310,005.00
							19,245.72
				86,378.00			186,914.02
				96,666.66			
			\$ 4,250,000.00	827,190.33			4,410,693.91
			6,415,000.00	34,166.90			6,380,833.10
	\$ 11,044,668.03	\$ 359,111.39	\$ 10,665,000.00	\$ 3,286,640.07	\$ 72,471.32	\$ 62,235.89	\$ 18,709,668.03

Improvement Authorizations:

General Improvements:

Ord. No.		
07-20	Various Major Information Technology and Telecommunications Equipment	14,011.07
08-15a	Various Sewer Utility Improvements and Equipment Acquisitions	228,950.77
09-28	Improvements and Upgrades to the Township's Waste Water Treatment Plant	1,117,948.65
10-15	Various Sewer Utility Improvements	(548.81)
12-26	Various Sewer Utility Improvements	1,592,251.85
13-24	Various Sewer Utility Improvements	1,593,756.45
14-24	Various Sewer Utility Improvements	208,780.46
15-23	Various Sewer Utility Improvements	508,296.95
16-17	Various Sewer Utility Improvements	997,415.45
16-27	Troy Meadows Interceptor Repairs	1,059,569.85
17-12	Various Sewer Utility Improvements	120,709.85
18-04	Upgrade and Replacement of Generators	1,698,200.96
18-20	Acquisition of a Sewer Jet Vacuum Truck	19,245.72
18-21	Acquisition of Vehicles and Replacement Water Meters	273,292.02
19-03	Primary Scum Pump Rehabilitation	96,666.66
19-14	Various Sewer Utility Improvements	987,884.24
20-20	Various Sewer Utility Improvements	

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

	Balance Dec.31, 2019	2020 Billings	Cash Receipts	Overpayments Applied	Balance Dec.31, 2020
Sewer Rents:					
Residential and Industrial	\$ 263,857.21	\$ 10,622,043.49	\$ 10,131,653.12	\$ 35,187.06	\$ 719,060.52
Municipalities:					
Township of East Hanover	333,960.17	1,915,870.16	1,813,470.36		436,359.97
Township of Montville	227,659.18	2,324,194.06	2,551,853.24		
Borough of Mountain Lakes	106,736.10	470,770.90	470,000.04		107,506.96
Township of Denville	12,311.18	101,408.02	102,574.97		11,144.23
	<u>944,523.84</u>	<u>15,434,286.63</u>	<u>15,069,551.73</u>	<u>35,187.06</u>	<u>1,274,071.68</u>
Septage Removal	329,519.92	645,195.37	606,008.41		368,706.88
	<u>\$ 1,274,043.76</u>	<u>\$ 16,079,482.00</u>	<u>\$ 15,675,560.14</u>	<u>\$ 35,187.06</u>	<u>\$ 1,642,778.56</u>

Ref.

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Realized Sewer Rents Revenue

Cash Collections	\$ 15,069,551.73
Overpayments Applied	35,187.06
	<u>\$ 15,104,738.79</u>

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

	<u>Ref.</u>	
Balance December 31, 2019	E	\$ <u>721.81</u>
Balance December 31, 2020	E	\$ <u><u>721.81</u></u>

SEWER UTILITY OPERATING FUND
SCHEDULE OF INVENTORY

	<u>Ref.</u>	
Balance December 31, 2019	E	\$ 99,757.74
Add: Net Inventory Decrease		<u>32,251.74</u>
Balance December 31, 2020	E	\$ <u><u>67,506.00</u></u>

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

	Balance Dec.31, 2019	Additions by Ordinance	Balance Dec.31, 2020
Sanitary Sewer Facilities	\$ 136,740,520.66		\$ 136,740,520.66
Equipment	1,100,405.00		1,100,405.00
Moving Equipment	208,719.84		208,719.84
Office Equipment	2,784.12		2,784.12
Maintenance Equipment	28,361.31		28,361.31
Communication Equipment	156,798.58		156,798.58
Automotive Equipment	50,539.44		50,539.44
Vehicles	140,000.00		140,000.00
Outflow Line	19,462.30		19,462.30
Issuance Costs - Various	1,892,465.00		1,892,465.00
Primary Scum Pump Rehabilitation		\$ 300,000.00	300,000.00
	<u>\$ 140,340,056.25</u>	<u>\$ 300,000.00</u>	<u>\$ 140,640,056.25</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, 2019	2020 Authorizations	Costs to Fixed Capital	Balance Dec.31, 2020
<u>General Improvements:</u>					
Various Major Information Technology and Telecommunications Equipment	07-20	\$ 50,000.00			\$ 50,000.00
Various Sewer Utility Improvements and Equipment Acquisitions	08-15a	3,130,000.00			3,130,000.00
Improvements and Upgrades to the Township's Waste Water Treatment Plant	09-28	27,188,210.00			27,188,210.00
Various Sewer Utility Improvements	12-26	4,636,547.50			4,636,547.50
Various Sewer Utility Improvements	13-24	2,401,589.50			2,401,589.50
Various Sewer Utility Improvements	14-24	3,152,653.00			3,152,653.00
Various Sewer Utility Improvements	15-23	580,000.00			580,000.00
Various Sewer Utility Improvements	16-17	1,087,000.00			1,087,000.00
Troy Meadows Interceptor Repairs	16-27	1,500,000.00			1,500,000.00
Various Sewer Utility Improvements	17-12	2,475,000.00			2,475,000.00
Upgrade and Replacement of Generators	18-04	4,000,000.00			4,000,000.00
Acquisition of a Sewer Jet Vacuum Truck	18-20	500,000.00			500,000.00
Acquisition of Vehicles and Replacement Water Meters	18-21	515,000.00			515,000.00
Primary Scum Pump Rehabilitation	19-03	300,000.00		\$ 300,000.00	
Various Sewer Utility Improvements	19-14	5,250,000.00			5,250,000.00
Various Sewer Utility Improvements	20-20		\$ 6,415,000.00		6,415,000.00
Pump Station 4 Redirection Tunnel Program	20-21		8,000,000.00		8,000,000.00
		<u>\$ 56,766,000.00</u>	<u>\$ 14,415,000.00</u>	<u>\$ 300,000.00</u>	<u>\$ 70,881,000.00</u>

Ref:

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TOWNSHIP OF PARSIPPANY-TROY HILLS
SEWER UTILITY OPERATING FUND
SCHEDULE OF 2019 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2020

	<u>Balance</u> <u>Dec. 31, 2019</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	\$ 90,094.33	\$ 90,094.33		\$ 90,094.33
Other Expenses	1,685,331.02	1,685,331.02	\$ 865,401.50	819,929.52
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	8,854.34	8,854.34		8,854.34
	<u>\$ 1,784,279.69</u>	<u>\$ 1,784,279.69</u>	<u>\$ 865,401.50</u>	<u>\$ 918,878.19</u>
 <u>Analysis of Balance December 31, 2019</u>				
	<u>Ref.</u>			
Encumbered	E	\$ 580,640.33		
Unencumbered	E	<u>1,203,639.36</u>		
		<u>\$ 1,784,279.69</u>		

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

	<u>Ref.</u>	
Balance December 31, 2019	E	<u>\$ 466,000.00</u>
Balance December 31, 2020	E	<u><u>\$ 466,000.00</u></u>

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

	<u>Ref.</u>	
Balance December 31, 2019	E	\$ 139,840,916.94
Increased by:		
Sewer Utility Operating Budget:		
Serial Bonds		<u>1,185,000.00</u>
Balance December 31, 2020	E	<u>\$ 141,025,916.94</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, 2019	NJEIT Loan Paydowns	Balance Dec. 31, 2020
<u>General Improvements:</u>					
07-20	Various Major Information Technology and Telecommunications Equipment	07/24/17	\$ 2,385.00		\$ 2,385.00
08-15a	Various Sewer Utility Improvements and Equipment Acquisitions	05/13/08	689,581.19	\$ 8,878.57	698,459.76
09-28	Improvements and Upgrades to the Township's Waste Water Treatment Plant	06/16/19	14,334,344.22	1,015,281.85	15,349,626.07
12-26	Various Sewer Utility Improvements	06/19/12	840,785.50		840,785.50
13-24	Various Sewer Utility Improvements	09/18/13	1,121,237.50		1,121,237.50
14-24	Various Sewer Utility Improvements	08/21/14	2,000,000.00		2,000,000.00
15-23	Various Sewer Utility Improvements	09/15/15	580,000.00		580,000.00
16-17	Various Sewer Utility Improvements	07/19/16	1,087,000.00		1,087,000.00
16-27	Troy Meadows Interceptor Repairs	11/22/16	1,500,000.00		1,500,000.00
18-21	Acquisition of Vehicles and Replacement Water Meters	09/11/18	515,000.00		515,000.00
			<u>\$ 22,670,333.41</u>	<u>\$ 1,024,160.42</u>	<u>\$ 23,694,493.83</u>

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

Ord. No.	Improvement Description	Date of			Interest Rate	Issued	Balance Dec. 31, 2020
		Original Issue	Issue	Maturity			
19-14	Various Sewer Utility Improvements	11/12/20	11/12/20	11/11/21	2.00%	\$ 4,250,000.00	\$ 4,250,000.00
20-20	Various Sewer Utility Improvements	11/12/20	11/12/20	11/11/21	2.00%	6,415,000.00	6,415,000.00
						<u>\$ 10,665,000.00</u>	<u>\$ 10,665,000.00</u>
					<u>Ref.</u>		E

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds				Interest Rate	Matured	Balance Dec. 31, 2019	Balance Dec. 31, 2020
			Outstanding		Amount	Rate				
			Date	December 31, 2020						
Sewer Improvements	10/26/2010	\$ 4,003,300.00	11/1/2021	\$ 370,000.00	3.00%					
			11/1/2022	370,000.00	3.00%					
			11/1/2023	370,000.00	3.00%	\$ 1,460,000.00	\$ 350,000.00	\$ 1,110,000.00		
Sewer Improvements	9/7/2017	7,197,000.00	9/15/2021-23	450,000.00	2.00%					
			9/15/2024-25	650,000.00	2.50%					
			9/15/2026-27	650,000.00	3.00%					
			9/15/2028	660,000.00	3.00%					
			9/15/2029	675,000.00	3.00%					
			9/15/2030	690,000.00	2.50%	6,400,000.00	425,000.00	5,975,000.00		
Sewer Improvements	11/14/2019	9,570,000.00	5/1/2021	375,000.00	4.00%					
			5/1/2022	385,000.00	4.00%					
			5/1/2023	390,000.00	4.00%					
			5/1/2024	400,000.00	4.00%					
			5/1/2025	410,000.00	4.00%					
			5/1/2026	420,000.00	4.00%					
			5/1/2027	430,000.00	4.00%					
			5/1/2028	435,000.00	4.00%					
			5/1/2029-30	450,000.00	2.25%					
			5/1/2031	600,000.00	2.25%					
			5/1/2032-33	600,000.00	2.50%					
			5/1/2034	575,000.00	2.50%					
			5/1/2035-36	550,000.00	2.50%					
5/1/2037-39	550,000.00	3.00%								
						9,570,000.00	300,000.00	9,270,000.00		
						<u>\$ 17,430,000.00</u>	<u>\$ 1,075,000.00</u>	<u>\$ 16,355,000.00</u>		

Ref.

E

E

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

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Balance Dec. 31, 2019</u>	<u>Matured</u>	<u>Balance Dec. 31, 2020</u>
Sewer Improvements	5/15/2012	\$ 680,000.00	<u>\$ 110,000.00</u>	<u>\$ 110,000.00</u>	<u>\$ -0-</u>
		<u>Ref.</u>	E		E

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

	<u>Ref.</u>	
Balance December 31, 2019	E	\$ 92,738.31
Less: 2020 Payment of Principal		8,878.57
Balance December 31, 2020	E	\$ 83,859.74

Schedule of Principal and Interest Payments Outstanding December 31, 2020
February 2010 Issue

<u>Due Date</u>	<u>Trust Loan</u>		<u>Fund Loan</u>	<u>Balance of</u>
	<u>Interest</u>	<u>Principal</u>	<u>Principal</u>	<u>Loans</u>
				\$ 83,859.74
2/1/2021	\$ 463.11		\$ 2,201.28	81,658.46
8/1/2021	463.11	\$ 2,346.14	4,402.57	74,909.75
2/1/2022	424.75		2,201.28	72,708.47
8/1/2022	424.75	2,422.86	4,402.57	65,883.04
2/1/2023	382.84		2,201.28	63,681.76
8/1/2023	382.84	2,506.69	4,402.57	56,772.50
2/1/2024	337.72		2,201.28	54,571.22
8/1/2024	337.72	2,596.93	4,402.57	47,571.72
2/1/2025	289.80		2,201.28	45,370.44
8/1/2025	289.80	2,692.76	4,402.57	38,275.11
2/1/2026	238.77		2,201.28	36,073.83
8/1/2026	238.77	2,794.82	4,402.57	28,876.44
2/1/2027	184.42		2,201.28	26,675.16
8/1/2027	184.42	2,903.54	4,402.57	19,369.05
2/1/2028	126.63		2,201.28	17,167.77
8/1/2028	126.63	3,019.10	4,402.57	9,746.10
2/1/2029	65.20		2,201.28	7,544.82
8/1/2029	65.20	3,141.97	4,402.85	
	\$ 6,089.30	\$ 24,424.81	\$ 59,434.93	

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

	<u>Ref.</u>	
Balance December 31, 2019	E	\$ 10,384,166.78
Less:		
2020 Payment of Principal		<u>1,015,281.85</u>
Balance December 31, 2020	E	<u>\$ 9,368,884.93</u>

Schedule of Principal and Interest Payments Outstanding December 31, 2020
March 2010 Issue

Due Date	Trust Loan		Fund Loan	Balance of
	Interest	Principal	Principal	Loans
				\$ 9,368,884.93
2/1/2021	\$ 67,220.00		\$ 237,427.28	9,131,457.65
8/1/2021	67,220.00	\$ 319,000.00	474,854.57	8,337,603.08
2/1/2022	60,840.00		237,427.28	8,100,175.80
8/1/2022	60,840.00	332,000.00	474,854.57	7,293,321.23
2/1/2023	54,200.00		237,427.28	7,055,893.95
8/1/2023	54,200.00	346,000.00	474,854.57	6,235,039.38
2/1/2024	47,280.00		237,427.28	5,997,612.10
8/1/2024	47,280.00	355,000.00	474,854.57	5,167,757.53
2/1/2025	40,180.00		237,427.28	4,930,330.25
8/1/2025	40,180.00	369,000.00	474,854.57	4,086,475.68
2/1/2026	32,800.00		237,427.28	3,849,048.40
8/1/2026	32,800.00	388,000.00	474,854.57	2,986,193.83
2/1/2027	25,040.00		237,427.28	2,748,766.55
8/1/2027	25,040.00	400,000.00	474,854.57	1,873,911.98
2/1/2028	17,040.00		237,427.28	1,636,484.70
8/1/2028	17,040.00	419,000.00	474,854.57	742,630.13
2/1/2029	8,660.00		237,427.28	505,202.85
8/1/2029	8,660.00	433,000.00	72,202.85	
	<u>\$ 864,840.00</u>	<u>\$ 3,361,000.00</u>	<u>\$ 6,007,884.93</u>	

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

Ord. No.	Improvement Description	Balance Dec.31, 2019	2020 Authorizations	Bond Anticipation Notes Issued	Balance Dec.31, 2020
<u>General Improvements:</u>					
09-28	Improvements to the Township's Waste Water Treatment Plant	\$ 699.00			\$ 699.00
10-15	Various Sewer Utility Improvements	548.81			548.81
14-24	Various Sewer Utility Improvements	1,152,653.00			1,152,653.00
17-12	Various Sewer Utility Improvements	1,174,000.00			1,174,000.00
19-14	Various Sewer Utility Improvements	4,250,000.00		\$ 4,250,000.00	
20-20	Various Sewer Utility Improvements		\$ 6,415,000.00	6,415,000.00	
20-21	Pump Station 4 Redirection Tunnel Program		8,000,000.00		8,000,000.00
		<u>\$ 6,577,900.81</u>	<u>\$ 14,415,000.00</u>	<u>\$ 10,665,000.00</u>	<u>\$ 10,327,900.81</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
COUNTY OF MORRIS
2020
GOLF AND RECREATION UTILITY FUND

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

<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2019	\$ 1,646,827.25	\$ 5,538,048.05
Increased by Receipts:		
Consumer Accounts Receivable	\$ 3,760,074.92	
Concession Fees	255,000.00	
Merchandise Sales	127,741.54	
Interest on Investments	33,750.08	
Membership Overpayments	18,077.36	
Miscellaneous Revenue	147,157.31	
Sales Tax Payable	48,211.05	
Due to Golf Pro	15,082.50	
Bond Proceeds		\$ 1,645,000.00
Premium on Bond Sale		1,950.08
Reserve for Payment of Debt Service		55,000.00
Appropriation Refunds	<u>25,080.58</u>	
	<u>4,430,175.34</u>	<u>1,701,950.08</u>
	6,077,002.59	7,239,998.13
Decreased by Disbursements:		
2020 Appropriation Expenditures	725,946.62	
2019 Appropriation Reserves	156,555.31	
Due to Sewer Utility Operating Fund	2,377.07	
Sales Tax Payable	40,534.62	
Due to Current Fund		3,324,580.53
Due to Other Trust Funds	682,700.00	
Due to Golf and Recreation Utility Capital Fund:		
Improvement Authorizations	<u>28,000.00</u>	
	<u>1,636,113.62</u>	<u>3,324,580.53</u>
Balance December 31, 2020	<u>\$ 4,440,888.97</u>	<u>\$ 3,915,417.60</u>

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

	Balance		Receipts		Disbursements		Transfers		Balance/ (Deficit) Dec. 31, 2020
	Dec. 31, 2019	Serial Bonds	Miscellaneous	Miscellaneous	From	To	From	To	
Fund Balance	\$ 45,070.70		\$ 1,950.08		\$ 45,070.00		\$ 45,070.00		\$ 1,950.78
Capital Improvement Fund	161,593.05								161,593.05
Due to Current Fund									(454,997.92)
Due to Golf and Recreation Operating Fund								\$ 2,869,582.61	
Preliminary Expenses - Miniature Golf Recreation Facility	12,000.00							73,070.00	73,070.00
Reserve for Payment of Debt Service	2,400,000.00		55,000.00				55,000.00		12,000.00
									2,400,000.00
<u>Improvement Authorizations</u>									
General Improvements:									
Ord. No.									
10-16	Various Improvements and Equipment	2,500.00							2,500.00
11-10	Golf Course and Recreation Utility Improvements	2,265.03			2,265.03				
12-27	Golf Course and Recreation Utility Improvements	57,355.30			20,405.48				36,949.82
13-12	Golf Course and Recreation Utility Improvements	248,148.50			248,148.50				
15-20	Golf Course and Recreation Utility Improvements	2,248,193.93			1,523,603.30				724,590.63
16-19	Golf Course and Recreation Utility Improvements	19,734.46							19,734.46
17-14	Golf Course and Recreation Utility Improvements	250,676.20			75,429.10				175,247.10
18-19	Golf Course and Recreation Utility Improvements	49,134.65			15,592.12				33,542.53
19-12	Golf Course and Recreation Utility Improvements	41,376.23			30,899.48				10,476.75
20-03	Other Expenses to the Knoll West Clubhouse Building				217,660.94			248,148.50	30,487.56
20-04	Replacement of Irrigation System at the Knoll West Golf Course								
			\$ 345,000.00						961.88
20-23	Golf Course and Recreation Utility Improvements		1,300,000.00				612,689.04		687,310.96
			\$ 1,645,000.00	\$ 56,950.08	\$ 3,245,801.11	\$ 3,245,801.11	\$ 3,245,801.11	\$ 3,245,801.11	\$ 3,915,417.60

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

	<u>Ref.</u>	
Balance December 31, 2019	F	\$ 71,873.67
Increased by:		
Billings:		
Membership and Other Fees and Rentals		<u>3,741,547.11</u>
		3,813,420.78
Decreased by:		
Collections:		
Collections	\$ 3,760,074.92	
Overpayments Applied	<u>9,948.79</u>	
		<u>3,770,023.71</u>
Balance December 31, 2020	F	<u><u>\$ 43,397.07</u></u>

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

	<u>Ref.</u>	
Balance December 31, 2019	F	\$ 103,658.29
Add: Net Inventory Increase		<u>19,476.22</u>
Balance December 31, 2020	F	<u>\$ 123,134.51</u>

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

	Balance Dec. 31, 2019	Additions by Ordinance	Balance Dec. 31, 2020
Building Renovations	\$ 687,336.18		\$ 687,336.18
Improvement of the Property of the Parsippany-Troy Hills			
Golf and Recreation Utility	1,512,536.41		1,512,536.41
Improvement of the Knoll Country Club	2,154,800.00		2,154,800.00
Various Capital Improvements	3,773,760.66	\$ 204,528.50	3,978,289.16
Reconstruction of the Knoll Country Club West	2,465,000.00		2,465,000.00
Construction of the West Tee House	210,000.00		210,000.00
Acquisition of Furniture and Equipment	152,638.16		152,638.16
Acquisition of Vehicles	95,450.00		95,450.00
Acquisition of Equipment	941,867.00		941,867.00
Acquisition of Various Vehicles and Equipment	655,936.70		655,936.70
Supplemental Appropriation for the Construction of the			
Tee House	26,500.00		26,500.00
Acquisition of Property Known as Knoll Country Club	5,000,000.00		5,000,000.00
Reconstruction of the West Course Main Building	7,150,000.00		7,150,000.00
Installation of Sewer Lines to all Knoll Buildings	401,000.00		401,000.00
Issuance Cost	186,451.50		186,451.50
	\$ 25,413,276.61	\$ 204,528.50	\$ 25,617,805.11
	F		F

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

Improvement Description	Ord. No.	Balance Dec. 31, 2019	2020 Authorizations	Costs to Fixed Capital	Reappropriation of Funds	Balance Dec. 31, 2020
<u>General Improvements:</u>						
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		1,851.50	\$ (248,148.50)	
Golf Course and Recreation Utility Improvements	15-20	3,006,403.00				3,006,403.00
Golf Course and Recreation Utility Improvements	16-19	119,177.00				119,177.00
Golf Course and Recreation Utility Improvements	17-14	2,865,180.00				2,865,180.00
Golf Course and Recreation Utility Improvements	18-19	253,000.00				253,000.00
Golf Course and Recreation Utility Improvements	19-12	205,391.00				205,391.00
Other Expenses to the Knoll West Clubhouse Building	20-03				248,148.50	248,148.50
Replacement of Irrigation System at the Knoll West Golf Course	20-04		\$ 400,000.00			400,000.00
Golf Course and Recreation Utility Improvements	20-23		1,300,000.00			1,300,000.00
		<u>\$ 7,336,828.00</u>	<u>\$ 1,700,000.00</u>	<u>\$ 204,528.50</u>	<u>\$ -0-</u>	<u>\$ 8,832,299.50</u>

Ref. F

F

TOWNSHIP OF PARSIPPANY-TROY HILLS
GOLF AND RECREATION UTILITY OPERATING FUND
SCHEDULE OF 2019 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2020

	Balance Dec. 31, 2019	Balance After Modification	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	\$ 25,658.75	\$ 25,658.75		\$ 25,658.75
Other Expenses	435,157.16	435,157.16	\$ 156,555.31	278,601.85
Statutory Expenditures:				
Contribution to:				
Social Security (O.A.S.I.)	11,043.86	11,043.86		11,043.86
	\$ 471,859.77	\$ 471,859.77	\$ 156,555.31	\$ 315,304.46

Analysis of Balance December 31, 2019

	<u>Ref.</u>		
Encumbered	F	\$	117,689.82
Unencumbered	F		354,169.95
		\$	471,859.77

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

Ord. No.	Improvement Description	Date	Ordinance Amount	Balance Dec. 31, 2019		2020 Improvement Authorizations Deferred Charges to Future Revenue	Paid or Charged	Reappropriation of Funds	Balance Dec. 31, 2020	
				Funded	Unfunded				Funded	Unfunded
General Improvements:										
10-16	Various Improvements and Equipment	07/20/10	\$ 300,000.00	\$ 2,500.00			\$ 2,500.00		\$ 2,500.00	
11-10	Golf Course and Recreation Utility Improvements	06/21/11	202,677.00	2,265.03		\$ 2,265.03				
12-27	Golf Course and Recreation Utility Improvements	06/19/12	135,000.00	57,355.30		20,405.48			36,949.82	
13-12	Golf Course and Recreation Utility Improvements	06/19/13	250,000.00	248,148.50				\$ (248,148.50)		
15-20	Golf Course and Recreation Utility Improvements	09/15/15	3,006,403.00	2,248,193.93		1,523,603.30			724,590.63	
16-19	Golf Course and Recreation Utility Improvements	07/19/16	119,177.00	19,734.46					19,734.46	
17-14	Golf Course and Recreation Utility Improvements	07/11/17	2,865,180.00	250,676.20	\$ 593.00	75,429.10			175,247.10	\$ 593.00
18-19	Golf Course and Recreation Utility Improvements	09/11/18	253,000.00	49,134.65		15,592.12			33,542.53	
19-12	Golf Course and Recreation Utility Improvements	05/21/19	205,391.00	41,376.23	391.00	30,899.48			10,476.75	391.00
20-03	Other Expenses to the Knoll West Clubhouse Building	02/04/20	250,000.00			217,660.94		248,148.50	30,487.56	
20-04	Replacement of Irrigation System at the Knoll West Golf Course	02/04/20	400,000.00			399,038.12			961.88	
20-23	Golf Course and Recreation Utility Improvements	07/21/20	1,300,000.00			612,689.04			687,310.96	
				\$ 2,919,384.30	\$ 984.00		\$ 2,897,582.61	\$ -0-	\$ 1,721,801.69	\$ 984.00
				Ref.	F	F			F	F
				Analysis of Paid or Charged						
				Due to Current Fund						
				Due to Golf and Recreation Utility Operating Fund						
				\$2,869,582.61						
				28,000.00						
				\$2,897,582.61						

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

	<u>Ref.</u>	
Balance December 31, 2019	F	<u>\$ 161,593.05</u>
Balance December 31, 2020	F	<u><u>\$ 161,593.05</u></u>

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

	<u>Ref.</u>	
Balance December 31, 2019	F	\$ 26,300,351.61
Increased by:		
Open Space Trust Budget:		
Serial Bonds		\$ 525,000.00
Serial Bond Resizing		55,000.00
Transfer from Deferred Reserve for Amortization		<u>36,003.50</u>
		<u>616,003.50</u>
Balance December 31, 2020	F	<u>\$ 26,916,355.11</u>

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

Ord. No.	Improvement Description	Date of Ordinance	Balance Dec. 31, 2019	Transferred to Reserve for Amortization	Reappropriation of Funds	Balance Dec. 31, 2020
<u>General Improvements:</u>						
10-16	Various Improvements and Equipment	07/20/10	\$ 31,820.00			\$ 31,820.00
11-10	Golf Course and Recreation Utility Improvements	06/21/11	34,152.00	\$ 34,152.00		
12-27	Golf Course and Recreation Utility Improvements	06/19/12	15,828.00			15,828.00
13-12	Golf Course and Recreation Utility Improvements	06/19/13	20,690.00	1,851.50	\$ (18,838.50)	
15-20	Golf Course and Recreation Utility Improvements	09/15/15	150,320.00			150,320.00
16-19	Golf Course and Recreation Utility Improvements	07/19/16	5,959.00			5,959.00
20-03	Other Expenses to the Knoll West Clubhouse Building	02/04/20			18,838.50	18,838.50
			<u>\$ 258,769.00</u>	<u>\$ 36,003.50</u>	<u>\$ -0-</u>	<u>\$ 222,765.50</u>
		<u>Ref.</u>	F			F

TOWNSHIP OF PARSIPPANY-TROY HILLS
GOLF AND RECREATION UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2020

NOT APPLICABLE

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

Ord. No.	Improvement Description	Balance Dec.31, 2019	2020 Authorizations	Bonds Issued	Reserve for Payment of Debt Service - Bond Proceeds	Balance Dec.31, 2020
<u>General Improvements:</u>						
17-14	Golf Course and Recreation Utility Improvements	\$ 593.00				\$ 593.00
19-12	Golf Course and Recreation Utility Improvements	391.00				391.00
20-04	Replacement of Irrigation System at the Knoll West Golf Course		\$ 400,000.00	\$ 345,000.00	\$ 55,000.00	
20-23	Golf Course and Recreation Utility Improvements		1,300,000.00	1,300,000.00		
		<u>\$ 984.00</u>	<u>\$ 1,700,000.00</u>	<u>\$ 1,645,000.00</u>	<u>\$ 55,000.00</u>	<u>\$ 984.00</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
COUNTY OF MORRIS
2020
PUBLIC ASSISTANCE FUND

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

	<u>Ref.</u>	
Balance December 31, 2019	G	\$ 95,617.57
Increased by Receipts:		
Donations		\$ 7,345.00
Interest on Investments		418.73
		<u>7,763.73</u>
		103,381.30
Decreased by Disbursements:		
Due to Sewer Utility Operating Fund		<u>15,712.68</u>
Balance December 31, 2020	G	<u>\$ 87,668.62</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2020

TOWNSHIP OF PARSIPPANY-TROY HILLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2020

Pass Through Grantor, and Cluster Title	Name of Program	C.F.D.A. Account Number	Project Number or State Account Number	Grant Period		Grant Award Amount	Amount Received	Amount of Expenditures	Cumulative Expenditures	Amount Provided to Subrecipients
				From	To					
U.S. Department of Housing and Urban Development: CDBG - Entitlement Grants Cluster (Passed through Morris County Office of Community Development)	Community Development Block Grant- Housing Rehabilitation	14.218	B14-MC34-0113	07/01/14	06/30/20	\$ 227,120.00	\$ 40,163.42	\$ 909.69	\$ 227,120.00	
	Housing Rehabilitation	14.218	B15-MC34-0113	07/01/15	06/30/21	216,560.00	23,414.02	23,414.02	158,488.58	
	Housing Rehabilitation	14.218	B17-MC34-0113	07/01/17	06/30/20	216,411.00	2,520.74	2,520.74	216,411.00	
	Housing Rehabilitation	14.218	B18-MC34-0114	07/01/18	06/30/21	241,311.00	96,500.80	96,500.80	168,909.40	
	Housing Rehabilitation	14.218	B19-MC34-0113	07/01/19	06/30/21	223,600.00	141,796.37	141,796.37	155,255.80	
Total U.S. Department of Housing and Urban Development/ CDBG Entitlement Grants Cluster										
U.S. Department of Justice: (Passed through New Jersey Department of Law and Public Safety)	Bulletproof Vest Partnership Program	16.607	N/A	01/01/20	12/31/21	12,804.75	12,804.75			
		16.607	N/A	01/01/19	12/31/20	11,680.20	11,680.20			
Total U.S. Department of Justice										
U.S. Department of Homeland Security (Passed through New Jersey Department of Law and Public Safety)	Emergency Management Performance Guarantee	97.042	100-066-1200-726-062600	01/01/19	12/31/21	10,000.00	10,000.00			
	Disaster Grants - Public Assistance - F.E.M.A. Winter Storm Quinn	97.036	100-066-1200-C27-063430	01/01/18	12/31/18	940,027.13	940,027.13	940,027.13 *	940,027.13	
	Hurricane Irene	97.036	100-066-1200-A70-068250	01/01/12	12/31/12	115,720.20	115,720.20	115,720.20 *	115,720.20	
	Severe Winter Storm & Snow Storm	97.036	100-066-1200-B80-068460	01/01/16	12/31/16	189,533.46	189,533.46	189,533.46 *	189,533.46	
Total U.S. Department of Homeland Security										
U.S. Department of Transportation Highway Safety Cluster (Passed through New Jersey Department of Law and Public Safety)	Drive Sober or Get Pulled Over	20.601	100-066-1160-165-030350	01/01/20	12/31/21	5,500.00	5,500.00	5,220.00	5,220.00	
Total U.S. Department of Transportation										
U.S. Department of Treasury: (Pass Through New Jersey Department of Community Affairs)	Local Government Emergency Fund (LGEF)	21.019	20-100-022-8030-686	03/01/20	12/31/21	686,649.00	686,649.00	686,649.00	686,649.00	
	COVID-19 Mitigation									
Total US Department of Treasury										
U.S. Department of Health and Human Services: Provider Relief Fund		93.498	N/A	03/01/20	12/31/21	21,756.97	21,756.97			
TOTAL FEDERAL AWARDS										
										\$ 2,298,067.06
										\$ 2,202,291.41
										\$ 3,057,172.57
										\$ -0-

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

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
 SCHEDULE OF EXPENDITURES OF STATE AWARDS
 YEAR ENDED DECEMBER 31, 2020

Name of State Agency or Department	Name of Program	Name of Project	Grant I.D. No.	Grant Period From	Grant Period To	Grant Award Amount	Amount Received	Amount of Expenditures	Cumulative Expenditures
Department of Health & Senior Services	Alcohol Education, Rehabilitation and Enforcement Fund	Alcohol Education, Rehabilitation and Enforcement Fund	760-098-9735-001-060000	01/01/20	12/31/21	\$ 416.77	\$ 416.77		
						416.77			
	Total Department of Health & Senior Services								
Department of Law	Drunk Driving Enforcement Fund	Drunk Driving Enforcement Fund	100-078-6400-260-YYYY	01/01/19	12/31/21	24,293.96		\$ 10,111.20	\$ 11,695.96
								10,111.20	
	Body Armor Replacement Program	Body Armor Replacement Program	718-066-1020-001-090160	01/01/20	12/31/21	9,229.19	9,229.19		
	Total Department of Law and Public Safety						9,229.19		
Department of Community Affairs	Handicapped Person's Recreational Opportunities Act	Recreation Opportunities for Individuals with Disabilities	100-022-8050-035-051570	01/01/18	12/31/20	2,275.44		2,275.44	2,275.44
								2,275.44	
Department of Environmental Protection	Clean Communities Program	Clean Communities Program	765-042-4900-004-178910	01/01/18	12/31/20	103,698.19		120.00	103,698.19
				01/01/19	12/31/20	115,735.81		53,191.99	115,735.81
				01/01/20	12/31/21	104,354.54	104,354.54	83,757.70	83,757.70
	Recycling Tonnage Grant	Recycling Tonnage Grant	100-042-4910-224-238490	01/01/18	12/31/21	158,289.38		3,916.19	154,373.19
				01/01/19	12/31/21	161,838.32		7,843.55	153,994.77
				01/01/20	12/31/21	179,992.86	179,992.86		
	Total Department of Environmental Protection						179,992.86	11,759.74	308,367.96
	It Pays to Plug In -	NJ Electric Vehicle Charging Grant	100-082-2078-033-290220	01/01/20	01/01/21	12,000.00	12,000.00		
	Total Department of Environmental Protection						296,347.40	148,829.43	611,559.66
Department of the State - (Passed Through the County of Morris -Department Planning, Development & Technology)	Historic Preservation Trust	Smith-Baldwin House Rehabilitation	13-290-56-580560-888	09/27/17	12/31/20	222,449.00		156,958.50	222,449.00
				09/22/19	12/31/20	39,800.00		39,800.00	39,800.00
				09/23/18	12/31/20	258,064.00	256,726.00	258,064.00	258,064.00
				09/28/16	12/31/21	55,760.00		54,836.00	54,836.00
	Total Department of State					256,726.00	509,658.50	575,149.00	

TOWNSHIP OF PARSHIPPANY-TROY HILLS
 SCHEDULE OF EXPENDITURES OF STATE AWARDS
 YEAR ENDED DECEMBER 31, 2020

Name of State Agency or Department	Name of Program	Name of Project	Grant I.D. No.	Grant Period		Award Amount	Amount Received	Amount of Expenditures	Cumulative Expenditures
				From	To				
U.S. Department of Transportation Highway Planning and Construction Cluster: (Passed through New Jersey Department of Transportation)	Municipal Aid	Old Bloomfield Ave Phase II	480-078-6320-AM2-605178	01/01/18	12/31/20	\$ 400,000.00	\$ 400,000.00	\$ 400,000.00	\$ 400,000.00
		Greenbank Road Safety & Improvements	480-078-6320-ANP-605179	01/01/19	12/31/20	392,500.00	294,375.00	392,500.00	392,500.00
Total U.S. Department of Transportation							694,375.00	792,500.00	792,500.00
Department of the Treasury - Passed Through the County of Morris Governor's Council on Alcoholism and Drug Abuse	Municipal Aid	Municipal Alliance Program	100-082-001-044	07/01/20	06/30/21	\$ 21,140.00	\$ 8,000.00		
							8,000.00		
Total Department of the Treasury							\$ 8,000.00		
TOTAL STATE AWARDS							\$ 1,265,094.36	\$ 1,463,374.57	\$ 1,993,180.06

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2020

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, 2020. The information in these schedules is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and New Jersey’s OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the Township, they are not intended to and do not present the financial position, changes in fund balance or cash flows of the Township.

Note B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Note C. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

Note D. STATE LOANS OUTSTANDING

The Township of Parsippany-Troy Hills has the following loans outstanding as of December 31, 2020:

NJ Environmental Infrastructure		
Loan Payable:		
Water Utility Capital Fund	\$	33,496
Sewer Utility Capital Fund		<u>9,452,745</u>
	\$	<u>9,486,241</u>

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



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

Independent Auditors' Report

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

We have audited in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements - *regulatory basis* - of the various funds of the Township of Parsippany-Troy Hills, in the County of Morris (the "Township") as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements and have issued our report thereon dated August 23, 2021. 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Mount Arlington, NJ
August 23, 2021

Nisivoccia LLP
NISIVOCCIA LLP

Valerie A. Dolan

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



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Independent Member
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Report on Compliance For Each Major Federal and State Program;
Report on Internal Control Over Compliance

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's (the "Township's") compliance with the types of compliance requirements described in the *OMB 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, 2020. 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 federal and state statutes, regulations, and the terms and conditions of its federal and state awards 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; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 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 the 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

Basis for Qualified Opinion on the Disaster Grants - Public Assistance - F.E.M.A. Grants Major Federal Program

As described in the accompanying Schedule of Findings and Questioned Costs, the Township did not comply with requirements regarding allowable costs/cost principles for its CFDA 97.036 Disaster Grants - Public Assistance - F.E.M.A. major federal program as described in Finding 2020-001. Compliance with such requirements is necessary, in our opinion, for the Township to comply with the requirements applicable to that program.

Qualified Opinion on the Disaster Grants - Public Assistance - F.E.M.A. Grants Federal Program

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the Township complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Disaster Grants - Public Assistance - F.E.M.A. major federal program for the year ended December 31, 2020.

The Township's response to the noncompliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The Township's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Unmodified Opinion on Each Major 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 its major state program identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs for the year ended December 31, 2020.

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 the Uniform Guidance and NJOMB 15-08, 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.

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

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 and therefore material weakness or significant deficient may exist that have not been identified. We did identify a certain deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as Finding 2020-001 that we consider to be a material weakness.

The Township's response to the internal control over compliance findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The Township's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Mt Arlington, New Jersey
August 23, 2021

Nisivoccia LLP
NISIVOCCIA LLP

Valerie A. Dolan

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2020

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the Township prepared in accordance with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the Township which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- A material weaknesses in internal control over major federal and state programs is 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 the Uniform Guidance and New Jersey OMB's Circular 15-08*.
- The auditor's report on compliance for the major federal and state programs for the Township expresses a qualified opinion on the Township's compliance for the Disaster Grants - Public Assistance - F.E.M.A. Grants Major Federal Program and an unmodified opinion on the major state program.
- Audit finding 2020-001 which is required to be reported in accordance with 2 CFR 200.516(a) of the Uniform Guidance is reported in this schedule.
- The threshold for distinguishing between Type A and B federal programs was \$750,000.
- The threshold for distinguishing between Type A and B state programs was \$750,000.
- The Township was not determined to be a "low-risk" auditee for federal and state programs.

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

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.
- The Township's program tested as a major state program for the current fiscal year consisted of the following state program:

<u>State</u>	<u>State Account #</u>	<u>Expenditures</u>
New Jersey Department of Transportation:		
Municipal Aid:		
Old Bloomfield Ave Phase II	480-078-6320-AM2-605178	\$ 400,000.00
Greenbank Road Safety & Improvements	480-078-6320-ANP-605179	392,500.00

TOWNSHIP OF PARSIPPANY-TROY HILLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2020

Summary of Auditors' Results (Cont'd):

- The Township's program tested as major federal program for the current year consisted of the following federal program:

<u>Federal</u>	<u>CFDA #</u>	<u>Grant Expenditures</u>
U.S. Department of Homeland Security (Passed through New Jersey Department of Law and Public Safety) Disaster Grants - Public Assistance - F.E.M.A.		
Winter Storm Quinn	97.036	\$ 940,027.13
Hurricane Irene	97.036	115,720.20
Severe Winter Storm & Snow Storm	97.036	189,533.46

Findings and Questioned Costs for State Awards:

- The audit did not disclose any findings or questioned costs for state awards as defined in 2 CFR 200.516(a) of the Uniform Guidance or NJ OMB 15-08.

Findings and Questioned Costs for Federal Awards:

Finding 2020-001: U.S. Department of Homeland Security – Disaster Grants – Federal Emergency Management Agency - Public Assistance - Non-Compliance – Allowable Costs/Cost Principles and Material Weakness

<u>Program Title</u>	<u>CFDA No.</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Program Disbursements</u>	<u>Questioned Costs</u>
U.S. Department of Homeland Security (Passed through New Jersey Department of Law and Public Safety) Disaster Grants - Public Assistance - F.E.M.A.					
Winter Storm Quinn	97.036	03/06/18-12/31/20	\$ 940,027.13	\$ 940,027.13	\$ 44,695.07
Severe Winter Storm and Snow Storm	97.036	01/22/16-12/31/20	189,533.46	189,533.46	86,421.91

Criteria

Federal Emergency Management Agency (FEMA) refers to the Applicant’s personnel as “force account”. FEMA reimburses force account labor based on actual hourly rates plus the cost of the employee’s actual fringe benefits. FEMA also provides Public Assistance funding for the use of applicant-owned equipment (force account equipment). In addition, FEMA evaluates the eligibility of all costs necessary and reasonable to accomplish the work properly and efficiently, directly tied to the performance of eligible work (2 CFR section 200.403).

To be eligible for reimbursement, Federal Emergency Management Agency award recipients are required to maintain adequate documentation (2CFR section 200.403(g)).

Condition:

The Township did not maintain on file adequate documentation for all force account labor costs, force account equipment costs and costs directly tied to the performance of eligible work for the Winter Storm Quinn and Severe Winter Storm and Snow Storm which resulted in questioned costs as detailed above.

TOWNSHIP OF PARSIPPANY-TROY HILLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2020

Findings and Questioned Costs for Federal Awards: (Cont'd)

Finding 2020-001: U.S. Department of Homeland Security – Disaster Grants – Federal Emergency Management Agency - Public Assistance - Non-Compliance – Allowable Costs/Cost Principles and Material Weakness (Cont'd)

Cause:

Due to the COVID-19 pandemic and reduced staff levels in the Township, the required documentation to support the force account labor, force account equipment and other eligible costs selected for testing could not be located. Adequate controls were not in place to ensure required documentation was maintained on file.

Effect or Potential Effect:

The Township could be required to reimburse Federal Emergency Management Agency for the questioned costs.

Recommendation:

It is recommended that controls be implemented to ensure that adequate documentation is maintained on file with the Township to support the force account labor, force account equipment and other eligible costs reimbursed by all FEMA Disaster Grants in the future.

Management's Response:

Controls will be implemented to ensure that adequate documentation will be maintained on file with the Township to support the force account labor, force account equipment and other eligible costs reimbursed by all FEMA Disaster Grants.

TOWNSHIP OF PARSIPPANY-TROY HILLS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2020

Status of Prior Year Findings:

There were no findings in the prior year audit report.

TOWNSHIP OF PARSIPPANY-TROY HILLS

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2020

TOWNSHIP OF PARSIPPANY-TROY HILLS
COMMENTS AND RECOMMENDATIONS

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

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

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

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

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

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

Effective July 1, 2015 through June 30, 2020, the bid thresholds in accordance with N.J.S.A. 40A:11-3 are \$17,500 for a contracting unit without a qualified purchasing agent and \$40,000 for a contracting unit with a qualified purchasing agent. Effective July 1, 2020 and thereafter, the bid thresholds in accordance with N.J.S.A. 40A:11-3 are \$17,500 for a contracting unit without a qualified purchasing agent and \$44,000 for a contracting unit with a qualified purchasing agent.

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

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

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

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

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

Collection of Interest on Delinquent Taxes, Utility Charges and Assessments

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

On January 7, 2020, the governing body adopted the following resolution authorizing interest to be charged on delinquent tax, assessment and utility charges:

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

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

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

Delinquent Taxes and Tax Title Liens

The last tax sale was held on October 23, 2020.

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

Year	Tax Title Liens
2020	22
2019	22
2018	21

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

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

Verification of Delinquent Taxes and Other Charges

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

<u>Type</u>	<u>Number Mailed</u>
Payment of 2020 Taxes	20
Payment of 2021 Taxes	20
Delinquent Taxes	15
Tax Title Liens	2
Payment of 2020 and 2021 Water/Sewer Utility Charges	20
Delinquent Sewer Utility Charges	10
Delinquent Water Utility Charges	10
Delinquent Sludge Charges	7

Accounting Requirements under New Jersey Administrative Code

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

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

The Township maintains an encumbrance accounting system and a general ledger accounting system. The Township's fixed asset accounting and reporting system has been implemented; however, the Township should consider having a reappraisal of all Township assets completed. To ensure that all assets of the township are accurately included and reported.

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, 2020.

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

	Balance Dec. 31, 2019	Receipts	Disbursements	Balance Dec. 31, 2020
Municipal Treasurer:				
Fines and Costs	\$ 36,184.10	\$ 239,158.83	\$ 265,574.02	\$ 9,768.91
Animal		50.00	50.00	
Restitution	120.00	525.00	120.00	525.00
POAA FTA	16.00	108.00	122.00	2.00
Public Defender	800.00	13,606.60	14,162.10	244.50
Weights and Measures	10,100.00	27,500.00	33,800.00	3,800.00
Fish and Game	250.00	150.00	400.00	
County:				
Fines	12,320.50	71,291.49	81,457.74	2,154.25
State:				
Fines and Costs	54,781.27	412,160.65	442,494.00	24,447.92
Conditional Discharge		2,258.00	2,183.00	75.00
Conditional Dismissal		560.00	560.00	
Collections	256.94	3,626.64	3,623.02	260.56
Bail	7,428.00	30,945.00	25,435.00	12,938.00
TOTAL	\$ 122,256.81	\$ 801,940.21	\$ 869,980.88	\$ 54,216.14

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

Payroll

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

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

Management's Response

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
COMMENTS AND RECOMMENDATIONS

(Continued)

Payroll (Cont'd)

During our review of payroll, it was also noted that the analysis of accumulated sick and vacation days payable was not updated.

It is recommended that the analysis of accumulated sick and vacation days payable be updated.

Management's Response

An analysis of accumulated sick and vacation days payable will be prepared and properly maintained.

Confirming Orders

During our review of purchase orders, there were a few instances where purchases were made prior to the preparation and approval of purchase orders.

It is recommended that purchase orders are prepared and approved prior to the purchase of goods or services to ensure availability of funds.

Management's Response

Management will ensure that all purchase orders will be prepared and approved prior to the purchase of goods or services to ensure availability of funds.

Golf and Recreation Utility Fund

During our review of the Golf and Recreation Utility Fund, it was noted that supporting documentation for the type of membership fees collected was not always maintained. Additionally, member payments were not always linked to a member account at the time of payment but subsequently adjusted. It was also noted that the date of catering utility payments in the Township finance office was not maintained on file, therefore it could not be determined if the related deposits were made timely. Lastly, it was noted that a cash disbursement ledger in not being maintained for monthly utility expenses.

It is recommended that supporting documentation for the type of membership fees collected be maintained on file, member payments be linked to their respective member account at time of payment and a cash disbursement ledger be maintained for the Golf and Recreation Utility Fund monthly utility expenses.

Management's Response

Supporting documentation for the type of membership fees collected will be maintained on file, member payments will be linked to their respective member account at time of payment and a cash disbursement ledger will be maintained for the Golf and Recreation Utility Fund monthly utility expenses.

TOWNSHIP OF PARSIPPANY-TROY HILLS
COMMENTS AND RECOMMENDATIONS

(Continued)

Financial Records

1. The Current Fund 2020 budget appropriations and 2019 appropriation reserves and the Golf and Recreation Operating Fund budget appropriations were overexpended. Also, the Federal and State Grant Fund had an expenditure without an appropriation. Additionally, the Township had an overall operating deficit in the Current Fund. Overexpenditures and expenditures without an appropriation are violations of State statute and resolute in a restriction of the utilization of fund balance.

It is recommended that the budget be monitored to prevent overexpenditures, expenditures without appropriations and deficits in operations.

Management's Response

The Chief Financial Officer will review the budget to ensure that funds are available for expenses generated and make appropriate line item transfers and cancelations to avoid overexpenditures and operating deficits.

2. There were interfund receivables due from the Water Utility Operating Fund, Sewer Utility Capital Fund, Golf and Recreation Utility Operating Fund and Payroll Fund of \$208,401.93, \$22,440.53, \$2,901,287.68 and \$168,378.32, respectively, on the Current Fund balance sheet at December 31, 2020. These interfund receivables place a restriction on the cash flow and place a restriction on fund balance of the Current Fund. Additionally, there is a large amount of interfund activity through out the year and several interfund balances at year end on the various balance sheets of the Other Trust, General Capital, Water Utility, Sewer Utility, Golf and Recreation Utility Funds.

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

Management's Response

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

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

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

Management's Response

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

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

Financial Records (Cont'd)

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

It is recommended that bank reconciliations for the Golf and Recreation Utility Operating Fund, Payroll and Claims monthly bank reconciliations be prepared in a timely manner.

Management's Response

Bank reconciliations for the Golf and Recreation Utility Operating Fund, Payroll and Claims monthly bank reconciliations will be prepared in a timely manner.

Trust Funds

1. During our review of the Police Outside Duty trust account it was noted that fees charged by third party vendors were netted against Police Outside Duty trust deposit.

It is recommended that fees charged by third party vendors be broken out as expenditures and not netted against receipts in the future.

Management's Response

Fees charged by third party vendors will be broken out as expenditures in the future.

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

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

Management's Response

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

Federal and State Grant Fund

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

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

Management's Response

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

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

Animal Control Fund

During our review of the Animal Control Fund, it was noted that three of the twelve monthly reports, detailing the number of licenses issued and fees collected, were not submitted timely. In addition, the revenues collected per the monthly report did not always agree to the revenues per the Finance Department records. Also, a large number of voided animal control tags was noted during the year.

It is recommended that monthly reports detailing the number of licenses issued and fees collected be submitted timely, monthly revenues be reconciled to the Finance Department records and the number of voided animal control tags be controlled.

Management's Response

Monthly reports detailing the number of licenses issued and fees collected will be maintained on file and the number of voided animal control tags will be controlled.

Outside Offices

During our review of the various outside offices records, it was noted that the Building Inspector's office stopped maintaining a cashbook and preparing monthly reports during the year.

It is recommended that the Building Inspector's office maintain a cashbook and prepare monthly financial reports.

Management's Response

The Building Inspector's office will maintain a cashbook and prepare monthly financial reports.

Officials in Office and Surety Bonds

During our review of the surety bonds, it was noted that the position of the Tax Collector was bonded in an amount less than as recommended by N.J.A.C. 5:30-8.

It is recommended that the position of the Tax Collector be bonded in an amount at least equal to \$1,102,000.

Management's Response

The position of the Tax Collector will be bonded in an amount at least equal to \$1,102,000.

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

Management Suggestions

Effect on Internal Controls due to COVID-19

With the increased ability for certain work functions to be done remotely and the increased use of electronic payments and processes, it is suggested that the Township routinely reviews the internal controls in place especially with respect to security of passwords as well as access rights to accounting software and bank information including bank wire transfers and the timely back-up of records.

Sick and Vacation Leave

It is suggested that the Township consult with its attorney to ensure that its negotiated labor contracts, individual employee agreements and employee policies, as applicable, are in accordance with New Jersey statutes regarding unused sick and vacation leave.

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

There are several ordinances, which are more than five years old. Additionally, some have a deficit cash balance at December 31, 2020. This situation arises when expenditures are made from an ordinance without funding. It is suggested that all capital ordinances be reviewed in 2021 and either be canceled and/or funded.

Status of Prior Year Recommendations

The Township initiated a corrective action plan to resolve the comments and recommendations from the 2019 audit report. The recommendation regarding purchase orders and fixed assets were resolved in the current year. The recommendations regarding payroll, budget appropriations, recording of fees in the Golf and Recreation Utility and interfund balances have not been resolved and are included in the current year audit report.

TOWNSHIP OF PARSIPPANY-TROY HILLS
SUMMARY OF RECOMMENDATIONS

It is recommended that:

1. Payroll:
 - a) The Township maintain a complete and accurate reconciliation and analysis of balance in the payroll account.
 - b) An analysis of accumulated sick and vacation days payable be updated.
2. Purchase orders are prepared and approved prior to the purchase of goods or services to ensure availability of funds.
3. Supporting documentation for the type of membership fees collected be maintained on file, member payments be linked to their respective member account at time of payment and a cash disbursement ledger be maintained for the Golf and Recreation Utility Fund monthly utility expenses.
4. Finance:
 - a) Appropriations be monitored to prevent overexpenditures, expenditures without appropriations, and deficits in operations.
 - b) All interfund balances be liquidated on a timely basis and that every effort be made to limit interfund activity, especially those due to the Current Fund, in the future.
 - c) Audit journal entries be posted, and that the general ledger properly reflects all activity for the year and that the general ledgers be reconciled with all subsidiary ledgers in the future.
 - d) Bank reconciliations for the Golf and Recreation Utility Operating Fund, Payroll and Claims monthly bank reconciliations be prepared in a timely manner.
5. Trust Funds:
 - a) Police Outside Duty fees charged by third party vendors be broken out as expenditures and not netted against receipts in the future.
 - b) Self Insurance Committee meetings be held in the future.
6. A review of the federal and state grants receivable and appropriated grant reserves be conducted to identify those grants which will be collected and disbursed and which grants should be cancelled.
7. Animal control monthly reports detailing the number of licenses issued and fees collected be submitted timely, monthly revenues be reconciled to the Finance Department records and the number of voided animal control tags be controlled.
8. The Building Inspector's office maintain a cashbook and prepare monthly financial reports.
9. The position of the Tax Collector be bonded in an amount at least equal to \$1,102,000.
10. Controls be implemented to ensure that adequate documentation is maintained on file with the Township to support the force account labor, force account equipment and other eligible costs reimbursed by all FEMA Disaster Grants.