

*TOWNSHIP OF
PARSIPPANY-TROY HILLS*

COUNTY OF MORRIS

REPORT OF AUDIT

2022

*NISIVOCCIA LLP
CERTIFIED PUBLIC ACCOUNTANTS*

TOWNSHIP OF PARSIPPANY-TROY HILLS

COUNTY OF MORRIS

REPORT OF AUDIT

2022

TOWNSHIP OF PARSIPPANY-TROY HILLS
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2022

<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> 1-44
<u>Supplementary Data</u>	<u>Schedule</u>
Roster of Officials	1

TOWNSHIP OF PARSIPPANY-TROY HILLS
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2022
 (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	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 2021 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 2021 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 NJ Environmental Infrastructure Loans Payable- Water Utility Capital Fund (Not Applicable)	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, 2022
(Continued)

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

<u>Supplementary Data (Cont'd)</u>	<u>Schedule</u>
<u>Sewer Utility Fund</u>	
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 2021 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 Reserve for Amortization - Sewer Utility Capital Fund	E-12
Schedule of Deferred 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 NJ Environmental Infrastructure Trust Loans Payable #1	E-15
Schedule of NJ Environmental Infrastructure Trust Loans Payable #2	E-15A
Schedule of NJ Environmental Infrastructure Trust Construction Financing Loan	E-15B
Schedule of Bonds and Notes Authorized but not Issued - Sewer Utility Capital Fund	E-16
<u>Golf and Recreation Utility Fund</u>	
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 2021 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	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
<u>Public Assistance Fund</u>	
Schedule of Cash - Treasurer	G-1
 <u>PART II – Single Audit</u>	
Schedule of Expenditures of Federal Awards	1-2
Schedule of Expenditures of State Awards	3-4
Notes to Schedules of Expenditures of Federal and State Awards	5
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>	6-7

TOWNSHIP OF PARSIPPANY-TROY HILLS
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2022
(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 Required by the Uniform Guidance and New Jersey’s OMB Circular 15-08	8-10
Schedule of Findings and Questioned Costs	11-13
Summary Schedule of Prior Audit Findings	14
<u>PART III – Comments and Recommendations</u>	
Comments and Recommendations	15-20
Summary of Recommendations	21

TOWNSHIP OF PARSIPPANY-TROY HILLS

PART I

FINANCIAL STATEMENTS AND

SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2022

Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements – *regulatory basis* - of the various funds and account group of the Township of Parsippany-Troy Hills, in the County of Morris (the "Township") as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, as listed in the table of contents.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of each fund and account group of the Township as of December 31, 2022 and 2021, and the results of operations and changes in fund balance, where applicable, of such funds and account group, thereof for the years then ended in accordance with the accounting practices prescribed or permitted, as described in Note 1, by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division").

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the accompanying 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, 2022 and 2021, or the changes in financial position or where applicable, cash flows thereof for the years then ended.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS), 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Township, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 of the financial statements, the financial statements are prepared by the Township on the basis of the financial reporting provisions prescribed or permitted by the Division, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Division's regulatory basis of accounting and the budget laws of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Emphasis of Matter

As discussed in Note 19 to the financial statements, the Township implemented GASB Statement No. 87, *Leases*, during the year ended December 31, 2022. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Division will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Division, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Borough's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements of the various funds and account group 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the various fund and account group financial statements. The information has been subjected to the auditing procedures applied in the audit of the various fund and account group 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 and account group financial statements or to the various fund and account group 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 various fund and account group financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 24, 2023 on our consideration of the Township’s 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’s internal control over financial reporting and compliance.

Mount Arlington, New Jersey
July 24, 2023

Nisivoccia LLP
NISIVOCCIA LLP

Valerie A. Dolan

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
COUNTY OF MORRIS
2022
CURRENT FUND

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

		December 31,	
	Ref.	2022	2021
<u>ASSETS</u>			
Regular Fund:			
Cash and Cash Equivalents		\$ 14,744,982.18	\$ 29,390,037.71
Investments			6,684,840.79
	A-4	14,744,982.18	36,074,878.50
Change Funds		1,565.00	1,565.00
Due from State of N.J. for Veterans' & Senior Citizens' Deductions			
		53,108.86	52,845.25
		14,799,656.04	36,129,288.75
Receivables and Other Assets With			
Full Reserves:			
Delinquent Property Taxes Receivable	A-7	1,326,950.01	939,220.41
Tax Title Liens Receivable	A-8	1,212,319.38	1,013,261.39
Property Acquired for Taxes at Assessed Valuation		1,428,800.00	1,428,800.00
Revenue Accounts Receivable	A-9	12,843.14	10,290.46
Other Liens Receivable	A-10	191,926.95	191,926.95
Due from:			
Animal Control Fund	B	9,235.20	
Other Trust Funds	B		1,918,267.15
Golf and Recreation Utility Operating Fund	F		2,541,330.39
Golf and Recreation Utility Capital Fund	F		343,940.52
Payroll			168,378.32
		4,182,074.68	8,555,415.59
Total Receivables and Other Assets With Full Reserves			
Deferred Charges:			
Special Emergency Authorization		4,294,828.62	4,490,111.60
Operating Deficit			23,835.55
Overexpenditure of Appropriations			223,111.35
Overexpenditure of Appropriation Reserve			67,497.20
Expenditure without Appropriation - Federal and State Grant Fund			39,800.00
		4,294,828.62	4,844,355.70
		23,276,559.34	49,529,060.04
Total Regular Fund			
Federal and State Grant Fund:			
Cash and Cash Equivalents	A-5	2,118,770.48	
Due from Current Fund	A		1,756,806.48
Federal and State Grants Receivable	A-14	1,824,210.32	1,220,990.32
		3,942,980.80	2,977,796.80
Total Federal and State Grant Fund			
<u>TOTAL ASSETS</u>		\$ 27,219,540.14	\$ 52,506,856.84

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

	Ref.	December 31	
		2022	2021
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Regular Fund:			
Appropriation Reserves:			
Encumbered	A-3;A-11	\$ 1,515,901.21	\$ 544,216.61
Unencumbered	A-3;A-11	4,558,135.98	4,041,154.01
		<u>6,074,037.19</u>	<u>4,585,370.62</u>
Accounts Payable - Vendors			100,946.37
Special Emergency Notes Payable	A-13	3,322,000.00	3,370,136.00
Prepaid Taxes		1,544,136.98	1,814,437.60
Tax Overpayments		109,063.24	386,623.21
Due to State of New Jersey:			
Construction Code Fees		75,981.00	23,890.00
Marriage License Fees		25.00	975.00
Due to:			
Federal and State Grant Fund	A		1,756,806.48
Animal Control Fund	B		12,049.06
General Capital Fund	C		6,841,800.32
Water Utility Operating Fund	D		101,991.04
Water Utility Capital Fund	D		10,164,889.09
Sewer Utility Operating Fund	E		2,589,087.91
Sewer Utility Capital Fund	E		7,391,493.28
Reserve for:			
Tax Appeals		1,476,317.77	772,807.77
Accumulated Revenue Unappropriated - Watershed Moratorium		55,178.00	55,178.00
		<u>12,656,739.18</u>	<u>39,968,481.75</u>
Reserve for Receivables and Other Assets	A	4,182,074.68	8,555,415.59
Fund Balance	A-1	6,437,745.48	1,005,162.70
Total Regular Fund		<u>23,276,559.34</u>	<u>49,529,060.04</u>
Federal and State Grant Fund:			
Due to Other Trust Fund	B		697.80
Due to Open Space Trust Fund	B		5,299.93
Unappropriated Reserves	A-15	15,516.27	33,419.86
Appropriated Reserves	A-16	3,927,464.53	2,938,379.21
Total Federal and State Grant Fund		<u>3,942,980.80</u>	<u>2,977,796.80</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 27,219,540.14</u>	<u>\$ 52,506,856.84</u>

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

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

	Ref.	Year Ended December 31,	
		2022	2021
<u>Revenue and Other Income Realized</u>			
Miscellaneous Revenue Anticipated		\$ 27,126,587.22	\$ 20,556,833.95
Receipts from:			
Delinquent Taxes		953,884.00	1,188,050.35
Current Taxes		240,085,873.96	229,807,791.46
Nonbudget Revenue		1,059,210.05	483,302.02
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		2,335,517.72	3,754,892.70
Tax Overpayments Canceled		172,127.53	
Accounts Payable Canceled		15,068.15	
Due to State of New Jersey Burial Fees Canceled			45.00
Interfunds and Other Receivables Returned			359,957.29
Total Income		<u>271,748,268.63</u>	<u>256,150,872.77</u>
<u>Expenditures</u>			
Budget and Emergency Appropriations:			
Municipal Purposes		86,509,708.26	79,581,385.02
County Taxes		23,269,306.63	23,092,703.67
Local School District Taxes		149,686,013.00	146,841,284.00
Open Space Taxes		1,462,665.45	1,460,892.15
Special District Taxes		5,281,418.00	4,859,975.00
Reserve for Pending Tax Appeals		1,000,000.00	
Prior Year Senior Citizens Deductions Disallowed		15,188.33	15,717.74
Interfunds and Other Receivables Advanced		9,235.20	2,262,207.67
Total Expenditures		<u>267,233,534.87</u>	<u>258,114,165.25</u>
Excess/(Deficit) in Revenue		4,514,733.76	(1,963,292.48)
Adjustments to Excess Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year:			
Special Emergency - COVID Loss of Revenue			2,300,000.00
Prior Year Operating Deficit			(1,577,900.64)
Special Emergency Authorization (40A:4-53)		917,849.02	1,038,975.00
Overexpenditure of Appropriations			178,382.57
Operating Deficit to be Raised in Budget of Succeeding Year			<u>\$ (23,835.55)</u>
Statutory Excess to Fund Balance		5,432,582.78	
<u>Fund Balance</u>			
Balance January 1		<u>1,005,162.70</u>	<u>\$ 1,005,162.70</u>
Balance December 31	A	<u>\$ 6,437,745.48</u>	<u>\$ 1,005,162.70</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, 2022

	Budget	Added by NJSA 40A:4-87	Realized	Excess or Deficit *
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	\$ 90,000.00		\$ 93,230.00	\$ 3,230.00
Other	241,000.00		269,991.00	28,991.00
Fees and Permits	1,025,000.00		1,033,082.65	8,082.65
Fines and Costs:				
Municipal Court	228,000.00		204,463.98	23,536.02 *
Interest and Costs on Taxes	350,000.00		400,083.00	50,083.00
Interest of Investments and Deposits	91,000.00		589,181.39	498,181.39
Garbage and Trash Removal	1,700,000.00		1,792,205.37	92,205.37
Community Center Revenue - Concession Rents	100,000.00		158,264.25	58,264.25
Hotel Tax	985,000.00		1,700,220.76	715,220.76
Ambulance Service Billing	900,000.00		879,043.52	20,956.48 *
Lease of Township Assets	620,000.00		745,476.33	125,476.33
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	
Municipal Relief Fund Aid	234,478.00		234,477.86	0.14 *
Uniform Construction Code Fees	1,750,000.00		2,159,705.00	409,705.00
Shared Services - Municipal Court	257,000.00		262,286.00	5,286.00
Uniform Fire Safety Act - Ch. 383, P.L. 1985	200,000.00		225,724.80	25,724.80
Reserve for Debt Service	170,000.00		170,000.00	
Interfunds	4,971,916.38		4,971,916.38	
Sewer Utility Operating Surplus of Prior Year	1,500,000.00		1,500,000.00	
Cablevision Franchise Fees	265,420.74		265,420.74	
Payment in Lieu of Taxes - BT Property LLC (UPS)	610,000.00		649,870.00	39,870.00
The American Rescue Plan Act Allocation	2,763,763.00		2,763,763.50	0.50

TOWNSHIP OF PARSIPPANY-TROY HILLS

CURRENT FUND

STATEMENT OF REVENUE - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2022

(Continued)

	Budget	Added by NJSA 40A:4-87	Realized	Excess or Deficit *
Miscellaneous Revenue (Cont'd):				
State of New Jersey:				
Recycling Tonnage Grant	\$ 120,394.53	\$	120,394.53	
Municipal Alliance Grant		\$ 4,909.77	4,909.77	
Click It or Ticket		5,250.00	5,250.00	
Bulletproof Vest Partnership Grant	11,680.20		11,680.20	
Clean Communities Program		113,932.96	113,932.96	
Distracted Driving Statewide Crackdown Grant	10,500.00		10,500.00	
Pedestrian Safety Grant		4,480.00	4,480.00	
Smith Baldwin Construction Documents	39,800.00		39,800.00	
Smith Baldwin Renovations		17,920.00	17,920.00	
Emergency Management Performance	10,000.00	10,000.00	20,000.00	
Law and Public Safety - Division of Highway Traffic Safety	2,460.00		2,460.00	
NJDOT - Jefferson Road Improvement	760,000.00		760,000.00	
NJDOT - Edwards Road Phase I		300,000.00	300,000.00	
State Body Armor Replacement Program	4,240.25	6,699.66	10,939.91	
Recreational Opportunities for Individuals with Disabilities (ROID)	20,000.00	12,712.32	32,712.32	
Contribution - Waterview Assistance with Waterways Cleanup	50,000.00		50,000.00	
PSE&G 2021 Small Grants Award	2,000.00		2,000.00	
Target Youth Soccer	1,000.00		1,000.00	
Total Miscellaneous Revenue	24,634,854.10	475,904.71	27,126,587.22	\$2,015,828.41
Receipts from Delinquent Taxes	1,053,700.00		953,884.00	99,816.00 *

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022
 (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 *
	\$ 58,280,084.79		\$ 59,232,434.85	\$ 952,350.06
	2,995,088.03		2,995,088.03	
	61,275,172.82		62,227,522.88	952,350.06
	86,963,726.92	\$ 475,904.71	90,307,994.10	\$ 2,868,362.47
			1,059,210.05	
	\$ 86,963,726.92	\$ 475,904.71	\$ 91,367,204.15	

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Allocation of Current Tax Collections:

Collection of Current Taxes	\$ 240,085,873.96
Allocated to Local School, Municipal Open Space, Special District and County Taxes	179,699,403.08
	60,386,470.88
Add: Appropriation "Reserve for Uncollected Taxes"	1,841,052.00
	\$ 62,227,522.88
Realized for Support of Municipal Budget	\$ 62,227,522.88

Analysis of Other Licenses:

Clerk	\$ 80,934.00
Health	181,585.00
Registrar	7,672.00
	270,191.00
Less: Refunds	200.00
	\$ 269,991.00

Analysis of Fees and Permits:

Registrar	\$ 2,625.00
Zoning	80,551.65
Engineering	115,625.06
Fire Prevention	392,220.60
Police	11,762.10
Planning Board	85,008.40
Recreation	2,664.70
Board of Housing	216,050.00
Department of Public Works	120,080.14
Mayor	6,150.00
Tax Collector	345.00
	\$ 1,033,082.65

Analysis of Fines and Costs - Municipal Court:

Fines and Costs - Municipal Court	\$ 338,606.82
Less: Refunds	134,142.84
	\$ 204,463.98

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Analysis of Interest on Investments and Deposits:

Collected/Received by Treasurer	\$ 423,211.21
Due from Other Trust Fund	82,054.74
Due from General Capital Fund	83,915.44
	\$ 589,181.39
	\$ 589,181.39

Analysis of Uniform Construction Code Fees

Construction Code Official	\$ 2,160,337.25
Less: Refunds	632.25
	\$ 2,159,705.00
	\$ 2,159,705.00

Miscellaneous Revenue Not Anticipated:

Reimbursements	\$ 471,289.50	
Clerk	4,858.25	
Health	450.00	
Tax Collector	2,349.00	
Tax Assessor	2,150.00	
Police	22,416.68	
Engineering	2.18	
Mayor	9,118.13	
UCC	55.00	
Administrative Fee - Senior Citizens and Veterans Deductions	4,238.14	
FEMA Reimbursement	496,785.59	
Other Miscellaneous	36,262.38	
	\$ 1,049,974.85	
Due from Animal Control Fund - Statutory Excess in Reserve for Animal Control Fund Expenditures		9,235.20
		\$ 1,059,210.05

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS":					
GENERAL GOVERNMENT:					
Executive:					
Salaries and Wages	\$ 226,878.00	\$ 226,878.00	\$ 143,898.86	\$ 82,979.14	
Other Expenses	40,000.00	40,000.00	11,899.95	28,100.05	
General Administration:					
Salaries and Wages	583,803.00	643,803.00	633,349.25	10,453.75	
Other Expenses	46,300.00	46,300.00	38,044.92	8,255.08	
Township Council:					
Salaries and Wages	48,168.00	48,168.00	48,165.81	2.19	
Other Expenses	3,675.00	3,675.00	1,355.00	2,320.00	
Municipal Clerk:					
Salaries and Wages	260,895.00	280,895.00	279,014.29	1,880.71	
Other Expenses	85,100.00	85,100.00	77,475.21	7,624.79	
Grant Writer:					
Other Expenses	19,800.00	19,800.00	13,200.00	6,600.00	
Treasury:					
Salaries and Wages	201,353.76	201,353.76	163,108.35	38,245.41	
Other Expenses	98,600.00	98,600.00	90,329.15	8,270.85	
Audit	91,090.00	91,090.00	89,039.00	2,051.00	

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
GENERAL GOVERNMENT:					
Tax Collection:					
Salaries and Wages	\$ 97,631.00	\$ 97,631.00	\$ 82,955.84	\$ 14,675.16	
Other Expenses	40,500.00	40,500.00	24,362.98	16,137.02	
Tax Assessment Administration:					
Salaries and Wages	306,534.00	306,534.00	306,533.79	0.21	
Other Expenses	48,300.00	48,300.00	28,840.06	19,459.94	
Legal Services and Costs:					
Other Expenses	817,000.00	691,000.00	331,727.91	359,272.09	
Engineering Services and Costs:					
Salaries and Wages	452,357.00	452,357.00	417,998.78	34,358.22	
Other Expenses	50,820.00	50,820.00	38,454.49	12,365.51	
LAND USE ADMINISTRATION:					
Department of Planning:					
Salaries and Wages	65,999.00	67,999.00	67,541.27	457.73	
Other Expenses	65,000.00	65,000.00	55,081.35	9,918.65	
Board of Adjustment:					
Salaries and Wages	54,642.00	60,642.00	59,918.17	723.83	
Other Expenses	21,750.00	21,750.00	21,449.58	300.42	

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Operations Within "CAPS" (Continued):
CODE ENFORCEMENT AND ADMINISTRATION:

Housing and Zoning Code Enforcement:

Salaries and Wages	\$ 587,707.00	\$ 587,707.00	\$ 566,298.54	\$ 21,408.46
Other Expenses	51,830.00	51,830.00	44,242.94	7,587.06

INSURANCE:

Unemployment Insurance	105,000.00	105,000.00	105,000.00	
Liability Insurance	727,420.00	667,420.00	614,510.31	52,909.69
Worker Compensation	780,000.00	780,000.00	767,718.33	12,281.67
Employee Group Health	10,585,856.00	10,585,856.00	10,322,222.38	263,633.62
Health Benefit Waivers	128,000.00	128,000.00	93,070.91	34,929.09

PUBLIC SAFETY:

Police Department:

Salaries and Wages	13,491,406.00	13,591,406.00	13,017,982.56	573,423.44
Salaries and Wages - ARPA Funds	2,763,763.00	2,763,763.00	2,763,763.00	
Other Expenses	934,513.00	934,513.00	746,732.92	187,780.08

Office of Emergency Management:

Salaries and Wages	34,314.00	34,314.00	33,704.08	609.92
Other Expenses	70,800.00	70,800.00	33,854.49	36,945.51

PUBLIC SAFETY:

Aid to First Aid Organization

Fire Prevention Bureau:

Salaries and Wages	364,773.00	364,773.00	329,223.92	35,549.08
Other Expenses	53,587.00	53,587.00	50,286.73	3,300.27

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022
(Continued)

	Appropriations		Budget After Modification	Expended By		Unexpended Balance Cancelled
	Budget			Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):						
Municipal Court:						
Salary and Wages	\$ 596,630.00	\$	596,630.00	\$ 539,781.75	\$	56,848.25
Other Expenses	25,339.00		25,339.00	15,285.66		10,053.34
Prosecutor:						
Salary and Wages	30,004.00		30,004.00	13,750.00		16,254.00
Other Expenses	33,000.00		33,000.00	31,335.00		1,665.00
PUBLIC WORKS:						
Streets and Road Maintenance:						
Salaries and Wages	2,170,295.00		2,170,295.00	1,769,909.75		400,385.25
Other Expenses	750,360.00		750,360.00	633,473.98		116,886.02
Garbage and Trash Removal:						
Salary and Wages	2,500,326.00		2,500,326.00	2,281,428.92		218,897.08
Other Expenses	866,242.00		866,242.00	653,626.51		212,615.49
Buildings and Grounds:						
Salary and Wages	245,523.00		245,523.00	214,701.13		30,821.87
Other Expenses	247,800.00		247,800.00	233,036.01		14,763.99
Vehicle Maintenance:						
Other Expenses	717,950.00		717,950.00	668,089.58		49,860.42
Condominium Costs	270,000.00		270,000.00	269,461.41		538.59

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
HEALTH AND HUMAN SERVICES::					
Public Health Services:					
Salaries and Wages	\$ 520,679.00	\$ 520,679.00	\$ 514,372.21	\$ 6,306.79	
Other Expenses	36,600.00	36,600.00	34,070.30	2,529.70	
Senior Citizen Center:					
Salaries and Wages	331,712.00	379,712.00	378,167.71	1,544.29	
Other Expenses	32,000.00	32,000.00	26,858.01	5,141.99	
Animal Control:					
Other Expenses	165,000.00	165,000.00	165,000.00		
Contribution to Day Care Center	60,400.00	60,400.00	45,000.00	15,400.00	
Ambulance Services:					
Salaries and Wages	1,156,149.00	1,156,149.00	1,044,462.82	111,686.18	
Other Expenses	285,467.00	285,467.00	246,983.90	38,483.10	
RECREATION AND EDUCATION:					
Recreation Services:					
Salaries and Wages	802,972.00	802,972.00	644,033.17	158,938.83	
Other Expenses	493,560.00	493,560.00	285,442.74	208,117.26	
Maintenance of Parks:					
Salaries and Wages	2,309,188.00	2,309,188.00	1,764,851.01	544,336.99	
Other Expenses	334,400.00	334,400.00	331,378.79	3,021.21	
UTILITIES:					
Utilities and Gasoline	2,206,500.00	2,346,500.00	2,124,562.64	221,937.36	
Solid Waste Disposal Costs	1,960,653.44	1,960,653.44	1,960,653.44		

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
UNIFORM CONSTRUCTION CODE:					
Department of Buildings and Inspections:					
Salaries and Wages	\$ 1,403,746.00	\$ 1,403,746.00	\$ 1,372,134.20	\$ 31,611.80	
Other Expenses	276,819.00	276,819.00	275,532.16	1,286.84	
UNCLASSIFIED:					
Salary Adjustment	200,000.00	10,000.00		10,000.00	
Retirement Payout (Special Emergency + \$917,849.02)		917,849.02	917,849.02		
SFSP Fire District Adjustments	18,948.00	18,948.00		18,948.00	
Total Operations Within "CAPS"	55,663,427.20	56,581,276.22	52,177,586.94	4,403,689.28	
Detail:					
Salaries and Wages	31,935,447.76	32,899,296.78	30,461,969.11	2,437,327.67	
Other Expenses (Including Contingent)	23,727,979.44	23,681,979.44	21,715,617.83	1,966,361.61	
Deferred Charges and Statutory Expenditures-					
Municipal within "CAPS":					
Deferred Charges:					
Overexpenditure:					
Appropriations	223,111.35	223,111.35	223,111.35		
Appropriation Reserves	67,497.20	67,497.20	67,497.20		
Deficit Workers' Compensation Trust	90,624.61	90,624.61	90,624.61		
Deficit Current Fund	23,835.55	23,835.55	23,835.55		

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Deferred Charges and Statutory Expenditures- Municipal within "CAPS":					
Statutory Expenditures:					
Contributions to:					
Social Security System (O.A.S.I.)	1,630,000.00	1,630,000.00	1,557,942.73	72,057.27	
Public Employees' Retirement System	2,201,464.00	2,201,464.00	2,201,464.00		
Police and Firemen's Retirement System of N.J.	4,329,988.00	4,329,988.00	4,329,988.00		
Defined Contribution Retirement Program	16,200.00	16,200.00	13,888.42	2,311.58	
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	8,582,720.71	8,582,720.71	8,508,351.86	74,368.85	
Total General Appropriations for Municipal Purposes Within "CAPS"	64,246,147.91	65,163,996.93	60,685,938.80	4,478,058.13	
Operations Excluded from "CAPS":					
Maintenance of Free Public Library	3,340,088.03	3,340,088.03	3,340,010.18	77.85	
LOSAP:					
Other Expenses	60,000.00	60,000.00		60,000.00	
Shared Service Agreements:					
Shared Services Agreement - Health Officer	87,912.00	87,912.00	87,912.00		

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Excluded from "CAPS":					
Public and Private Programs Offset by Revenues:					
Recycling Tonnage Grant	\$ 120,394.53	\$ 120,394.53	\$ 120,394.53		
Clean Communities Grant (N.J.S.A. 40A:4-87 + \$113,932.96)		113,932.96	113,932.96		
Bulletproof Vest Partnership Grant	11,680.20	11,680.20	11,680.20		
Municipal Alliance Grant (N.J.S.A. 40A:4-87 + \$4,909.77)		4,909.77	4,909.77		
Click It or Ticket (N.J.S.A. 40A:4-87 + \$5,250.00)		5,250.00	5,250.00		
Distracted Driving Crackdown	10,500.00	10,500.00	10,500.00		
NJDOT - Jefferson Road Improvement	760,000.00	760,000.00	760,000.00		
NJDOT - Edwards Road Phase I (N.J.S.A. 40A:4-87 + \$300,000.00)		300,000.00	300,000.00		
Smith Baldwin Construction Documents	39,800.00	39,800.00	39,800.00		
Smith Baldwin Renovations (N.J.S.A. 40A:4-87 + \$17,920.00)		17,920.00	17,920.00		
Emergency Management Performance (N.J.S.A. 40A:4-87 + \$10,000.00)	10,000.00	20,000.00	20,000.00		
Contribution - Waterview Assistance with Waterways Cleanup	50,000.00	50,000.00	50,000.00		
Recreational Opportunities for Individuals with Disabilities (ROID) (N.J.S.A. 40A:4-87 + \$12,712.32)	20,000.00	32,712.32	32,712.32		
Law and Public Safety - Division of Highway Traffic Safety	2,460.00	2,460.00	2,460.00		
Pedestrian Safety Grant (N.J.S.A. 40A:4-87 + \$4,480.00)		4,480.00	4,480.00		
State Body Armor Replacement Program (N.J.S.A. 40A:4-87 + \$6,699.66)	4,240.25	10,939.91	10,939.91		

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Excluded from "CAPS":					
Public and Private Programs Offset by Revenues:					
PSE&G 2021 Small Grants Award	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00		
Target Youth Soccer	1,000.00	1,000.00	1,000.00		
Matching Funds for Grants	20,000.00	20,000.00		\$ 20,000.00	
Total Operations Excluded from "CAPS"	4,540,075.01	5,015,979.72	4,935,901.87	80,077.85	
Detail:					
Other Expenses	4,540,075.01	5,015,979.72	4,935,901.87	80,077.85	
Capital Improvements Excluded from "CAPS":					
Capital Improvement Fund	3,100,000.00	3,100,000.00	3,100,000.00		
Total Capital Improvements Excluded from "CAPS"	3,100,000.00	3,100,000.00	3,100,000.00		
Municipal Debt Service Excluded from "CAPS":					
Payment of Bond Principal	8,595,000.00	8,595,000.00	8,595,000.00		
Payment of Bond Anticipation Notes	1,191,800.00	1,191,800.00	1,191,800.00		
Interest on Bonds	2,081,200.00	2,081,200.00	2,081,200.00		
Interest on Notes	228,603.00	228,603.00	228,603.00		
Special Emergency Note Interest	26,717.00	26,717.00	19,996.61		\$ 6,720.39
Total Municipal Debt Service Excluded from "CAPS"	12,123,320.00	12,123,320.00	12,116,599.61		6,720.39

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Deferred Charges - Municipal - Excluded from "CAPS"					
Special Emergency Authorizations - 5 Years					
Retirement Payout 2016	\$ 0.04	\$ 0.04	\$ 0.04		
Retirement Payout 2017	80,387.37	80,387.37	80,387.37		
Retirement Payout 2018	150,427.00	150,427.00	150,427.00		
Retirement Payout 2019	61,187.00	61,187.00	61,187.00		
Retirement Payout 2020	126,335.59	126,335.59	126,335.59		
Retirement Payout 2021	207,795.00	207,795.00	207,795.00		
COVID 19 - Loss of Revenues	460,000.00	460,000.00	460,000.00		
Master Plan 2019	27,000.00	27,000.00	27,000.00		
Total Deferred Charges - Municipal - Excluded from "CAPS"	1,113,132.00	1,113,132.00	1,113,132.00		
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	20,876,527.01	21,352,431.72	21,265,633.48	\$ 80,077.85	\$ 6,720.39
Subtotal General Appropriations	85,122,674.92	86,516,428.65	81,951,572.28	4,558,135.98	6,720.39
Reserve for Uncollected Taxes	1,841,052.00	1,841,052.00	1,841,052.00		
Total General Appropriations	\$ 86,963,726.92	\$ 88,357,480.65	\$ 83,792,624.28	\$ 4,558,135.98	\$ 6,720.39

Ref.

A

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022
(Continued)

		Analysis of	
	<u>Ref.</u>	Budget After Modification	Paid or Charged
Adopted Budget		\$ 86,963,726.92	
Special Emergency Authorization (40A:4-53)		917,849.02	
Added by NJSA 40A:4-87		475,904.71	
		\$ 88,357,480.65	
Cash Disbursed			\$ 78,320,650.07
Due to Federal and State Grant Fund			1,507,979.69
Due to Other Trust Funds:			
Deficit Workers' Compensation Trust			90,624.61
Deferred Charges			1,467,376.10
Encumbrances	A		1,515,901.21
Reserve for Uncollected Taxes			1,841,052.00
			84,743,583.68
Less: Refunds			950,959.40
			\$ 83,792,624.28

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
COUNTY OF MORRIS
2022
TRUST FUNDS

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

	Ref.	December 31,	
		2022	2021
<u>ASSETS</u>			
Animal Control Fund:			
Cash and Cash Equivalents	B-4	\$ 105,686.18	\$ 83,314.12
Change Fund		50.00	50.00
Due from Current Fund	A		12,049.06
		<u>105,736.18</u>	<u>95,413.18</u>
Other Trust Funds:			
Cash and Cash Equivalents	B-4	24,429,011.54	24,966,389.61
Assets in the Hands of Plan Administrator:			
Workers' Compensation Plan		123,466.40	25,863.33
Due from Federal and State Grant Funds:			
Other Trust Fund	A		697.80
Open Space Trust Fund	A		5,299.93
Due from Water Utility Operating Fund	D	150,000.00	
Due from Sewer Utility Operating Fund	E	150,000.00	
Due from Public Assistance Fund	G		99,428.25
Due from Payroll			78,454.72
Community Development Block Grant -			
Federal Grants Receivable		845,296.18	842,964.30
Deferred Charge -			
Deficit in Reserve for Workers' Compensation -			
Self Insurance Fund - Municipal			90,624.61
		<u>25,697,774.12</u>	<u>26,109,722.55</u>
<u>TOTAL ASSETS</u>		<u>\$ 25,803,510.30</u>	<u>\$ 26,205,135.73</u>

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

	Ref.	December 31,	
		2022	2021
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Fund:			
Due to State of New Jersey		\$ 85.80	\$ 15.00
Due to Current Fund	A	9,235.20	
Reserve for Animal Control Expenditures	B-5	48,507.00	52,026.00
Reserve for Donations		47,908.18	43,372.18
		<u>105,736.18</u>	<u>95,413.18</u>
Other Trust Funds:			
Due to Current Fund	A		1,918,267.15
Due to Golf and Recreation Utility Operating Fund	F		669,791.16
Due to General Capital Fund	C		34,999.99
Reserve for:			
Special Deposits		9,235,321.51	9,495,264.87
Premiums on Tax Sale		1,916,600.00	1,430,600.00
Security Deposits		17,111.99	17,111.99
Off Duty Police		754,712.43	425,042.04
Municipal Open Space Preservation Trust Fund		6,510,097.98	5,560,750.03
Workers' Compensation - Self Insurance Fund - Municipal		7,867.86	98,299.19
Workers' Compensation - Self Insurance Fund - Contractor		123,466.40	25,863.33
LOSAP		135,085.27	135,085.27
Employee Health Benefit Self Insurance Fund		4,035,345.44	3,578,693.95
State Unemployment Insurance Fund		968,469.22	776,734.00
National Opioid Reserve		48,144.56	
Storm Recovery		542,255.28	542,255.28
Accumulated Sick and Vacation Compensation		558,000.00	558,000.00
Community Development Block Grant - Grant Trust Fund Expenditures		845,296.18	842,964.30
		<u>25,697,774.12</u>	<u>26,109,722.55</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 25,803,510.30</u>	<u>\$ 26,205,135.73</u>

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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, 2022

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, 2022

NOT APPLICABLE

ASSESSMENT TRUST FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

NOT APPLICABLE

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
COUNTY OF MORRIS
2022
GENERAL CAPITAL FUND

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

	Ref.	December 31,	
		2022	2021
<u>ASSETS</u>			
Cash and Cash Equivalents	C-2	\$ 8,306,430.45	\$ 4,615,096.39
Due from Current Fund	A		6,841,800.32
Due from Other Trust Fund	B		34,999.99
Grants Receivable:			
New Jersey Department of Transportation		2,176.35	2,176.35
Deferred Charges to Future Taxation:			
Funded		62,175,000.00	70,945,000.00
Unfunded	C-4	40,234,784.48	30,538,485.48
<u>TOTAL ASSETS</u>		<u>\$ 110,718,391.28</u>	<u>\$ 112,977,558.53</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds Payable	C-8	\$ 57,780,000.00	\$ 65,210,000.00
Refunding Bonds	C-8A	4,395,000.00	5,735,000.00
Bond Anticipation Notes Payable	C-7	22,849,300.00	22,860,300.00
Improvement Authorizations:			
Funded	C-5	2,910,982.46	3,314,885.54
Unfunded	C-5	18,938,972.18	15,042,544.49
Capital Improvement Fund	C-6	2,720,218.00	152,353.00
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		634,510.30	173,067.16
Emergency Preparedness		122,442.50	122,442.50
Fund Balance	C-1	25,892.97	25,892.97
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 110,718,391.28</u>	<u>\$ 112,977,558.53</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, 2021	C	<u>\$ 25,892.97</u>
Balance December 31, 2022	C	<u><u>\$ 25,892.97</u></u>

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
COUNTY OF MORRIS
2022
WATER UTILITY FUND

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

	Ref.	December 31,	
		2022	2021
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents	D-4	\$ 4,819,219.62	\$ 3,657,595.58
Due from Current Fund	A		101,991.04
Due from Water Utility Capital Fund	D		584,378.77
		<u>4,819,219.62</u>	<u>4,343,965.39</u>
Receivables and Inventory with Full Reserves:			
Consumer Accounts Receivable	D-6	698,238.40	634,152.55
Water Utility Liens Receivable	D-6A	77,919.45	77,919.45
Inventory	D-6B	369,640.00	278,473.63
Total Receivables and Inventory with Full Reserves		<u>1,145,797.85</u>	<u>990,545.63</u>
Total Operating Fund		<u>5,965,017.47</u>	<u>5,334,511.02</u>
Capital Fund:			
Cash and Cash Equivalents	D-4	14,966,476.34	5,613,187.11
Due from Current Fund	A		10,164,889.09
Fixed Capital	D-7	38,712,449.71	38,599,107.02
Fixed Capital Authorized and Uncompleted	D-8	47,403,000.00	37,083,000.00
Total Capital Fund		<u>101,081,926.05</u>	<u>91,460,183.22</u>
<u>TOTAL ASSETS</u>		<u>\$ 107,046,943.52</u>	<u>\$ 96,794,694.24</u>

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

	Ref.	December 31,	
		2022	2021
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Appropriation Reserves:			
Encumbered	D-3;D-9	\$ 308,503.52	\$ 393,069.90
Unencumbered	D-3;D-9	678,807.74	660,046.72
		<u>987,311.26</u>	<u>1,053,116.62</u>
Accrued Interest on Bonds		61,215.63	66,278.13
Accrued Interest on Notes		80,827.50	17,472.22
Water Rent Overpayments		35,070.36	117,124.77
Reserve for Water Master Plan		24,250.03	24,250.03
Due to Other Trust Funds	B	150,000.00	
		<u>1,338,674.78</u>	<u>1,278,241.77</u>
Reserve for Receivables and Inventory	D	1,145,797.85	990,545.63
Fund Balance	D-1	3,480,544.84	3,065,723.62
		<u>5,965,017.47</u>	<u>5,334,511.02</u>
Total Operating Fund			
Capital Fund:			
Bond Anticipation Notes Payable	D-13	16,580,000.00	12,580,000.00
Serial Bonds Payable	D-14	10,440,000.00	11,290,000.00
Improvement Authorizations:			
Funded	D-10	2,512,295.85	4,076,117.96
Unfunded	D-10	30,318,874.58	22,882,719.36
Capital Improvement Fund	D-11	314,498.22	314,498.22
Due to Water Utility Operating Fund	D		584,378.77
Reserve for:			
Debt Service		507,670.81	287,225.01
Amortization	D-12	38,995,388.71	38,032,046.02
Deferred Amortization	D-12A	1,080,000.00	1,080,000.00
Fund Balance	D-1A	333,197.88	333,197.88
		<u>101,081,926.05</u>	<u>91,460,183.22</u>
Total Capital Fund			
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 107,046,943.52</u>	<u>\$ 96,794,694.24</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,	
		2022	2021
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 1,500,000.00	\$ 1,800,000.00
Rents		10,642,128.70	10,312,410.23
Interest on Investments		225,198.44	28,083.25
Water Utility Capital Fund Balance			495,097.00
Reserve for Payment of Debt Service		45,000.00	
Miscellaneous Revenue		156,456.34	204,675.06
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		574,839.02	834,126.88
		<u>13,143,622.50</u>	<u>13,674,392.42</u>
<u>Expenditures</u>			
Budget Expenditures:			
Operating		9,324,723.00	8,722,086.00
Capital Improvements		95,000.00	140,000.00
Debt Service		1,356,555.28	1,425,698.08
Statutory Expenditures		271,523.00	437,307.00
		<u>11,047,801.28</u>	<u>10,725,091.08</u>
Excess in Revenue		2,095,821.22	2,949,301.34
<u>Fund Balance</u>			
Balance January 1		3,065,723.62	1,916,422.28
		<u>5,161,544.84</u>	<u>4,865,723.62</u>
Decreased by:			
Utilized as Anticipated Revenue		1,500,000.00	1,800,000.00
Balance December 31	D	<u>\$ 3,661,544.84</u>	<u>\$ 3,065,723.62</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, 2021	D	<u>\$ 333,197.88</u>
Balance December 31, 2022	D	<u><u>\$ 333,197.88</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, 2022

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess/ Deficit *</u>
Operating Fund Balance Anticipated	\$ 1,500,000.00	\$ 1,500,000.00	
Water Rents	9,656,446.00	10,642,128.70	\$ 985,682.70
Interest on Investments	28,000.00	225,198.44	197,198.44
Reserve for Payment of Debt Service	45,000.00	45,000.00	
	<u>11,229,446.00</u>	<u>12,367,327.14</u>	<u>1,137,881.14</u>
Nonbudget Revenue		<u>156,456.34</u>	<u>156,456.34</u>
	<u>\$ 11,229,446.00</u>	<u>\$ 12,523,783.48</u>	<u>\$ 1,294,337.48</u>

Analysis of Water Rents

Cash Received	\$ 10,525,003.93
Overpayments Applied	<u>117,124.77</u>
	<u>\$ 10,642,128.70</u>

Analysis of Nonbudget Revenue

Interest on Water Rents	\$ 39,003.42
Final Fee	26,361.13
Off/On Fee	15,676.11
Capacity/Connection Fees	69,405.54
Other	<u>6,010.14</u>
	<u>\$ 156,456.34</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 EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

	Appropriations		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operating:					
Salaries and Wages	\$ 3,184,200.00	\$ 3,184,200.00	\$ 2,883,360.99	\$ 300,839.01	
Other Expenses	6,140,523.00	6,140,523.00	5,787,569.76	352,953.24	
Capital Improvements:					
Capital Outlay	95,000.00	95,000.00	91,462.99	3,537.01	
Debt Service:					
Payment of Bond Principal	850,000.00	850,000.00	850,000.00		
Interest on Bonds	317,400.00	317,400.00	317,400.00		
Interest on Notes	125,800.00	189,800.00	189,155.28		\$ 644.72
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	271,523.00	271,523.00	271,523.00		
Social Security (O.A.S.I.)	245,000.00	181,000.00	159,521.52	21,478.48	
	<u>\$ 11,229,446.00</u>	<u>\$ 11,229,446.00</u>	<u>\$ 10,549,993.54</u>	<u>\$ 678,807.74</u>	<u>\$ 644.72</u>
<u>Analysis of Paid or Charged</u>					
Cash Disbursed			\$ 9,751,020.39		
Encumbrances Payable			308,503.52		
Accrued Interest on Bonds			317,400.00		
Accrued Interest on Notes			189,155.28		
			<u>10,566,079.19</u>		
Less: Refunds			<u>16,085.65</u>		
			<u>\$ 10,549,993.54</u>		

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TOWNSHIP OF PARSIPPANY-TROY HILLS
COUNTY OF MORRIS
2022
SEWER UTILITY FUND

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

	Ref.	December 31,	
		2022	2021
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents	E-4	\$ 8,105,193.59	\$ 5,485,546.03
Due from Current Fund	A		2,589,087.91
Due from Sewer Utility Capital Fund	E		162,235.89
		<u>8,105,193.59</u>	<u>8,236,869.83</u>
Receivables and Inventory With Full Reserves:			
Consumer Accounts Receivable	E-6	1,265,402.37	1,601,863.51
Sewer Utility Liens Receivable	E-6A	108,482.32	23,274.52
Inventory	E-6B	110,906.00	88,600.00
Total Receivables and Inventory with Full Reserves		<u>1,484,790.69</u>	<u>1,713,738.03</u>
Total Operating Fund		<u>9,589,984.28</u>	<u>9,950,607.86</u>
Capital Fund:			
Cash and Cash Equivalents	E-4	17,018,093.59	13,709,668.03
NJ Environmental Infrastructure Trust Loan Receivable		3,852,017.00	
Due from Current Fund	A		7,391,493.28
Fixed Capital	E-7	140,640,056.25	140,640,056.25
Fixed Capital Authorized and Uncomplete	E-8	82,929,321.49	75,009,321.49
Total Capital Fund		<u>244,439,488.33</u>	<u>236,750,539.05</u>
TOTAL ASSETS		<u>\$ 254,029,472.61</u>	<u>\$ 246,701,146.91</u>

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

	Ref.	December 31	
		2022	2021
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves:			
Encumbered	E-3;E-9	\$ 260,093.18	\$ 367,109.58
Unencumbered	E-3;E-9	1,608,027.76	2,223,034.23
		<u>1,868,120.94</u>	<u>2,590,143.81</u>
Accounts Payable		908.50	908.50
Accrued Interest on Loans		45,485.70	51,053.96
Accrued Interest on Bonds		84,462.50	91,504.17
Accrued Interest on Notes		80,266.88	23,354.79
Sewer Rent Overpayments		61,783.71	142,454.91
Prepaid Sewer Rents		163,665.57	
Due to Other Trust Funds	B	150,000.00	
Due to Public Assistance Fund	G		15,712.68
Due to Golf and Recreation Utility Operating Fund	F		2,377.07
		<u>2,454,693.80</u>	<u>2,917,509.89</u>
Reserve for Receivables and Inventory	E	1,484,790.69	1,713,738.03
Fund Balance	E-1	5,650,499.79	5,319,359.94
		<u>9,589,984.28</u>	<u>9,950,607.86</u>
Total Operating Fund			
Capital Fund:			
Bond Anticipation Notes Payable	E-13	16,465,000.00	17,049,000.00
Serial Bonds Payable	E-14	13,955,000.00	15,160,000.00
NJ Environmental Infrastructure Trust Loans Payable #1	E-15	65,883.04	74,909.75
NJ Environmental Infrastructure Trust Loans Payable #2	E-15A	7,293,321.23	8,337,603.08
NJ Environmental Infrastructure Construction Loan Payable	E-15B	8,000,000.00	
Improvement Authorizations:			
Funded	E-10	8,603,392.17	5,838,656.86
Unfunded	E-10	20,029,844.43	22,501,307.22
Due to Sewer Utility Operating Fund	E		162,235.89
Capital Improvement Fund	E-11	466,000.00	466,000.00
Reserve for:			
Debt Service		269,950.64	128,037.99
Amortization	E-12	143,425,916.94	142,220,916.94
Deferred Amortization	E-12a	25,672,710.37	24,619,401.81
Fund Balance	E-1a	192,469.51	192,469.51
		<u>244,439,488.33</u>	<u>236,750,539.05</u>
Total Capital Fund			
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 254,029,472.61</u>	<u>\$ 246,701,146.91</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	
		2022	2021
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	\$	2,600,000.00	\$ 2,800,000.00
Sewer and Other Rents		17,505,924.67	17,665,125.48
Septage Removal		840,470.30	848,729.11
Interest on Investments		272,844.25	33,223.90
Reserve to Pay Debt Service		121,692.00	
Sewer Utility Capital Fund Balance			100,000.00
Nonbudget Revenue		206,645.13	255,759.65
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		1,846,544.93	2,117,585.06
Total Income		<u>23,394,121.28</u>	<u>23,820,423.20</u>
<u>Expenditures</u>			
Budget Expenditures:			
Operating		15,184,325.00	14,787,416.00
Debt Service		3,026,842.43	3,032,177.60
Deferred Charges and Statutory Expenditures		751,814.00	743,124.00
Total Expenditures		<u>18,962,981.43</u>	<u>18,562,717.60</u>
Excess in Revenue		4,431,139.85	5,257,705.60
<u>Fund Balance</u>			
Balance January 1		5,319,359.94	2,861,654.34
		<u>9,750,499.79</u>	<u>8,119,359.94</u>
Decreased by:			
Utilization as Anticipated Revenue		2,600,000.00	2,800,000.00
Prior Year Fund Balance Appropriated as Revenue - Current Fund		1,500,000.00	
Balance December 31	E	<u>\$ 5,650,499.79</u>	<u>\$ 5,319,359.94</u>

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

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

	<u>Ref.</u>	
Balance December 31, 2021	E	<u>\$ 192,469.51</u>
Balance December 31, 2022	E	<u><u>\$ 192,469.51</u></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, 2022

	Anticipated	Realized	Excess/ Deficit *
Operating Fund Balance Anticipated	\$ 2,600,000.00	\$ 2,600,000.00	
Sewer Rents	15,616,390.13	17,505,924.67	\$ 1,889,534.54
Interest on Investments	25,000.00	272,844.25	247,844.25
Septage Removal	600,000.00	840,470.30	240,470.30
Reserve to Pay Debt Service	121,692.00	121,692.00	
	18,963,082.13	21,340,931.22	2,377,849.09
Nonbudget Revenue		206,645.13	206,645.13
	\$ 18,963,082.13	\$ 21,547,576.35	\$ 2,584,494.22
 <u>Analysis of Sewer Rents:</u>			
Collections		\$ 17,365,358.83	
Overpayments Applied		140,565.84	
		\$ 17,505,924.67	
 <u>Analysis of Septage Removal</u>			
Collections		\$ 838,581.23	
Overpayments Applied		1,889.07	
		\$ 840,470.30	
 <u>Analysis of Interest on Investments</u>			
Collected by Treasurer		\$ 82,678.93	
Due from Sewer Utility Capital Fund		190,165.32	
		\$ 272,844.25	
 <u>Analysis of Nonbudget Revenue:</u>			
Interest on Sewer Rents		\$ 53,865.74	
Other Miscellaneous		1,950.75	
Capacity/Connection Fees		150,828.64	
		\$ 206,645.13	

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, 2022

	Appropriations		Budget After Modification	Expended by		Unexpended Balance Canceled
	Budget	Budget		Paid or Charged	Reserved	
Operating:						
Salaries and Wages	\$ 4,521,692.00	\$ 4,521,692.00	\$ 4,521,692.00	\$ 3,764,717.56	\$ 756,974.44	
Other Expenses	10,662,633.00	10,662,633.00	10,662,633.00	9,900,087.82	762,545.18	
Debt Service:						
Payment of Bond Principal	1,205,000.00	1,205,000.00	1,205,000.00	1,205,000.00		
Interest on Bonds	424,183.33	424,183.33	424,183.33	424,183.33		
Interest on Notes	170,490.00	227,490.00	227,490.00	227,402.09		\$ 87.91
Environmental Infrastructure Loan	1,170,269.80	1,170,269.80	1,170,269.80	1,170,257.01		12.79
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	459,214.00	459,214.00	459,214.00	459,214.00		
Social Security System (O.A.S.I.)	349,600.00	292,600.00	292,600.00	204,091.86	88,508.14	
	<u>\$ 18,963,082.13</u>	<u>\$ 18,963,082.13</u>	<u>\$ 18,963,082.13</u>	<u>\$ 17,354,953.67</u>	<u>\$ 1,608,027.76</u>	<u>\$ 100.70</u>

Ref.

E

TOWNSHIP OF PARSIPPANY-TROY HILLS
SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022
(Continued)

		Analysis of	
	<u>Ref.</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>
Adopted Budget		\$ 18,963,082.13	
Cash Disbursed			\$ 16,327,120.05
Encumbered	E		260,093.18
Accrued Interest on Bonds			424,183.33
Accrued Interest on Notes			227,402.09
Accrued Interest on Loans			116,948.45
			17,355,747.10
Less: Refunds			793.43
			\$ 17,354,953.67

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
COUNTY OF MORRIS
2022
GOLF AND RECREATION UTILITY FUND

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

	Ref.	December 31,	
		2022	2021
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents	F-4	\$ 855,459.46	\$ 3,515,544.39
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>855,459.46</u>	<u>4,260,782.62</u>
Receivables and Inventory With Full Reserves:			
Consumer Accounts Receivable	F-6		19,165.81
Inventory	F-6a	258,336.90	157,682.57
		<u>258,336.90</u>	<u>176,848.38</u>
Total Receivables and Inventory With Full Receivables			
		<u>258,336.90</u>	<u>176,848.38</u>
Deferred Charges:			
Emergency Authorization (40A:4-48)	F-3	250,000.00	
Overexpenditure of Appropriations			20,172.53
Total Deferred Charges		<u>250,000.00</u>	<u>20,172.53</u>
		<u>250,000.00</u>	<u>20,172.53</u>
Total Operating Fund			
		<u>1,363,796.36</u>	<u>4,457,803.53</u>
Capital Fund:			
Cash and Cash Equivalents	F-4	2,917,662.35	3,915,417.60
Fixed Capital	F-7	26,506,344.61	25,617,805.11
Fixed Capital Authorized and Uncompleted	F-8	9,581,460.00	9,352,999.50
		<u>39,005,466.96</u>	<u>38,886,222.21</u>
Total Capital Fund			
		<u>39,005,466.96</u>	<u>38,886,222.21</u>
<u>TOTAL ASSETS</u>		<u>\$ 40,369,263.32</u>	<u>\$ 43,344,025.74</u>

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

	Ref.	December 31,	
		2022	2021
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Appropriation Reserves:			
Encumbered	F-3;F-9	\$ 91,065.70	\$ 160,763.91
Unencumbered	F-3;F-9	182,349.42	418,845.31
		<u>273,415.12</u>	<u>579,609.22</u>
Sales Tax Payable		113.00	8,353.24
Accrued Interest on Bonds and Notes		40,848.80	41,902.96
Prepaid Golf Fees		15,118.82	
Due to Golf Pro		1,102.79	
Due to Current Fund	A		2,541,330.39
		<u>330,598.53</u>	<u>3,171,195.81</u>
Reserve for Receivables and Inventory	F	258,336.90	176,848.38
Fund Balance	F-1	774,860.93	1,109,759.34
		<u>1,363,796.36</u>	<u>4,457,803.53</u>
Total Operating Fund			
Capital Fund:			
Bond Anticipation Notes Payable	F-13	520,700.00	520,700.00
Serial Bonds Payable	F-14	5,965,000.00	6,680,000.00
Improvement Authorizations:			
Funded	F-10	144,389.00	398,454.34
Unfunded	F-10	1,423,947.70	521,482.46
Capital Improvement Fund	F-11	161,593.05	161,593.05
Due to Current Fund	A		343,940.52
Due to Golf and Recreation Utility Operating Fund	F		73,070.00
Reserve for:			
Preliminary Expenses - Miniature Golf Recreation Facility			12,000.00
Payment of Debt Service		2,303,765.82	2,403,910.45
Amortization	F-12	28,327,841.61	27,546,355.11
Deferred Amortization	F-12a	156,279.00	222,765.50
Fund Balance	F-1a	1,950.78	1,950.78
		<u>39,005,466.96</u>	<u>38,886,222.21</u>
Total Capital Fund			
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 40,369,263.32</u>	<u>\$ 43,344,025.74</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,	
		2022	2021
<u>Revenue and Other Income Realized</u>			
Fund Balance Anticipated	\$	1,090,000.00	\$ 1,234,948.00
Golf Fees		3,830,307.68	3,796,980.90
Merchandise Sales		207,968.91	141,711.03
Interest on Investments		72,418.61	19,144.18
Reserve for the Payment of Debt Service		108,481.03	
Miscellaneous Revenue Not Anticipated		116,344.42	219,769.57
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		470,635.29	464,643.45
Cancellation of Due to Golf Pro			15,082.50
		<u>5,896,155.94</u>	<u>5,892,279.63</u>
<u>Expenditures</u>			
Budget Expenditures and Emergency:			
Operating		4,421,529.00	4,175,428.00
Capital Improvements			250,000.00
Debt Service		644,567.82	565,119.00
Deferred Charges and Statutory Expenditures		324,957.53	263,175.00
		<u>5,391,054.35</u>	<u>5,253,722.00</u>
Excess in Revenue		505,101.59	638,557.63
Adjustments to Excess Before Fund Balance:			
Expenditures included above which are by Statute			
Deferred Charges to Budget of Succeeding Year		250,000.00	
		<u>755,101.59</u>	<u>638,557.63</u>
Statutory Excess to Fund Balance		755,101.59	638,557.63
<u>Fund Balance</u>			
Balance January 1		1,109,759.34	1,706,149.71
		<u>1,864,860.93</u>	<u>2,344,707.34</u>
Decreased by:			
Utilized as Anticipated Revenue		1,090,000.00	1,234,948.00
Balance December 31	F	<u>\$ 774,860.93</u>	<u>\$ 1,109,759.34</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, 2021	F	\$ <u>1,950.78</u>
Balance December 31, 2022	F	\$ <u><u>1,950.78</u></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 REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess/ Deficit *</u>
Operating Fund Balance Anticipated	\$ 1,090,000.00	\$ 1,090,000.00	
Golf Fees	3,786,000.00	3,830,307.68	\$ 44,307.68
Merchandise Sales	140,000.00	207,968.91	67,968.91
Interest on Investments	19,100.00	72,418.61	53,318.61
Reserve for the Payment of Debt Service	108,481.03	108,481.03	
	<u>5,143,581.03</u>	<u>5,309,176.23</u>	<u>165,595.20</u>
Nonbudget Revenue		116,344.42	116,344.42
	<u>\$ 5,143,581.03</u>	<u>\$ 5,425,520.65</u>	<u>\$ 281,939.62</u>

Analysis of Golf Fees

Collections - Golf Fees	\$ 3,704,921.33
Concession Fees	97,500.00
Concession Fees - Utilities	<u>27,886.35</u>
	<u>\$ 3,830,307.68</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, 2022

	Appropriations		Expended by		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operating:					
Salaries and Wages	\$ 2,174,581.00	\$ 2,094,581.00	\$ 2,049,675.15	\$ 44,905.85	
Other Expenses (Emergency + \$250,000.00)	1,996,948.00	2,326,948.00	2,198,963.11	127,984.89	
Debt Service:					
Payment of Bond Principal	510,000.00	510,000.00	510,000.00		
Interest on Bonds	131,887.50	130,407.50	129,032.59		\$ 1,374.91
Interest on Notes	5,207.00	6,687.00	5,535.23		1,151.77
Deferred Charges and Statutory Expenditures:					
Overexpenditure of Appropriations	20,172.53	20,172.53	20,172.53		
Contribution to:					
Public Employees' Retirement System	139,785.00	149,785.00	149,785.00		
Social Security (O.A.S.I.)	165,000.00	155,000.00	145,541.32	9,458.68	
	<u>\$ 5,143,581.03</u>	<u>\$ 5,393,581.03</u>	<u>\$ 5,208,704.93</u>	<u>\$ 182,349.42</u>	<u>\$ 2,526.68</u>

Ref.

F

TOWNSHIP OF PARSIPPANY-TROY HILLS
GOLF AND RECREATION UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

(Continued)

		Analysis of	
	<u>Ref.</u>	Budget After Modification	Paid or Charged
Adopted Budget		\$ 5,143,581.03	
Emergency (40A:4-48)	F	250,000.00	
Adopted Budget		\$ 5,393,581.03	
Cash Disbursed			\$ 4,965,102.84
Encumbrances Payable	F		91,065.70
Accrued Interest on Bonds and Notes			134,567.82
Deferred Charges			20,172.53
			5,210,908.89
Less: Refunds			2,203.96
			\$ 5,208,704.93

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
COUNTY OF MORRIS
2022
PUBLIC ASSISTANCE FUND

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

	<u>Ref.</u>	December 31,	
<u>ASSETS</u>		2022	2021
Cash and Cash Equivalents	G-1	\$ 4,297.93	\$ 87,888.06
Due from Sewer Utility Operating Fund	E		15,712.68
<u>TOTAL ASSETS</u>		\$ 4,297.93	\$ 103,600.74
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Due to Other Trust Fund	B		\$ 99,428.25
Reserve for Public Assistance		\$ 4,297.93	4,172.49
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		\$ 4,297.93	\$ 103,600.74

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
COUNTY OF MORRIS
2022
GENERAL FIXED ASSETS ACCOUNT GROUP

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

	December 31,	
	2022	(Restated) 2021
<u>ASSETS</u>		
Land	\$ 114,261,584.00	\$ 114,261,584.00
Buildings	32,940,200.00	32,940,200.00
Machinery and Equipment	45,139,481.00	42,730,216.00
<u>TOTAL ASSETS</u>	<u>\$ 192,341,265.00</u>	<u>\$ 189,932,000.00</u>
 <u>RESERVE</u>		
Reserve for Fixed Assets	\$ 192,341,265.00	\$ 189,932,000.00
<u>TOTAL RESERVE</u>	<u>\$ 192,341,265.00</u>	<u>\$ 189,932,000.00</u>

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

REVISTOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

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 and first aid organizations.

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, 2022
 (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, 2022
(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, lease assets and payable as well as the related expense would be recorded for leases for which the Township is a lessee, lease receivables and deferred lease resources as well as the related revenue would be recorded for leases for which the Township is a lessor, a financed purchases payable would be recorded for financed purchases agreements under which the Township acquires and owns a fixed asset 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 financed purchases 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, 2022
 (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, 2022
(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,		
	2022	2021	2020
<u>Issued</u>			
General:			
Bonds and Notes	\$ 85,024,300	\$ 93,805,300	\$ 90,795,000
Water Utility:			
Bonds, Loans and Notes	27,020,000	23,870,000	24,718,496
Sewer Utility:			
Bonds, Loans and Notes	45,779,204	40,621,513	36,472,745
Golf and Recreation Utility:			
Bonds and Notes	6,485,700	7,200,700	7,310,000
Total Issued	<u>164,309,204</u>	<u>165,497,513</u>	<u>159,296,241</u>
Less:			
Funds Temporarily Held			
to Pay Bonds and Notes:			
General	714,163	252,720	571,039
Water Utility	507,671	287,225	192,749
Sewer Utility	269,951	128,038	
Golf and Recreation Utility	2,303,766	2,403,910	2,400,000
Total Deductions	<u>3,795,551</u>	<u>3,071,893</u>	<u>3,163,788</u>
Net Debt Issued	<u>160,513,653</u>	<u>162,425,620</u>	<u>156,132,453</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

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

Summary of Municipal Debt (Cont'd)

	December 31,		
	2022	2021	2020
<u>Authorized but not Issued:</u>			
General:			
Bonds and Notes	\$ 17,385,484	\$ 7,678,185	\$ 18,679,752
Water Utility:			
Bonds, Loans and Notes	19,020,061	12,700,061	61
Sewer Utility:			
Bonds, Loans and Notes	8,691,546	8,187,546	10,327,901
Golf and Recreation Utility:			
Bonds and Notes	1,117,984	984	984
Total Authorized but not Issued	<u>46,215,075</u>	<u>28,566,776</u>	<u>29,008,698</u>
Net Bonds and Notes Issued and Authorized but not Issued	<u>\$ 206,728,728</u>	<u>\$ 190,992,396</u>	<u>\$ 185,141,151</u>

Summary of Municipal Debt Issued and Outstanding – Prior Year

	Balance 12/31/2020	Additions	Retirements	Balance 12/31/2021
Serial Bonds:				
General Capital Fund	\$ 79,295,000		\$ 8,350,000	\$ 70,945,000
Water Utility Capital Fund	12,105,000		815,000	11,290,000
Sewer Utility Capital Fund	16,355,000		1,195,000	15,160,000
Golf and Recreation Utility Capital Fund	7,310,000		630,000	6,680,000
Bond Anticipation Notes:				
General Capital Fund	11,500,000	\$ 22,860,300	11,500,000	22,860,300
Water Utility Capital Fund	12,580,000	12,580,000	12,580,000	12,580,000
Sewer Utility Capital Fund	10,665,000	17,049,000	10,665,000	17,049,000
Golf and Recreation Utility Capital Fund		520,700		520,700
Loans Payable:				
Water Utility Capital Fund:				
NJ Environmental Infrastructure Loan	33,496		33,496	
Sewer Utility Capital Fund:				
NJ Environmental Infrastructure Loan	9,452,745		1,040,232	8,412,513
Total	<u>\$ 159,296,241</u>	<u>\$ 53,010,000</u>	<u>\$ 46,808,728</u>	<u>\$ 165,497,513</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

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

Summary of Municipal Debt Issued and Outstanding – Current Year

	Balance 12/31/2021	Additions	Retirements	Balance 12/31/2022
Serial Bonds:				
General Capital Fund	\$ 70,945,000		\$ 8,770,000	\$ 62,175,000
Water Utility Capital Fund	11,290,000		850,000	10,440,000
Sewer Utility Capital Fund	15,160,000		1,205,000	13,955,000
Golf and Recreation Utility Capital Fund	6,680,000		715,000	5,965,000
Bond Anticipation Notes:				
General Capital Fund	22,860,300	\$ 22,849,300	22,860,300	22,849,300
Water Utility Capital Fund	12,580,000	16,580,000	12,580,000	16,580,000
Sewer Utility Capital Fund	17,049,000	16,465,000	17,049,000	16,465,000
Golf and Recreation Utility Capital Fund	520,700	520,700	520,700	520,700
Loans Payable:				
Sewer Utility Capital Fund:				
NJ Environmental Infrastructure Loan	8,412,513	8,000,000	1,053,309	15,359,204
Total	<u>\$ 165,497,513</u>	<u>\$ 64,415,000</u>	<u>\$ 65,603,309</u>	<u>\$ 164,309,204</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition, which follows, is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.118%.

	Gross Debt	Deductions	Net Debt
Local School District Debt	\$ 18,795,000	\$ 18,795,000	
Water Utility Debt	46,040,061	46,040,061	
Sewer Utility Debt	54,470,750	54,470,750	
Golf and Recreation Utility Debt	7,603,684	7,603,684	
General Debt	102,409,784	714,163	\$ 101,695,621
	<u>\$ 229,319,279</u>	<u>\$ 127,623,658</u>	<u>\$ 101,695,621</u>

Net Debt: \$101,695,621 divided by Equalized Valuation basis per N.J.S. 40A:2-2, as amended, of \$9,099,786,598 = 1.118%.

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(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	\$ 318,492,531
Net Debt	<u>101,695,621</u>
Remaining Borrowing Power	<u><u>\$ 216,796,910</u></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	\$ 12,523,783
Deductions:	
Operating and Maintenance Cost	\$ 9,777,246
Debt Service	<u>1,356,555</u>
	<u>11,133,801</u>
Excess in Revenue	<u><u>\$ 1,389,982</u></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	\$ 21,547,576
Deductions:	
Operating and Maintenance Cost	\$ 15,936,139
Debt Service	<u>3,026,842</u>
	<u>18,962,981</u>
Excess in Revenue	<u><u>\$ 2,584,595</u></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	\$ 5,425,521
Deductions:	
Operating and Maintenance Cost	\$ 4,746,487
Debt Service	<u>644,568</u>
	<u>5,391,055</u>
Excess in Revenue	<u><u>\$ 34,466</u></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, 2022
(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
2023	\$ 9,170,000	\$ 1,841,887	\$ 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	7,435,000	957,163	775,000	222,388
2027	7,245,000	715,962	790,000	195,636
2028-2032	19,980,000	899,418	3,325,000	628,281
2033-2037			2,250,000	285,750
2038-2039			900,000	27,000
	<u>\$ 62,175,000</u>	<u>\$ 7,204,356</u>	<u>\$ 10,440,000</u>	<u>\$ 2,173,794</u>

Year Ended December 31,	Sewer Utility ^(a)		Golf and Recreation Utility	
	Principal	Interest	Principal	Interest
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	2,179,681	360,503	695,000	100,775
2027	2,201,789	308,373	695,000	79,925
2028-2032	6,453,281	859,658	2,375,000	127,000
2033-2037	2,825,000	350,812		
2038-2039	1,100,000	33,000		
	<u>\$ 21,314,204</u>	<u>\$ 3,280,313</u>	<u>\$ 5,965,000</u>	<u>\$ 722,850</u>

(a) Does not include the New Jersey Environmental Trust Construction Financing Loan of \$8,000,000.

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

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

Analysis of Debt Issued and Outstanding at December 31, 2022

General Capital Fund

Serial Bonds

<u>Purpose</u>	<u>Maturities of Bonds</u>		<u>Interest</u>	<u>Balance</u>
	<u>Outstanding Dec. 31, 2022</u>			
	<u>Date</u>	<u>Amount</u>	<u>Rate</u>	<u>Dec. 31, 2022</u>
Refunding Bonds	7/15/2023	\$ 1,460,000	5.00%	
	7/15/2024	1,470,000	4.00%	
	7/15/2025	1,465,000	4.00%	\$ 4,395,000
General Improvements	11/1/2023	1,150,000	3.00%	1,150,000
General Improvements	9/15/2023	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%	30,010,000
General Improvements	5/1/2023-25	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%	15,605,000
General Improvements	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%	11,015,000
				<u>\$ 62,175,000</u>

Bond Anticipation Notes

<u>Purpose</u>	<u>Maturities of Notes</u>		<u>Interest</u>	<u>Balance</u>
	<u>Outstanding Dec. 31, 2022</u>			
	<u>Date</u>	<u>Amount</u>	<u>Rate</u>	<u>Dec. 31, 2022</u>
Various Capital Improvements	11/3/2023	\$ 22,849,300	5.00%	<u>\$ 22,849,300</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

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

Analysis of Debt Issued and Outstanding at December 31, 2022

Water Utility Capital Fund

<u>Serial Bonds</u>	<u>Maturities of Bonds</u>		<u>Interest</u>	<u>Balance</u>
	<u>Outstanding Dec. 31, 2022</u>			
<u>Purpose</u>	<u>Date</u>	<u>Amount</u>	<u>Rate</u>	<u>Dec. 31, 2022</u>
Water Improvements	11/1/2023	\$ 175,000	3.00%	\$ 175,000
Water Improvements	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%	3,415,000
Water Improvements	5/1/2023	325,000	4.00%	
	5/1/2024-28	350,000	4.00%	
	5/1/2029-30	350,000	2.25%	
	5/1/2031	475,000	2.25%	
	5/1/2032-36	450,000	2.25%	
	5/1/2037-39	450,000	3.00%	6,850,000
				<u>\$ 10,440,000</u>

Bond Anticipation Notes

<u>Purpose</u>	<u>Maturities of Notes</u>		<u>Interest</u>	<u>Balance</u>
	<u>Outstanding Dec. 31, 2022</u>			
<u>Purpose</u>	<u>Date</u>	<u>Amount</u>	<u>Rate</u>	<u>Dec. 31, 2022</u>
Improvements to Water Utility	11/3/2023	\$ 16,580,000	5.00%	<u>\$ 16,580,000</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

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

Analysis of Debt Issued and Outstanding at December 31, 2022

Sewer Utility Capital Fund

<u>Purpose</u>	<u>Maturities of Bonds</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2022</u>
	<u>Outstanding Dec. 31, 2022</u>			
	<u>Date</u>	<u>Amount</u>		
Sewer Improvements	11/1/2023	\$ 370,000	3.00%	\$ 370,000
Sewer Improvements	9/15/2023	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%	5,075,000
Sewer Improvements	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%	8,510,000
				<u>\$ 13,955,000</u>

<u>Purpose</u>	<u>Final Maturity Date of NJ Environmental Infrastructure Loan Payable</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2022</u>		
				<u>Loans Payable</u>	
				<u>Date</u>	<u>Amount</u>
Sewer Improvements	8/1/2029	3.00 -5.00%	\$ 7,359,204		
Sewer Improvements	6/30/2026	0.00%	8,000,000		
			<u>\$ 15,359,204</u>		

<u>Purpose</u>	<u>Maturities of Notes</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2022</u>
	<u>Outstanding Dec. 31, 2022</u>			
	<u>Date</u>	<u>Amount</u>		
Various Sewer Improvements	11/3/2023	\$ 16,465,000	5.00%	<u>\$ 16,465,000</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

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

Analysis of Debt Issued and Outstanding at December 31, 2022

Golf and Recreation Utility Capital Fund

Serial Bonds

<u>Purpose</u>	<u>Maturities of Bonds</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2022</u>
	<u>Outstanding Date</u>	<u>Dec. 31, 2022 Amount</u>		
General Improvements	11/1/2023	\$ 80,000	3.00%	\$ 80,000
General Improvements	9/15/2023	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%	4,450,000
General Improvements	6/1/2023	140,000	3.00%	
	6/1/2026-27	145,000	3.00%	
	6/1/2028-32	145,000	2.00%	1,435,000
				\$ 5,965,000

Bond Anticipation Notes

<u>Purpose</u>	<u>Maturities of Notes</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2022</u>
	<u>Outstanding Date</u>	<u>Dec. 31, 2022 Amount</u>		
Golf Course and Recreation Utility Improvements	11/3/2023	\$ 520,700	5.00%	\$ 520,700
Total Debt Issued and Outstanding				\$ 164,309,204

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 wastewater treatment plant in 2010 at an interest rate of 3.00% to 5.00%. Loans payable at December 31, 2022 for the Sewer Utility Capital Fund were \$7,359,204.

As of December 31, 2022 the Township of Parsippany-Troy Hills has borrowed or "drawn down" \$8,000,000 necessary to complete improvements of the Sewer System funded with Loan Funds. Principal Payments of the NJEIT for the loan will be due on June 30, 2026 at zero interest. Also an administrative fee of four tenths of one percent (.40%) of the initial principal amount of the loan or such lesser amount, if any, as the Trust may approve from time to time is payable on these loans. The NJEIT provided funding for this loan through the issuance of temporary notes through the Construction Financing Trust Program. The NJEIT will issue permanent financing upon maturity at which time a maturity schedule will be established.

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
 (Continued)

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

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) over the life of the refunding bonds.

Note 3: Fund Balances Appropriated

Fund Balances at December 31, 2022 which are appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2023 adopted budget were as follows:

Current Fund	\$ 5,400,000
Water Utility Operating Fund	\$ 1,600,000
Sewer Utility Operating Fund	\$ 2,200,000
Golf and Recreation Utility Operating Fund	\$ 500,000

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 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, 2022
(Continued)

Note 4: Pension Plans (Cont'd)

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

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.

<u>Tier</u>	<u>Definition</u>
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

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.

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. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid.

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 OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 4: Pension Plans (Cont'd)

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

Contributions (Cont'd)

Township contributions to PERS amounted to \$3,081,986 for 2022. During the fiscal year ended June 30, 2022, the State of New Jersey contributed \$91,367 to the PERS for normal pension benefits on behalf of the Township.

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

Special Funding Situation

A special funding situation exists for certain local employers of the PERS. The State of New Jersey, as a nonemployer, is required to pay the additional costs incurred by local employers Chapter 133, P.L. 2001. The special funding situation for Chapter 133, P.L. 2001 is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2022, there is no net pension liability associated with this special funding situation and there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date. The State special funding situation for the fiscal year ending June 30, 2022, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2022. The pension expense is deemed to be a State administrative expense due to the special funding situation.

Pension Liabilities and Pension Expense

At June 30, 2022, the Township's liability was \$43,424,375 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. 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, 2022, the Township's proportion was 0.288%, which was an increase of 0.006% from its proportion measured as of June 30, 2021. The Township has rolled forward the net pension liability as of June 30, 2021 with no adjustments. The State of New Jersey Public Employees' Retirement System (PERS)' valuation cycle is July 1 instead of December 31. The roll forward methodology puts them a year in arrears in terms of valuation.

There was no state proportionate share of net pension liability attributable to the Township as of June 30, 2022.

For the year ended December 31, 2022, the Township recognized actual pension expense in the amount of \$3,081,986.

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 4: Pension Plans (Cont'd)

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

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75 – 6.55% based on years of service
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-2021.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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, 2022) 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, 2022 are summarized in the following table:

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 4: Pension Plans (Cont'd)

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

Long Term Expected Rate of Return (Cont'd)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Market Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Assets	3.00%	7.60%
Real Estate	8.00%	11.19%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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 100% 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 in determining the total pension liability.

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 4: Pension Plans (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, 2022 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, 2022		
	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	\$ 55,787,602	\$ 43,424,375	\$ 32,902,771

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.

Benefits Provided

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

The following represents the membership tiers for PFRS:

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 4: Pension Plans (Cont'd)

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

Benefits Provided (Cont'd)

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

Contributions

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate, which includes the normal costs and unfunded accrued liability. For fiscal year 2021, the State contributed an amount less than the actuarially determined amount.

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.

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 OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 4: Pension Plans (Cont'd)

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

Special Funding Situation (Cont'd)

Township contributions to PFRS amounted to \$4,329,988 for the year ended December 31, 2022. During the fiscal year ended June 30, 2021, the State of New Jersey contributed \$663,458 to the PFRS for normal pension benefits on behalf of the Township, which is less than the contractually required contribution of \$850,586.

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

Pension Liabilities and Pension Expense

At June 30, 2021, the Township's liability for its proportionate share of the net pension liability was \$27,155,306. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. 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, 2021, the Township's proportion was 0.371%, which was a decrease of 0.005% from its proportion measured as of June 30, 2020. The Township has rolled forward the net pension liability as of June 30, 2021 with no adjustments. The State of New Jersey Police and Firemen's Retirement System (PFRS)' valuation cycle is July 1 instead of December 31. The roll forward methodology puts them a year in arrears in terms of valuation. The Division of Local Government Services, Department of Community Affairs, State of New Jersey is permitting municipalities and counties to include the June 30, 2021 information in the Notes to the Financial Statements as the June 30, 2022 information has not been released as of the date of this audit.

Additionally, the State's proportionate share of the net pension liability attributable to the Township is \$7,637,425 as of June 30, 2021. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. 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, 2021, the State's proportion was 0.371%, which was a decrease of 0.005% from its proportion measured as of June 30, 2020 which is the same proportion as the Township's.

Township's Proportionate Share of the Net Pension Liability	\$ 27,155,306
State's Proportionate Share of the Net Pension Liability Associated with the Township	7,637,425
Total Net Pension Liability	\$ 34,792,731

For the year ended December 31, 2022, the Township recognized total pension expense of \$4,329,988.

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 4: Pension Plans (Cont'd)

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

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions:

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

Employee mortality rates were based on the PubS-2010 amount-weighted mortality table with a 105.6% adjustment for males and 102.5% adjustment for females. For healthy annuitants, mortality rates were based on the PubS-2010 amount-weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females. Disability rates were based on the PubS-2010 amount-weighted mortality table with a 152.0% adjustment for males and 109.3% adjustment for females. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 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, 2021) 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, 2021 are summarized in the following table:

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 4: Pension Plans (Cont'd)

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

Long Term Expected Rate of Return (Cont'd)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%

Discount Rate – PFRS

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 100% 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, 2021 calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 4: Pension Plans (Cont'd)

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

	June 30, 2021		
	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	\$ 52,831,674	\$ 34,792,731	\$ 19,777,259

Pension Plan Fiduciary Net Position – PFRS

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

C. Defined Contribution Retirement Program (DCRP)

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

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

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

For DCRP, the Township recognized pension expense of \$13,888 for the year ended December 31, 2022. Employee contributions to DCRP amounted to \$17,612 for the year ended December 31, 2022.

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.

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 6: Accrued Sick and Vacation Benefits

The Township permits employees to accrue a limited amount of unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed-upon rate. It is estimated that the current cost of such unpaid compensation would approximate \$6,860,000 at December 31, 2022. 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 \$558,000 reflected on the Other Trust Funds' balance sheet as of December 31, 2022 represents partial funding of the total estimated amount.

Note 7: Selected Tax Information

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

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

Comparative Schedule of Tax Rate Information

	<u>2022</u>	<u>2021</u>	<u>2020</u>
<u>Tax Rate</u>	<u>\$ 3.231</u>	<u>\$ 3.096</u>	<u>\$ 3.030</u>
<u>Apportionment of Tax Rate</u>			
Municipal	0.859	0.759	0.728
County	0.319	0.317	0.315
Local School	2.053	2.020	1.987
<u>Assessed Valuations</u>			
2022	<u>\$ 7,293,668,250</u>		
2021		<u>\$ 7,271,860,000</u>	
2020			<u>\$ 7,251,292,350</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 7: Selected Tax Information (Cont'd)

Comparison of Tax Levies and Collection Currently

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

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collections</u>
2022	\$ 241,654,386	\$ 240,085,874	99.35%
2021	231,027,794	229,807,791	99.47%
2020	225,247,446	223,825,221	99.36%

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.

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

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

Deposits:

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

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

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

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;

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

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

Investments (Cont'd)

- (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;
 - (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, 2022, 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>Total</u>
	<u>Cash on Hand</u>	<u>Checking Accounts</u>	
Current Fund	\$ 1,565	\$ 14,744,982	\$ 14,746,547
Federal and State Grant Fund		2,118,770	2,118,770
Animal Control Trust Fund	50	105,686	105,736
Other Trust Fund		24,429,012	24,429,012
General Capital Fund		8,306,430	8,306,430
Water Utility Operating Fund		4,819,220	4,819,220
Water Utility Capital Fund		14,966,476	14,966,476
Sewer Utility Operating Fund		8,105,194	8,105,194
Sewer Utility Capital Fund		17,018,094	17,018,094
Golf and Recreation Utility Operating Fund		855,459	855,459
Golf and Recreation Utility Capital Fund		2,917,662	2,917,662
Public Assistance Fund		4,298	4,298
	<u>\$ 1,615</u>	<u>\$ 98,391,283</u>	<u>\$ 98,392,898</u>

The carrying amount of the Township's cash and cash equivalents at December 31, 2022, was \$98,392,898 and the bank balance was \$100,576,814.

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 9: Risk Management

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

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

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

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

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

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

The December 31, 2022 audit report of the Fund was not filed as of the date of this report. Summarized selected financial information for the Fund as of December 31, 2021 is as follows:

Total Assets	\$ 67,014,327
Net Position	\$ 369,628
Total Revenue	\$ 35,838,488
Total Expenses	\$ 35,819,772
Change in Net Position	\$ 18,716
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, 2022
(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 Sun Life 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 Self Insurance Fund for claims incurred but not reported as of December 31, 2022 of \$4,035,345, 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 Health Benefit Self Insurance Fund is detailed as follows:

	<u>2022</u>	<u>2021</u>
Balance, Beginning of the Year	\$ 3,578,694	\$ 4,017,736
Provision for Insured Events	<u>13,557,086</u>	<u>11,946,156</u>
	17,135,780	15,963,892
Claims and Claim Adjustment Expenses Attributable to Insured Events	<u>13,100,435</u>	<u>12,385,198</u>
Balance, End of the Year	<u>\$ 4,035,345</u>	<u>\$ 3,578,694</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(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, 2022.

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:

	2022	2021
Balance, Beginning of the Year	\$ 25,863	\$ 108,458
Provisions for Insured Events	1,543,906	1,552,312
	1,569,769	1,660,770
Claims and Claim Adjustment Expenses Attributable to Insured Events	1,446,303	1,634,907
Balance, End of the Year	\$ 123,466	\$ 25,863

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, 2022. 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 \$123,466.

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 9: Risk Management (Cont'd)

Workers' Compensation Loss Reserves (Cont'd)

Loss reserves, at December 31, 2022 and 2021, respectively, which have been estimated by the Fund's Actuary and Servicing Agents, are as follows:

	2022	2021
Case Reserves	\$ 5,561,172	\$ 5,503,444
Less: Excess Coverage	3,609,151	4,065,851
Total Loss Reserves (Expenses)	\$ 1,952,021	\$ 1,437,593

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
2022	\$ 157,500	\$ 58,820	\$ 24,585	\$ 968,469
2022	100,000	54,869	27,221	776,734
2021	146,880	52,083	54,253	649,086

Note 10: Deferred Compensation Plan

The Township of Parsippany-Troy Hills offers its employees four deferred compensation plans (the "Plans") 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, 2022
(Continued)

Note 11: Interfund Receivables and Payables

The following interfund balances remain on the balance sheet at December 31, 2022:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 9,235	
Animal Control Fund		\$ 9,235
Other Trust Funds	300,000	
Water Utility Operating Fund		150,000
Sewer Utility Operating Fund		150,000
	<u>\$ 309,235</u>	<u>\$ 309,235</u>

The Township utilizes the Current Fund as a clearing account for receipts and disbursements of the other funds. The interfund between Current Fund and Animal Control Fund represents the statutory excess due to Current Fund at the end of the year. The interfund between Water Utility Operating Fund and Other Trust Funds represents appropriations for self-insurance due to the Other Trust Fund. The interfund between Sewer Utility Operating Fund and Other Trust Funds represents appropriations for self-insurance due to the Other Trust Fund.

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, 2022.

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 \$1,476,318 which it believes is sufficient to cover any potential loss.

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 Operating Fund balance sheet at December 31, 2022 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, 2022
(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, 2022, the Township had the following deferred charges:

	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Required</u> <u>2023 Budget</u> <u>Appropriation</u>	<u>Balance</u> <u>to Years</u> <u>Subsequent</u> <u>Budgets</u>
Current Fund:			
Special Emergency Appropriation	\$ 4,294,829	\$ 1,216,314	\$ 3,078,515
Golf and Recreation Utility Operating Fund:			
Emergency Appropriation	250,000	250,000	

The appropriations in the 2023 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, 2022, 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, 2022
(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 \$649,870 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 2022 without the abatement would have been \$822,243 of which \$197,576 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, 2022
(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 2023, there was a total of 602 active employees and retirees, reflecting the sum of 421 active employees (374 electing coverage and 47 waiving coverage) and 181 retirees including 22 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 \$192,795,289 was measured as of December 31, 2022 and was determined by an actuarial valuation based on census information provided in May 2023.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the fiscal year January 1, 2022 to December 31, 2022 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	4.18%
Salary Increases	3.00% per year

The discount rate used was 4.18% which is based on an end of year measurement date of 12/31/22 and is consistent with the prescribed discount interest rate methodology under GASB 74/75. The valuation discount rate was 4.18%.

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(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):

<u>Health Care Trend Rates</u>	<u>Year</u>	<u>Pre 65</u>	<u>Post 65</u>
Year 1 Trend	January 1, 2024	7.00%	7.00%
Ultimate Trend	2034 & 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-2021.

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, 2022	\$ 308,128,045
Changes for Year:	
Service Cost	2,408,347
Interest on total OPEB Liability	12,755,124
Change in Assumptions	(124,533,133)
Benefit Payments	<u>(5,963,094)</u>
Net Changes	<u>(115,332,756)</u>
Balance at December 31, 2022	<u>\$ 192,795,289</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(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 (3.18 percent) or 1 percentage higher (5.18 percent) than the current discount rate:

	December 31, 2022		
	1%	Discount Rate	1%
	Decrease (3.18%)	(4.18%)	Increase (5.18%)
Total OPEB Liability	\$ 233,659,659	\$ 192,795,289	\$ 162,010,911

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, 2022		
	1%	Valuation Healthcare Trend Rates	1%
	Decrease		Increase
Total OPEB Liability	\$ 160,767,481	\$ 192,795,289	\$ 235,175,758

OPEB Expense

For the year ended December 31, 2022, the Township's OPEB expense was \$8,237,512 as determined by the actuarial valuation.

Actual retiree payments to 169 retired employees in 2022 were \$4,460,254.

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(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) annual financial statements, 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, 2022
 (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, 2020 through June 30, 2021. 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, 2022
(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 Township has rolled forward the net OPEB liability as of June 30, 2021 with no adjustments. The Division of Local Government Services, Department of Community affairs, State of New Jersey is permitting municipalities and counties to include June 30, 2021 OPEB information in the Notes to the Financial Statements as the June 30, 2022 OPEB information has not been released as of this audit report.

The total OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021.

The State's proportionate share of the net OPEB liability attributable to the Township at June 30, 2021 was \$23,763,646. At June 30, 2021, the State's proportion related to the Township was .615422%. This is the percentage of the total State Share of the net OPEB liability of the Plan. During the year ended June 30, 2021, the State of New Jersey's OPEB benefit related to the Township was \$3,242,639.

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-2021
- PFRS Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(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, 2020 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 is initially is 5.65% for fiscal year 2021 and decreases to a 4.5% long term trend rate after seven years. For PPO post 65 medical benefits, the trend rate is initially 13.08% and decreases to a 4.5% long term trend rate starting with fiscal year 2032 and later. For HMO Post 65 medical benefits, the trend rate is initially 13.76% and decreases to a 4.50% long term trend rate starting with fiscal year 2032 and later. For prescription drug benefits, the initial trend rate is 6.75% for fiscal year 2021 and decreases to a 4.5% long term rate after seven years.

Discount Rate

The discount rate for June 30, 2021 was 2.16%. The discount rate for June 30, 2020 was 2.21%. 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, 2022 and 2021:

	(Restated)			
	Balance		Deletions/ Adjustments	Balance
	Dec. 31, 2021	Additions		Dec. 31, 2022
Land	\$ 114,261,584			\$ 114,261,584
Buildings	32,940,200			32,940,200
Machinery and Equipment	42,730,216	\$ 3,362,667	\$ (953,402)	45,139,481
	<u>\$ 189,932,000</u>	<u>\$ 3,362,667</u>	<u>\$ (953,402)</u>	<u>\$ 192,341,265</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 17: Fixed Assets (Cont'd)

	Balance Dec. 31, 2020	Additions	Deletions/ Adjustments	Balance Dec. 31, 2021
Land	\$ 114,261,584			\$ 114,261,584
Buildings	42,407,748			42,407,748
Machinery and Equipment	33,312,888			33,312,888
Construction in Progress	13,363,613			13,363,613
	<u>\$ 203,345,833</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 203,345,833</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, 2022 and 2021 were \$6,510,098 and \$5,560,750, respectively.

Note 19: Leases

The Township implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, during the current year.

The Township has several lease agreements for the lease of the Township's cell towers. The terms of the lease are for five years in length with one additional renewal term of five years. The total lease payments in 2022 were approximately \$745,476.

The Township entered into a lease agreement in 2012 with the Morris County Municipal Utilities Authority for the operation of a transfer station located in Parsippany-Troy Hills for a term of twenty five years. The lease has monthly lease payments and lease payments are increased annually based on the Consumer Price Index. The total lease payments for 2022 were approximately \$243,991.

The Township entered into a lease agreement in 2022 for the leasing of 160 electric powered golf carts for a five year period beginning in 2023 with a unit price per cart per season of \$1,149.16.

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 20: Prior Year Adjustment

A prior year adjustment was made to reflect a reappraisal of fixed assets conducted by the Township as follows:

	Balance 12/31/2021 as Previously Reported	Retroactive Adjustments	Balance 12/31/2021 as Restated
<u>General Fixed Assets Account Group</u>			
Assets:			
Buildings	\$ 42,407,748	\$ (9,467,548)	\$ 32,940,200
Machinery and Equipment	33,312,888	9,417,328	42,730,216
Construction in Progress	13,363,613	(13,363,613)	
Total Assets	203,345,833	(13,413,833)	189,932,000
Reserves:			
Reserve for Fixed Assets	203,345,833	(13,413,833)	189,932,000
Total Reserves	203,345,833	(13,413,833)	189,932,000

TOWNSHIP OF PARSIPPANY-TROY HILLS

SUPPLEMENTARY DATA

TOWNSHIP OF PARSIPPANY-TROY HILLS
ROSTER OF OFFICIALS
YEAR ENDED DECEMBER 31, 2022

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

Name	Title	Amount of Bond	Name of Corporate or Personal Surety
James R. Barberio	Mayor		
Michael J. dePiero	Council President		
Loretta Gragnani	Council Vice President		
Paul Carifi, Jr.	Councilman		
Justin Musella	Councilman		
Frank Neglia	Councilman		
Frederick Carr	Administrator	*	
Khaled Madin	Clerk	*	
Juan Uribe	Chief Financial Officer (To 9/30/22)	\$1,000,000	Garden State Municipal Joint Insurance Fund
Leonard Ho	Chief Financial Officer (From 10/01/22)	\$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		
Michael B. Lavery	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
2022
CURRENT FUND

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

	<u>Ref.</u>	
Balance December 31, 2021	A	\$ 36,074,878.50
Increased by Receipts:		
Tax Collector	\$ 241,052,972.31	
Revenue Accounts Receivable	19,737,223.85	
Miscellaneous Revenue Not Anticipated	1,049,974.85	
Due from / to State of New Jersey:		
Veterans and Senior Citizens' Deductions	211,906.89	
Construction Code Fees Payable	220,376.00	
Marriage License Fees Payable	2,850.00	
Interest on Investments	423,211.21	
Reserve for Accumulated Revenue Unappropriated -		
Watershed Moratorium	55,178.00	
Special Emergency Notes Payable	3,322,000.00	
Due to/from:		
Other Trust Funds:		
Interfund Advanced/Returned	2,000,321.89	
General Capital Fund:		
Interfund Advanced/Returned	83,915.44	
Golf and Recreation Utility Operating Fund:		
Interfund Advanced/Returned	2,541,330.39	
Golf and Recreation Utility Capital Fund		
Interfund Advanced/Returned	343,940.52	
Payroll - Interfund Advanced/Returned	168,378.32	
Appropriation Refunds	950,959.40	
Appropriation Reserve Refunds	16,914.92	
	272,181,453.99	308,256,332.49

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

Ref.

Decreased by Disbursements:			
2022 Appropriation Expenditures		\$ 78,320,650.07	
2021 Appropriation Reserves		2,266,767.82	
Accounts Payable		85,878.22	
Tax Overpayment Refunds		216,223.24	
Local School District Taxes		149,686,013.00	
County Taxes		23,269,306.63	
Specific District Taxes		5,281,418.00	
Due State of New Jersey:			
Construction Code Fees Payable		168,285.00	
Marriage License Fees Payable		3,800.00	
Reserve for Tax Appeals		296,490.00	
Special Emergency Notes Payable		3,370,136.00	
Due to / from:			
Federal and State Grant Fund:			
Interfund Advanced/Returned		1,756,806.48	
Animal Control Fund			
Interfund Advanced/Returned		12,049.06	
Other Trust Funds			
Open Space Tax Levy		1,462,665.45	
Budget Appropriation:			
Deficit Workers' Compensation Trust		90,624.61	
General Capital Fund:			
Interfund Advanced/Returned		6,841,800.32	
Water Utility Operating Fund:			
Interfund Advanced/Returned		101,991.04	
Water Utility Capital Fund:			
Interfund Advanced/Returned		10,164,889.09	
Sewer Utility Operating Fund:			
Interfund Advanced/Returned		2,589,087.91	
Sewer Utility Capital Fund:			
Interfund Advanced/Returned		7,391,493.28	
Refund of Current Year Revenue:			
Other Licences		200.00	
Municipal Court		134,142.84	
Uniform Construction Code Fees		632.25	
		\$ 293,511,350.31	
Balance December 31, 2022	A		\$ 14,744,982.18

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2022

Increased by Receipts:		
Taxes Receivable	\$ 238,997,961.53	
2023 Prepaid Taxes	1,544,136.98	
Interest and Costs on Taxes	400,083.00	
Tax Overpayments	<u>110,790.80</u>	
		\$ 241,052,972.31
Decreased by:		
Payments to Treasurer		<u><u>\$ 241,052,972.31</u></u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
SCHEDULE OF CASH - GRANT FUNDS

	<u>Ref.</u>	
Balance December 31, 2021	A	\$ -0-
Increased by Receipts:		
Due from Current Fund	\$ 1,756,806.48	
Federal and State Grants Receivable	871,339.83	
Unappropriated Reserves	<u>15,516.27</u>	
		<u>2,643,662.58</u>
		2,643,662.58
Decreased by:		
Appropriated Reserves	518,894.37	
Due to Other Trust Fund	697.80	
Due to Open Space Trust Fund	<u>5,299.93</u>	
		<u>524,892.10</u>
Balance December 31, 2022	A	<u><u>\$ 2,118,770.48</u></u>

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, 2022
	Dec 31, 2021	2022 Levy	2021	2022				
2020	\$ 274.75			\$ 0.11				\$ 274.64
2021	938,945.66			953,883.89	\$ (15,188.33)			250.10
	939,220.41			953,884.00	(15,188.33)			524.74
2022		\$241,654,386.29	\$ 1,814,437.60	238,044,077.53	227,358.83	\$ 43,029.07	\$ 199,057.99	1,326,425.27
	\$ 939,220.41	\$241,654,386.29	\$ 1,814,437.60	\$238,997,961.53	\$ 212,170.50	\$ 43,029.07	\$ 199,057.99	\$ 1,326,950.01

Ref. A

Analysis of 2022 Property Tax Levy

Tax Yield:

General Purpose Tax	\$235,648,355.27
Business Personal Property Taxes	13,074.24
Special District Taxes	5,332,363.07
Added and Omitted Taxes	660,593.71
	<u>\$241,654,386.29</u>

Tax Levy:

Local School District Taxes	\$149,686,013.00
Open Space Taxes	1,462,665.45
Special District Taxes	5,281,418.00
County Taxes	
Due County for Added and Omitted Taxes	\$ 23,205,349.08
	<u>63,957.55</u>
	23,269,306.63
	<u>179,699,403.08</u>

Local Tax for Municipal Purposes Levied

Minimum Library Tax Levied	58,280,084.79
Add: Additional Tax Levied	2,995,088.03
	<u>679,810.39</u>
	61,954,983.21
	<u>\$241,654,386.29</u>

A

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

	<u>Ref.</u>	
Balance December 31, 2021	A	\$ 1,013,261.39
Increased by:		
Transfer from Taxes Receivable		<u>199,057.99</u>
Balance December 31, 2022	A	<u>\$ 1,212,319.38</u>

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

	Balance Dec 31, 2021	Accrued in 2022	Received in 2022	Balance Dec 31, 2022
Clerk:				
Alcoholic Beverages Licenses		\$ 93,230.00	\$ 93,230.00	
Other Licenses		80,934.00	80,934.00	
Health:				
Other Licenses		181,585.00	181,585.00	
Registrar:				
Other Licenses		7,672.00	7,672.00	
Fees and Permits:				
Registrar		2,625.00	2,625.00	
Zoning		80,551.65	80,551.65	
Engineering		115,625.06	115,625.06	
Fire Prevention		392,220.60	392,220.60	
Planning Board		85,008.40	85,008.40	
Recreation		2,664.70	2,664.70	
Board of Housing		216,050.00	216,050.00	
Recycling		120,080.14	120,080.14	
Administration		6,150.00	6,150.00	
Tax Collector		345.00	345.00	
Police		11,762.10	11,762.10	
Municipal Court:				
Fines and Costs	\$ 10,290.46	341,159.50	338,606.82	\$ 12,843.14
Garbage and Trash Removal		1,792,205.37	1,792,205.37	
Community Center Revenue - Concession Rents		158,264.25	158,264.25	
Hotel Tax		1,700,220.76	1,700,220.76	
Ambulance Service Billing		879,043.52	879,043.52	
Lease Rentals		745,476.33	745,476.33	

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

	Balance Dec 31, 2021	Accrued in 2022	Received in 2022	Balance Dec 31, 2022
Energy Receipts Taxes	\$ 4,495,023.00	\$ 4,495,023.00	\$ 4,495,023.00	
Watershed Moratorium		55,178.00	55,178.00	
Construction Code Official:				
Fees and Permits		2,160,337.25	2,160,337.25	
Uniform Fire Safety Act		225,724.80	225,724.80	
Municipal Court - Shared Services		262,286.00	262,286.00	
The American Rescue Plan Act Allocation		2,763,763.50	2,763,763.50	
Municipal Relief Fund Aid		234,477.86	234,477.86	
General Capital Fund - Reserve for Debt Service		170,000.00	170,000.00	
Sewer Utility Operating Surplus of Prior Year		1,500,000.00	1,500,000.00	
Cablevision Franchise Fees		265,420.74	265,420.74	
Payment in Lieu of Taxes - BT Property LLC (UPS)		649,870.00	649,870.00	
	\$ 10,290.46	\$ 19,794,954.53	\$ 19,792,401.85	\$ 12,843.14
<u>Ref.</u>	A			A
Cash Received			\$ 19,737,223.85	
Reserve for Accumulated Revenue				
Unappropriated - Watershed Moratorium			55,178.00	
			\$ 19,792,401.85	

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

	<u>Ref.</u>	
Balance December 31, 2021	A	<u>\$ 191,926.95</u>
Balance December 31, 2022	A	<u><u>\$ 191,926.95</u></u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
SCHEDULE OF 2021 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2022

	Balance Dec 31, 2021	Balance After Modification	Paid or Charged	Balance Lapsed
GENERAL GOVERNMENT:				
Executive:				
Salaries and Wages	\$ 47,726.96	\$ 47,726.96		\$ 47,726.96
Other Expenses	17,325.85	17,325.85	\$ 11,325.49	6,000.36
General Administration:				
Salaries and Wages	20,898.81	20,898.81		20,898.81
Other Expenses	19,003.39	19,003.39	17,830.90	1,172.49
Township Council:				
Salaries and Wages	2,474.02	2,474.02		2,474.02
Other Expenses	650.00	650.00	170.00	480.00
Municipal Clerk:				
Salaries and Wages	7,477.18	7,477.18	1,802.30	5,674.88
Other Expenses	12,590.08	12,590.08	2,152.78	10,437.30
Grant Writer:				
Other Expenses	3,300.00	3,300.00		3,300.00
Treasury:				
Salaries and Wages	18,516.07	18,516.07		18,516.07
Other Expenses	33,599.02	33,599.02	2,620.60	30,978.42
Audit				
Other Expenses	577.81	577.81		577.81
Tax Collection:				
Salaries and Wages	5,676.77	5,676.77		5,676.77
Other Expenses	6,390.54	6,390.54	205.29	6,185.25
Tax Assessing:				
Salaries and Wages	2,504.47	2,504.47		2,504.47
Other Expenses	6,934.20	6,934.20	4,975.05	1,959.15
Legal Services and Costs:				
Other Expenses	180,092.90	240,092.90	236,238.28	3,854.62
Engineering Services and Costs:				
Salaries and Wages	13,370.69	13,370.69		13,370.69
Other Expenses	15,126.90	15,126.90	5,398.97	9,727.93
LAND USE ADMINISTRATION				
Department of Planning:				
Salaries and Wages	3,734.16	3,734.16		3,734.16
Other Expenses	16,537.00	16,537.00	15,629.32	907.68
Board of Adjustment:				
Salaries and Wages	41,566.23	41,566.23		41,566.23
Other Expenses	1,462.39	1,462.39	820.03	642.36
Housing and Zoning Code Enforcement:				
Salaries and Wages	14,745.91	14,745.91		14,745.91
Other Expenses	22,928.52	22,928.52	6,470.05	16,458.47

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
SCHEDULE OF 2021 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2022

	Balance Dec 31, 2021	Balance After Modification	Paid or Charged	Balance Lapsed
INSURANCE:				
Unemployment Insurance	\$ 58,099.00	\$ 58,099.00		\$ 58,099.00
Liability Insurance	70,476.23	476.23		476.23
Worker Compensation	103,033.48	103,033.48	\$ 103,000.00	33.48
Employee Health and Group Life	99,063.53	169,063.53	168,967.93	95.60
Health Benefit Waivers	29,123.43	29,123.43		29,123.43
PUBLIC SAFETY:				
Police Department:				
Salaries and Wages	164,096.80	164,096.80		164,096.80
Other Expenses	304,643.08	304,643.08	197,530.36	107,112.72
Office of Emergency Management:				
Salaries and Wages	1,377.49	1,377.49		1,377.49
Other Expenses	25,332.42	25,332.42	14,123.60	11,208.82
Fire Prevention Bureau:				
Salaries and Wages	11,559.51	11,559.51		11,559.51
Other Expenses	6,553.17	6,553.17	6,087.80	465.37
Municipal Court:				
Salaries and Wages	15,315.20	15,315.20		15,315.20
Other Expenses	17,725.78	17,725.78	5,467.85	12,257.93
Prosecutor:				
Salaries and Wages	30,004.00	30,004.00		30,004.00
Other Expenses	4,750.00	4,750.00	2,750.00	2,000.00
PUBLIC WORKS:				
Street and Road Maintenance:				
Salaries and Wages	17,805.15	17,805.15	774.42	17,030.73
Other Expenses	242,553.83	242,553.83	161,992.45	80,561.38
Garbage and Trash Removal:				
Salaries and Wages	128,257.72	128,257.72		128,257.72
Other Expenses	335,690.91	335,690.91	196,416.14	139,274.77
Buildings and Grounds:				
Salaries and Wages	13,774.96	13,774.96		13,774.96
Other Expenses	486,604.88	486,604.88	40,765.48	445,839.40
Vehicle Maintenance:				
Other Expenses	147,844.98	147,844.98	146,393.59	1,451.39
Condominium Cost	227,822.35	227,822.35	211,862.75	15,959.60
HEALTH AND HUMAN SERVICES:				
Public Health Services:				
Salaries and Wages	4,391.92	4,391.92		4,391.92
Other Expenses	12,640.03	12,640.03	5,060.79	7,579.24

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
SCHEDULE OF 2021 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2022

	<u>Balance</u> <u>Dec 31, 2021</u>	<u>Balance</u> <u>After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Senior Citizen Center:				
Salaries and Wages	\$ 9,189.35	\$ 9,189.35		\$ 9,189.35
Other Expenses	22,886.85	22,886.85	\$ 1,642.01	21,244.84
Contribution to Day Care Center	15,400.00	15,400.00	15,000.00	400.00
Ambulance Services:				
Salaries and Wages	5,481.13	5,481.13		5,481.13
Other Expenses	128,403.85	128,403.85	56,405.55	71,998.30
RECREATION AND EDUCATION:				
Recreation Services:				
Salaries and Wages	112,239.54	52,239.54		52,239.54
Other Expenses	16,339.49	16,339.49	16,339.49	
Maintenance of Parks:				
Salaries and Wages	267,118.30	267,118.30		267,118.30
Other Expenses	163,905.87	163,905.87	123,644.03	40,261.84
Utilities:				
Utilities and Gasoline	261,967.19	261,967.19	214,209.48	47,757.71
Solid Waste Disposal Costs	173,762.14	173,762.14	156,175.09	17,587.05
Uniform Construction Code:				
Department of Buildings and Inspections:				
Salaries and Wages	105,959.60	105,959.60		105,959.60
Other Expenses	55,789.48	55,789.48	52,904.48	2,885.00
Prior Years' Bills - Centnnium	35,000.00	35,000.00		35,000.00
Contribution to :				
Social Security System (O.A.S.I)	74,976.83	74,976.83		74,976.83
DCRP Pension	1,220.05	1,220.05		1,220.05
Contribution to LOSAP	60,000.00	60,000.00	45,720.00	14,280.00
Maintenance of Free Public Library	1,981.23	1,981.23	980.55	1,000.68
	<u>\$ 4,585,370.62</u>	<u>\$ 4,585,370.62</u>	<u>\$ 2,249,852.90</u>	<u>\$ 2,335,517.72</u>

<u>Analysis of Balance December 31, 2021</u>	<u>Ref.</u>
Encumbered	A \$ 544,216.61
Unencumbered	A 4,041,154.01
	<u>\$ 4,585,370.62</u>

<u>Analysis of Paid or Charged</u>	
Cash Disbursed	\$ 2,266,767.82
Less: Refunds	<u>16,914.92</u>
	<u>\$ 2,249,852.90</u>

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

Increased by:

Levy - Calendar Year 2022

\$ 149,686,013.00

Decreased by:

Payments to Local School District

\$ 149,686,013.00

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

Date Authorized	Purpose	Date of		Interest Rate	Balance Dec. 31, 2021	Issued	Matured	Balance Dec. 31, 2022
		Issue	Maturity					
Various	Accrued Vacation and Sick Time Liabilities	11/10/2021	11/09/2022	0.595%	\$ 3,370,136.00	\$ 3,322,000.00	\$ 3,370,136.00	\$ 3,322,000.00
		11/07/2022	11/03/2023	5.100%				
					<u>\$ 3,370,136.00</u>	<u>\$ 3,322,000.00</u>	<u>\$ 3,370,136.00</u>	<u>\$ 3,322,000.00</u>
				<u>Ref.</u>	A			A
				New Issue		\$ 3,322,000.00	\$ 3,370,136.00	
				Retired			\$ 3,370,136.00	
						<u>\$ 3,322,000.00</u>	<u>\$ 3,370,136.00</u>	<u>\$ 3,322,000.00</u>

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

Grant	2021		2022		Transfer from Unappropriated Reserves	Balance Dec 31, 2022
	Balance Dec 31, 2021	Revenue Realized	Revenue Realized	Received		
Clean Communities Program		\$ 113,932.96	\$ 113,932.96			
Bulletproof Vest Partnership Grant	\$ 11,575.10	11,680.20	11,680.20		\$ 11,680.20	\$ 11,575.10
Recycling Tonnage Grant		120,394.53	120,394.53			
Municipal Alliance Grant 2022/2023		4,909.77	4,909.77			
Municipal Alliance Grant 2021/2022	746.41					746.41
Municipal Alliance Grant 2020/2021	13,140.00					13,140.00
Click It or Ticket	1,080.00	5,250.00	5,250.00			1,080.00
Highlands Initial Assessment	12,057.67					12,057.67
Drive Sober or Get Pulled Over	1,595.00					1,595.00
Recreation for Individuals with Disabilities	53.14	32,712.32	32,712.32			53.14
NJ Trafficking Org Task Force (NJ HIDTA)	15,000.00					15,000.00
Distracted Driving Statewide Crackdown Grant	2,380.00	10,500.00	10,500.00			12,880.00
Smith Baldwin House Archaeological Investment	16,456.00					16,456.00
NJDEP - It Pays to Plug In - NJ Electric Vehicle Charging Grant	12,000.00					12,000.00
NJ DOT - Greenbank Road Safety & Improvements	98,125.00					98,125.00
NJDOT - Jefferson Road Improvement		760,000.00	760,000.00			760,000.00
NJDOT - Edwards Road Phase I		300,000.00	300,000.00			
State Body Armor Replacement Program		10,939.91	10,939.91		6,699.66	
Sustainable Jersey	12,000.00					12,000.00
Community Development Block Grant	216,090.00					216,090.00
Smith Baldwin House Renovation	250,000.00			225,000.00		25,000.00
Highlands Water Protection and Planning Council	182,532.00					182,532.00
Donation - Provident Bank - Summer Concerts Series	5,000.00					5,000.00
NJDOT - North Beverwyck Rd Streetscape Phase II	316,400.00					316,400.00

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

Grant	Balance Dec 31, 2021	2022		Received	Transfer from Unappropriated Reserves	Balance Dec 31, 2022
		Revenue Realized				
Morris County Historic Preservation Trust - Smith-Baldwin House Shutters	\$ 42,372.00	\$ 14,124.00				\$ 56,496.00
Morris County Historic Preservation Trust - Smith-Baldwin House ADA Compliance	11,388.00	3,796.00				15,184.00
Smith Baldwin Construction Documents		39,800.00		\$ 50,000.00		39,800.00
Contribution - Waterview Assistance with Waterways Cleanup		50,000.00			\$ 10,000.00	
Emergency Management Performance		20,000.00		10,000.00		
Law and Public Safety - Division of Highway Traffic Safety		2,460.00		420.00		2,040.00
PSE&G 2021 Small Grants Award		2,000.00			2,000.00	
Target Youth Soccer		1,000.00			1,000.00	
Pedestrian Safety Grant		4,480.00		4,480.00		
ANJEC Open Space Stewardship Grant	1,000.00					1,000.00
	<u>\$ 1,220,990.32</u>	<u>\$ 1,507,979.69</u>		<u>\$ 871,339.83</u>	<u>\$ 33,419.86</u>	<u>\$ 1,824,210.32</u>
	<u>Ref. A</u>					<u>A</u>
Original Budget		\$ 1,032,074.98				
Added by NJSA 40A:4-87		475,904.71				
		<u>\$ 1,507,979.69</u>				

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

Grant	Balance Dec 31, 2021	Cash Received	Transferred to Grant Receivable	Balance Dec 31, 2022
Municipal Alliance		\$ 9,408.00		\$ 9,408.00
Bulletproof Vest Partnership Grant	\$ 11,680.20		\$ 11,680.20	
Emergency Management Performance Grant	10,000.00		10,000.00	
Body Armor Replacement Fund	6,699.66	5,388.27	6,699.66	5,388.27
Division of Highway Traffic Safety	2,040.00	720.00	2,040.00	720.00
PSE&G Small Grants Award	2,000.00		2,000.00	
Target Youth Soccer Grant	1,000.00		1,000.00	
	<u>\$ 33,419.86</u>	<u>\$ 15,516.27</u>	<u>\$ 33,419.86</u>	<u>\$ 15,516.27</u>
<u>Ref.</u>	A			A

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

Grant	Balance	Transfer from	Paid or	Balance
	Dec 31, 2021	2022 Budget Appropriations		
Drunk Driving Enforcement Fund - FY 2019	\$ 8,564.45			\$ 8,564.45
Clean Communities Program - FY 2021	5,544.48		5,544.48	3,077.30
Clean Communities Program - FY 2022		\$ 113,932.96	110,855.66	11,104.65
Body Armor Replacement Fund	560.74	10,939.91	396.00	2,501.43
No Net Loss Grant - PF14-07	2,501.43			66,427.89
Recycling Tonnage Grant - FY 2022		120,394.53	53,966.64	
Recycling Tonnage Grant - FY 2021	47,661.44		47,661.44	
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
Recreation for Individuals with Disabilities	53.14	32,712.32	32,712.32	53.14
Stream Cleaning and Desnagging	300,000.00			300,000.00
Federal Emergency Management Agency:				
Emergency Management Performance Guarantee	16,400.00	20,000.00	6,400.00	30,000.00
National Priority Safety Program Grant /				
Pedestrian Safety Grant	12,210.00	4,480.00	5,190.00	11,500.00
Law and Public Safety - Division of Highway Traffic Safety		2,460.00		2,460.00
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
NJDOT - Jefferson Road Improvement		760,000.00		760,000.00
NJDOT - Edwards Road Phase I		300,000.00		300,000.00

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

Grant	Balance	Transfer from	Paid or	Balance
	Dec 31, 2021	2022 Budget Appropriations		
Municipal Alliance Match 2019/20	\$ 7,036.00			\$ 7,036.00
Municipal Alliance 2019/20	21,140.00			21,140.00
Municipal Alliance Match 2020/21	5,285.00			5,285.00
Municipal Alliance 2020/21	746.41			746.41
Municipal Alliance 2022/23		\$ 4,909.77	\$ 4,909.77	
Donation - Elks Lodge Fire Trailer	2,606.00			2,606.00
Best Friends Animal Society RRSTA Grant	717.47			717.47
Best Friends Animal Society - RRSTA Covid Relief Grant	128.01			128.01
Donation - Spencer Savings PPE Grant	1,800.00			1,800.00
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
Donation - EMS COVID-19	100.00			100.00
CARES ACT - Stimulus	21,756.97			21,756.97
Target Youth Soccer Grant	2,000.00	1,000.00		3,000.00
Contribution - Waterview Assistance with Waterways Cleanup		50,000.00		50,000.00
Smith Baldwin House Renovation	223,815.15	57,720.00	227,643.67	53,891.48
Distracted Driving Statewide Crackdown Grant	540.00	10,500.00	420.00	10,620.00
Body Worn Camera Program-Police	56,169.92			56,169.92
Sustainable Jersey	22,000.00			22,000.00
PSE&G 2021 Small Grants Award		2,000.00		2,000.00
NJ DEP Performance Partnership	1,999.15			1,999.15

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

Grant	Balance Dec 31, 2021	Transfer from 2022 Budget Appropriations	Paid or Charged	Balance Dec 31, 2022
Community Development Block Grant	\$ 216,090.00			\$ 216,090.00
Highlands Water Protection and Planning Council	196,412.50			196,412.50
Donation - American Endowment Foundation - Senior Citizens Activities	1,000.00			1,000.00
Donation - Provident Bank - Summer Concerts Series	5,000.00			5,000.00
NJDOT - North Beverwyck Rd Streetscape Phase II	316,400.00			316,400.00
Onyx Contribution Fireworks Show - 4th of July 2021	16,467.59		\$ 16,467.59	
Matching Funds for Grants	40,000.00			40,000.00
American Endowment Foundation - Chao Charitable Fund Grant	3,000.00			3,000.00
ANJEC Open Space Stewardship Grant	1,000.00			1,000.00
Click It or Ticket	5,040.00	\$ 5,250.00	4,610.00	5,680.00
Bulletproof Vest Partnership Grant	16,977.70	11,680.20	2,116.80	26,541.10
NJ Trafficking Org Task Force (NJ HIDTA)	15,000.00			15,000.00
NJDEP - It Pays to Plug In - NJ Electric Vehicle Charging Grant	12,000.00			12,000.00
Senior Citizen of the Year Award - Charitable Trust Donation	6,000.00			6,000.00
	<u>\$ 2,938,379.21</u>	<u>\$ 1,507,979.69</u>	<u>\$ 518,894.37</u>	<u>\$ 3,927,464.53</u>

Ref. A

A

Grant Funds:
Original Budget \$ 1,032,074.98
Added by NJSA 40A:4-87 475,904.71

\$ 1,507,979.69

TOWNSHIP OF PARSIPPANY-TROY HILLS
COUNTY OF MORRIS
2022
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, 2021	B	\$ 83,314.12	\$ 24,966,389.61
Increased by Receipts:			
Animal Control Fees		\$ 22,314.60	
Due to State of New Jersey		2,444.40	
Miscellaneous		5,855.22	
Reserve for Donations		4,536.00	
Replacement Fees		8.00	
Special Deposits			\$ 5,186,408.21
Premiums on Tax Sale			1,631,400.00
Off Duty Police Deposits			1,888,357.56
Employee Health Benefit Self Insurance Fund			13,257,086.36
National Opioid Reserve			48,144.56
Open Space Trust Reserve:			
Deposits and Interest			4,006,473.56
Open Space Tax Levy			1,462,665.45
Worker's Compensation			1,441,544.78
Unemployment Insurance Trust Fund Deposits			216,320.01
Community Development Block Grant Receivable			465,688.12
Due Current Fund:			
Interest			82,054.74
Budget Appropriation		165,000.00	
Interfund Returned		12,049.06	
Due Federal and State Grant Fund - Grants Receivable			5,997.73
Due Payroll			78,454.72
Due Public Assistance			99,428.25
		<u>212,207.28</u>	<u>29,960,648.66</u>
		<u>295,521.40</u>	<u>54,927,038.27</u>

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

	Ref.	Animal Control Fund		Other Trust Funds
Decreased by Disbursements:				
Due to State of New Jersey	\$	2,373.60		
Expenditures Under R.S. 4:19-15.11		187,461.62		
Due Current Fund			\$ 2,000,321.89	
Due General Capital Fund			34,999.99	
Due Golf and Recreation Utility Operating Fund			669,791.16	
Off Duty Police			1,558,687.17	
Special Deposits			5,446,351.57	
Employee Health Benefit Self Insurance Fund			13,100,434.87	
Premiums on Tax Sale			1,145,400.00	
Municipal Open Space Preservation Trust Fund			4,519,791.06	
Worker's Compensation			1,531,976.11	
Unemployment Insurance Trust Fund Expenditures			24,584.79	
Community Development Block Grant - Federal Grant Fund Expenditures			465,688.12	
		\$ 189,835.22		\$ 30,498,026.73
Balance December 31, 2022	B	\$ 105,686.18		\$ 24,429,011.54

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

	<u>Ref.</u>		
Balance December 31, 2021	B		\$ 52,026.00
Increased by:			
Animal License Fees Collected		\$ 22,314.60	
Replacement Tag Fees		8.00	
Miscellaneous Fees		5,855.22	
Budget Appropriation		<u>165,000.00</u>	
			<u>193,177.82</u>
			245,203.82
Decreased by:			
Animal Control Fund Expenditures Under R.S. 4:19-15.11		187,461.62	
Statutory Excess- Due to Current Fund		<u>9,235.20</u>	
			<u>196,696.82</u>
Balance December 31, 2022	B		<u><u>\$ 48,507.00</u></u>

License Fees Collected

<u>Year</u>	<u>Amount</u>
2020	\$ 24,384.60
2021	<u>24,122.40</u>
Maximum Allowable Reserve	<u><u>\$ 48,507.00</u></u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
COUNTY OF MORRIS
2022
GENERAL CAPITAL FUND

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

	<u>Ref.</u>	
Balance December 31, 2021	C	\$ 4,615,096.39
Increased by Receipts:		
Current Fund Budget Appropriation:		
Capital Improvement Fund		\$ 3,100,000.00
Payment of Bond Anticipation Notes		1,191,800.00
Due to/from Current Fund:		
Interest Earned		83,915.44
Interfund Returned/Advanced		6,841,800.32
Due from Other Trust Funds - Fire Prevention		34,999.99
Reserve for Payment of Debt Service:		
Premium on Note Sale		368,209.14
Bond Anticipation Notes Issued		22,849,300.00
Improvement Authorization Refunds		73,243.83
		34,543,268.72
		39,158,365.11
Decreased by Disbursements:		
Improvement Authorization Expenditures		7,737,719.22
Bond Anticipation Notes Matured		22,860,300.00
Due to Current Fund as Anticipated Revenue:		
Reserve for Payment of Debt Service		170,000.00
Due to/from Current Fund		83,915.44
		30,851,934.66
Balance December 31, 2022	C	\$ 8,306,430.45

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

Ord. No.	Improvement Description	Balance Dec. 31, 2021	2022 Improvement Authorizations	Reserve to Pay Debt Service	Funded by Budget Appropriation	Balance Dec. 31, 2022	Analysis of Balance December 31, 2022		
							Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
<u>General Improvements:</u>									
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	916,364.26		\$ 83,526.80
15-22	Various Capital Improvements	2,102,498.97				2,102,498.97	390,464.08		1,712,034.89
16-16	Various Capital Improvements	129,928.24				129,928.24			129,928.24
18-05	Various Road and Sidewalk Improvements	600,943.63				600,943.63	600,463.63		480.00
18-17	Various Capital Improvements	1,299,441.26				1,299,441.26	1,277,183.36		22,257.90
19-09	Various Capital Improvements	2,536,500.00			\$ 920,700.00	1,615,800.00	\$ 1,579,300.00		1,130.00
19-11	Various Capital Improvements	6,609,266.00		\$ 263,234.00		6,872,500.00	6,872,500.00		
20-10	Various Road and Sidewalk Improvements	2,897,500.00				2,897,500.00	2,897,500.00		708,008.00
20-24	Various Capital Improvements	7,479,108.00			271,100.00	7,208,008.00	6,500,000.00		1,880,000.00
21-21	Various Capital Improvements	5,880,000.00				5,880,000.00	4,000,000.00		1,373,524.80
22-13	Various Capital Improvements		\$ 2,906,665.00			2,906,665.00	1,000,000.00		7,718,200.00
22-30	Various Capital Improvements		7,718,200.00			7,718,200.00			
		<u>\$30,538,485.48</u>	<u>\$10,624,865.00</u>	<u>\$ 263,234.00</u>	<u>\$ 1,191,800.00</u>	<u>\$40,234,784.48</u>	<u>\$ 22,849,300.00</u>	<u>\$ 3,756,393.85</u>	<u>\$13,629,090.63</u>

Ref.

C

Improvement Authorizations - Unfunded		\$18,938,972.18
Less: Unexpended Proceeds of Bond Anticipation Notes Issued:		
19-11	\$ 909,776.55	
20-24	1,546,549.54	
21-21	2,853,555.46	
	<u>5,309,881.55</u>	
		<u>\$13,629,090.63</u>

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

	<u>Ref.</u>	
Balance December 31, 2021	C	\$ 152,353.00
Increased by:		
Budget Appropriations		3,100,000.00
		<u>3,252,353.00</u>
Decreased by:		
Appropriated to Finance Improvement Authorizations		532,135.00
		<u>532,135.00</u>
Balance December 31, 2022	C	<u>\$ 2,720,218.00</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, 2021	Issued	Matured	Balance Dec. 31, 2022
		Original Issue	Issue					
19-09	Various Capital Improvements	11/14/19	11/10/21	1.00%	\$ 2,500,000.00	\$ 1,579,300.00	\$ 2,500,000.00	\$ 1,579,300.00
			11/07/22	5.00%				
19-11	Various Capital Improvements	11/14/19	11/10/21	1.00%	6,605,000.00	6,872,500.00	6,605,000.00	6,872,500.00
			11/07/22	5.00%				
20-10	Various Road and Sidewalk Improvements	11/12/20	11/10/21	1.00%	2,897,500.00	2,897,500.00	2,897,500.00	2,897,500.00
			11/07/22	5.00%				
20-24	Various Road and Sidewalk Improvements	11/10/21	11/10/21	1.00%	4,977,800.00	4,439,200.00	4,977,800.00	4,439,200.00
			11/07/22	5.00%		2,060,800.00		2,060,800.00
21-21	Various Road and Sidewalk Improvements	11/10/21	11/10/21	1.00%	5,880,000.00	4,000,000.00	5,880,000.00	4,000,000.00
			11/07/22	5.00%				
22-13	Various Road and Sidewalk Improvements	11/07/22	11/07/22	5.00%		1,000,000.00		1,000,000.00
					<u>\$ 22,860,300.00</u>	<u>\$ 22,849,300.00</u>	<u>\$ 22,860,300.00</u>	<u>\$ 22,849,300.00</u>
			<u>Ref.</u>	<u>C</u>				<u>C</u>
			Renewals			\$ 19,788,500.00	\$ 19,788,500.00	
			New Issues			3,060,800.00		
			Paid by Budget Appropriation				1,191,800.00	
			Redeemed				1,880,000.00	
						<u>\$ 22,849,300.00</u>	<u>\$ 22,860,300.00</u>	<u>\$ 22,849,300.00</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, 2021	Matured	Balance Dec. 31, 2022
			Outstanding Date	Amount	Dec. 31, 2022				
General Improvements	10/26/2010	\$ 14,425,000.00	11/1/2023	\$ 1,150,000.00	3.00%	\$ 2,300,000.00	\$ 1,150,000.00	\$ 1,150,000.00	
General Improvements	09/07/2017	43,827,000.00	9/15/2023	3,000,000.00	2.00%	33,010,000.00	3,000,000.00	30,010,000.00	
			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%				
General Improvements	11/14/2019	22,640,000.00	5/1/2023	2,465,000.00	4.00%	18,070,000.00	2,465,000.00	15,605,000.00	
			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%				
General Improvements	11/12/2020	12,450,000.00	5/1/2029	2,005,000.00	2.25%	11,830,000.00	815,000.00	11,015,000.00	
			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%				
						\$ 65,210,000.00	\$ 7,430,000.00	\$ 57,780,000.00	

Ref.

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Current Fund	\$ 7,255,000.00
Open Space	175,000.00
	<u>\$ 7,430,000.00</u>

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, 2021	Matured	Balance Dec. 31, 2022
			Date	Outstanding Dec. 31, 2022	Amount				
Refunding Bonds	5/15/2012	\$ 15,190,000.00	7/15/2023	\$ 1,460,000.00		5.00%	\$ 5,735,000.00	\$ 1,340,000.00	\$ 4,395,000.00
			7/15/2024	1,470,000.00		4.00%			
			7/15/2025	1,465,000.00		4.00%			
							\$ 5,735,000.00	\$ 1,340,000.00	\$ 4,395,000.00

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, 2022

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, 2021	2022 Improvement Authorizations	Funded by Budget Appropriation	Bond Anticipation Notes Redeemed	Bond Anticipation Notes Issued	Reserve to Pay Debt Service	Balance Dec. 31, 2022
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	2,102,498.97						2,102,498.97
16-16	Various Capital Improvements	129,928.24						129,928.24
18-05	Various Road and Sidewalk Improvements	600,943.63						600,943.63
18-17	Various Capital Improvements	1,299,441.26						1,299,441.26
19-09	Various Capital Improvements	36,500.00		\$ 920,700.00	\$ 2,500,000.00	\$ 1,579,300.00		36,500.00
19-11	Various Capital Improvements	4,266.00			6,605,000.00	6,872,500.00	\$ 263,234.00	
20-10	Various Road and Sidewalk Improvements				2,897,500.00	2,897,500.00		
20-24	Various Capital Improvements	2,501,308.00		271,100.00	4,977,800.00	6,500,000.00		708,008.00
21-21	Various Capital Improvements				5,880,000.00	4,000,000.00		1,880,000.00
22-13	Various Capital Improvements		\$ 2,906,665.00			1,000,000.00		1,906,665.00
22-30	Various Capital Improvements		7,718,200.00					7,718,200.00
		<u>\$ 7,678,185.48</u>	<u>\$ 10,624,865.00</u>	<u>\$ 1,191,800.00</u>	<u>\$ 22,860,300.00</u>	<u>\$ 22,849,300.00</u>	<u>\$ 263,234.00</u>	<u>\$ 17,385,484.48</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
COUNTY OF MORRIS
2022
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, 2021	D	\$ 3,657,595.58	\$ 5,613,187.11
Increased by Receipts:			
Consumer Accounts Receivable		\$ 10,525,003.93	
Water Rent Overpayments		37,828.94	
Interest on Investments		225,198.44	
Miscellaneous Revenue		156,456.34	
Due to/from Current Fund - Interfund Returned		101,991.04	\$ 10,164,889.09
Due from Water Utility Capital Fund:			
Reserve for Payment of Debt Service		45,000.00	
Interfund Returned		584,378.77	
Appropriation Refunds		16,085.65	
Reserve for Payment of Debt Service -			265,445.80
Premium on Sale of Bond Anticipation Notes			16,580,000.00
Bond Anticipation Notes Issued		11,691,943.11	27,010,334.89
		<u>15,349,538.69</u>	<u>32,623,522.00</u>
Decreased by Disbursements:			
2022 Appropriation Expenditures		9,751,020.39	
2021 Appropriation Reserves		328,277.60	
Accrued Interest on Bonds		322,462.50	
Accrued Interest on Notes		125,800.00	
Water Rent Overpayments		2,758.58	
Due to Water Utility Operating Fund			
Reserve to Pay Debt Service:			45,000.00
Utilized as Anticipated Revenue			584,378.77
Due to Water Utility Operating Fund - Interfund Returned			12,580,000.00
Bond Anticipation Notes Matured			4,447,666.89
Improvement Authorizations		10,530,319.07	17,657,045.66
Balance December 31, 2022	D	<u>\$ 4,819,219.62</u>	<u>\$ 14,966,476.34</u>

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

	Balance/ (Deficit) Dec. 31, 2021	Receipts		Disbursements		Balance/ (Deficit) Dec. 31, 2022
		Bond Anticipation Notes	Miscellaneous	Bond Anticipation Notes	Improvement Authorizations	
Fund Balance	\$ 333,197.88					\$ 333,197.88
Due Water Utility Operating Fund	584,378.77					
Due to Current Fund	(10,164,889.09)		\$ 10,164,889.09			\$ 584,378.77
Capital Improvement Fund	314,498.22					314,498.22
Reserve for Payment of Debt Service	287,225.01		265,445.80			507,670.81
Ord. No.						
		General Improvements				
<u>General Improvements:</u>						
12-25	Improvements to Water Utility System	(61.00)				(61.00)
14-25	Improvements to Water Utility System	16,418.27				16,418.27
17-13	Improvements to Water Utility System	68,613.51			\$ 44,184.25	24,429.26
18-18	Improvements to Water Utility System	1,393,288.17			710,454.52	682,833.65
19-13	Improvements to Water Utility System	2,597,798.01			809,183.34	1,788,614.67
19-70	Improvements to Water Utility System	1,607,876.75		\$ 3,000,000.00	206,000.23	1,401,876.52
20-16	Improvements to Water Utility System	2,817,265.34		3,170,000.00	75,302.51	2,741,962.83
20-22	Improvements to Water Utility System	5,757,577.27		6,410,000.00	1,937,048.90	3,820,528.37
21-20	Improvements to Water Utility System			3,000,000.00	617,313.14	2,382,686.86
22-14	Improvements to Water Utility System			1,000,000.00	48,180.00	951,820.00
		\$ 5,613,187.11	\$ 10,430,334.89	\$ 12,580,000.00	\$ 4,447,666.89	\$ 14,966,476.34

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

	<u>Ref.</u>	
Balance December 31, 2021	D	\$ 634,152.55
Increased by:		
Water Rents Levied		10,706,214.55
		<hr/> 11,340,367.10
Decreased by:		
Collections:		
Water Collections	\$ 10,525,003.93	
Overpayments Applied	117,124.77	
		<hr/> 10,642,128.70
Balance December 31, 2022	D	<hr/> <hr/> \$ 698,238.40

WATER UTILITY OPERATING FUND
SCHEDULE OF WATER UTILITY LIENS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2021	D	<hr/> \$ 77,919.45
Balance December 31, 2022	D	<hr/> <hr/> \$ 77,919.45

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

	<u>Ref.</u>	
Balance December 31, 2021	D	\$ 278,473.63
Net Inventory Increase		<u>91,166.37</u>
Balance December 31, 2022	D	<u><u>\$ 369,640.00</u></u>

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

	Balance Dec. 31, 2021	Additions by Budget	Balance Dec. 31, 2022
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	\$ 32,831.69	1,614,501.88
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	80,511.00	758,511.00
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

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

	Balance Dec. 31, 2021	Additions by Budget	Balance Dec. 31, 2022
Main Replacements	\$ 170,000.00		\$ 170,000.00
Supervisory Control and Data Acquisition Communication System Upgrades	350,000.00		350,000.00
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
	\$ 38,599,107.02	\$ 113,342.69	\$ 38,712,449.71
	D		D
		2022 Appropriations \$ 32,831.69	
		2021 Appropriation Reserves 80,511.00	
		\$ 113,342.69	

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

<u>Improvement Description</u>	<u>Ord. No.</u>	<u>Balance Dec.31, 2021</u>	<u>2022 Authorizations</u>	<u>Balance Dec.31, 2022</u>
<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	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
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
Improvements to Water Utility System	21-20	12,700,000.00		12,700,000.00
Improvements to Water Utility System	22-14		\$ 5,150,000.00	5,150,000.00
Improvements to Water Utility System	22-31		5,170,000.00	5,170,000.00
		<u>\$ 37,083,000.00</u>	<u>\$ 10,320,000.00</u>	<u>\$ 47,403,000.00</u>
	<u>Ref.</u>	D		D

TOWNSHIP OF PARSIPPANY-TROY HILLS
WATER UTILITY OPERATING FUND
SCHEDULE OF 2021 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2022

	<u>Balance Dec. 31, 2021</u>	<u>Balance After Modification</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Operating:				
Salaries and Wages	\$ 255,278.72	\$ 255,278.72	\$ 1,210.00	\$ 254,068.72
Other Expenses	593,320.94	593,320.94	396,556.60	196,764.34
Capital Improvements:				
Capital Outlay	114,650.00	114,650.00	80,511.00	34,139.00
Statutory Expenditures:				
Contribution to:				
Social Security (O.A.S.I.)	89,866.96	89,866.96		89,866.96
	<u>\$ 1,053,116.62</u>	<u>\$ 1,053,116.62</u>	<u>\$ 478,277.60</u>	<u>\$ 574,839.02</u>

Analysis of Balance December 31, 2021

	<u>Ref.</u>	
Encumbered	D	\$ 393,069.90
Unencumbered	D	<u>660,046.72</u>
		<u>\$ 1,053,116.62</u>

Analysis of Paid or Charged

Cash Disbursed	\$ 328,277.60
Due to Other Trust Funds	<u>150,000.00</u>
	<u>\$ 478,277.60</u>

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

Ord. No.	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2021		Paid or Charged	2022 Authorizations	
				Funded	Unfunded		Deferred Charges to Future Revenue	Funded
14-25	Improvements to Water Utility System	08/21/14	\$ 880,000.00	\$ 16,418.27		\$ 16,418.27		
17-13	Improvements to Water Utility System	07/11/17	1,075,000.00	68,613.51		\$ 44,184.25	24,429.26	
18-18	Improvements to Water Utility System	09/11/18	2,925,000.00	1,393,288.17		710,454.52	682,833.65	
19-13	Improvements to Water Utility System	06/25/19	4,598,000.00	2,597,798.01		809,183.34	1,788,614.67	
19-70	Improvements to Water Utility System	12/17/19	3,000,000.00		\$ 1,607,876.75	206,000.23		\$ 1,401,876.52
20-16	Improvements to Water Utility System	05/05/20	3,170,000.00		2,817,265.34	75,302.51		2,741,962.83
20-22	Improvements to Water Utility System	07/21/20	6,410,000.00		5,757,577.27	1,937,048.90		3,820,528.37
21-20	Improvements to Water Utility System	09/07/21	12,700,000.00		12,700,000.00	617,313.14		12,082,686.86
22-14	Improvements to Water Utility System	05/17/22	5,150,000.00			48,180.00		5,101,820.00
22-31	Improvements to Water Utility System	10/18/22	5,170,000.00				5,170,000.00	5,170,000.00
				\$ 4,076,117.96	\$ 22,882,719.36	\$ 4,447,666.89	\$ 2,512,295.85	\$ 30,318,874.58

Ref.

D D D

D

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

	<u>Ref.</u>	
Balance December 31, 2021	D	<u>\$ 314,498.22</u>
Balance December 31, 2022	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, 2021	D	\$ 38,032,046.02
Increased by:		
Water Utility Operating Budget:		
Serial Bonds		\$ 850,000.00
Capital Outlay:		
2022 Budget Appropriations		32,831.69
2021 Budget Appropriation Reserves		80,511.00
		<u>963,342.69</u>
Balance December 31, 2022	D	<u>\$ 38,995,388.71</u>

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

<u>Ord.</u> <u>No.</u>	<u>Improvement Description</u>	<u>Date of</u> <u>Ordinance</u>	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Balance</u> <u>Dec. 31, 2022</u>
<u>General Improvements:</u>				
14-25	Improvements to Water Utility System	08/21/14	\$ 880,000.00	\$ 880,000.00
18-18	Improvements to Water Utility System	09/11/18	200,000.00	200,000.00
			<u>\$ 1,080,000.00</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		Maturity	Interest Rate	Balance Dec. 31, 2021	Issued	Matured	Balance Dec. 31, 2022
		Original Issue	Issue						
19-70	Improvements to Water Utility System	11/12/20	11/10/21 11/07/22	11/09/22 11/03/23	1.00% 5.00%	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,000,000.00
20-16	Improvements to Water Utility System	11/12/20	11/10/21 11/07/22	11/09/22 11/03/23	1.00% 5.00%	3,170,000.00	3,170,000.00	3,170,000.00	3,170,000.00
20-22	Improvements to Water Utility System	11/12/20	11/10/21 11/07/22	11/09/22 11/03/23	1.00% 5.00%	6,410,000.00	6,410,000.00	6,410,000.00	6,410,000.00
21-20	Improvements to Water Utility System	11/07/22	11/07/22	11/03/23	5.00%	3,000,000.00	3,000,000.00	3,000,000.00	3,000,000.00
22-14	Improvements to Water Utility System	11/07/22	11/07/22	11/03/23	5.00%	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00
						<u>\$ 12,580,000.00</u>	<u>\$ 12,580,000.00</u>	<u>\$ 12,580,000.00</u>	<u>\$ 16,580,000.00</u>
					<u>Ref.</u>	<u>D</u>			<u>D</u>
				New Issue		\$ 4,000,000.00			
				Renewals		12,580,000.00		\$ 12,580,000.00	
						<u>\$ 16,580,000.00</u>		<u>\$ 12,580,000.00</u>	

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds				Balance Dec. 31, 2022	
			Outstanding		Interest Rate	Balance Dec. 31, 2021		
			Date	Amount				Matured
Water Improvements	10/26/2010	\$ 1,988,000.00	11/1/2023	\$ 175,000.00	3.00%	\$ 350,000.00	\$ 175,000.00	\$ 175,000.00
Water Improvements	9/7/2018	5,119,000.00	9/15/2023	385,000.00	2.00%	3,790,000.00	375,000.00	3,415,000.00
			9/15/2024	400,000.00	2.50%			
			9/15/2025	415,000.00	2.50%			
			9/15/2026	425,000.00	3.00%			
			9/15/2027	440,000.00	3.00%			
			9/15/2028-29	450,000.00	3.00%			
9/15/2030	450,000.00	2.50%						
Water Improvements	11/14/2019	7,670,000.00	5/1/2023	325,000.00	4.00%	7,150,000.00	300,000.00	6,850,000.00
			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%			
						\$ 11,290,000.00	\$ 850,000.00	\$ 10,440,000.00

Ref.

D

D

TOWNSHIP OF PARSIPPANY-TROY HILLS
WATER UTILITY CAPITAL FUND
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE LOANS PAYABLE
YEAR ENDED DECEMBER 31, 2022

NOT APPLICABLE

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, 2021	2022 Authorizations	Bond Anticipation Notes Issued	Balance Dec.31, 2022
<u>General Improvements:</u>					
12-25	Improvements to Water Utility System	\$ 61.00			\$ 61.00
21-20	Improvements to Water Utility System	12,700,000.00		\$ 3,000,000.00	9,700,000.00
22-14	Improvements to Water Utility System		\$ 5,150,000.00	1,000,000.00	4,150,000.00
22-31	Improvements to Water Utility System		5,170,000.00		5,170,000.00
		<u>\$ 12,700,061.00</u>	<u>\$ 10,320,000.00</u>	<u>\$ 4,000,000.00</u>	<u>\$ 19,020,061.00</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
COUNTY OF MORRIS
2022
SEWER UTILITY FUND

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

	Ref.	Operating	Capital
Balance December 31, 2021	E	\$ 5,485,546.03	\$ 13,709,668.03
Increased by Receipts:			
Sewer Rents and Septage Removal Receivable		\$ 18,203,940.06	
Miscellaneous Revenue		206,645.13	
Interest Earned on Investments		82,678.93	
Prepaid Sewer Rents		163,665.57	
Sewer Rent Overpayments		65,907.02	
NJEIT Loans Receivable			\$ 4,147,983.00
Due to/from Current Fund:			
Interfund Advanced/Returned		2,589,087.91	7,391,493.28
Due to/from Sewer Utility Operating Fund:			
Interest Earned			190,165.32
Due from Sewer Utility Capital Fund:			
Interest Earned		190,165.32	
Interfund Advanced/Returned		162,235.89	
Reserve to Pay Debt Service		121,692.00	
Appropriation Refunds		793.43	
Premium on Sale of Bond Anticipation Notes			263,604.65
Bond Anticipation Notes Issued			16,465,000.00
		<u>21,786,811.26</u>	<u>16,465,000.00</u>
		27,272,357.29	42,167,914.28
Decreased by Disbursements:			
2022 Appropriation Expenditures		16,327,120.05	
2021 Appropriation Reserves		593,598.88	
Interest on Bonds		431,225.00	
Interest on Notes		170,490.00	
Interest on Loans		122,516.71	
Due to/from Current Fund:			
Fund Balance Utilized as Anticipated Revenue		1,500,000.00	
Due to/from Sewer Utility Operating Fund:			
Interest Earned			190,165.32
Interfund Advanced/Returned			162,235.89
Anticipated Revenue - Reserve to Pay Debt Service			121,692.00
Due to/from Golf and Recreation Operating Fund:			
Interfund Advanced/Returned		2,377.07	
Due to/from Public Assistance Fund:			
Interfund Advanced/Returned		15,712.68	
Refund of Sewer Rent Overpayments		4,123.31	
Bond Anticipation Notes Matured			17,049,000.00
Improvement Authorization Expenditures			7,626,727.48
		<u>19,167,163.70</u>	<u>25,149,820.69</u>
Balance December 31, 2022	E	<u>\$ 8,105,193.59</u>	<u>\$ 17,018,093.59</u>

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

	Balance Dec.31., 2021	2022 Billings	Cash Receipts	Transferred to Lien	Overpayments Applied	Adjustments	Balance Dec.31., 2022
Sewer Rents:							
Residential and Industrial	\$ 631,101.77	\$ 13,069,593.96	\$ 12,675,293.49	\$ 85,207.80	\$ 140,565.84		\$ 799,628.60
Municipalities:							
Township of East Hanover	542,317.69	1,800,132.36	1,908,833.28			\$ 122,177.12	311,439.65
Township of Montville	46,641.26	2,286,528.15	2,185,135.93			148,033.48	
Borough of Mountain Lakes	122,701.96	434,588.03	472,000.04			40,481.80	44,808.15
Township of Denville	19,303.91	108,922.89	124,096.09			4,130.71	
	<u>1,362,066.59</u>	<u>17,699,765.39</u>	<u>17,365,358.83</u>	<u>85,207.80</u>	<u>140,565.84</u>	<u>314,823.11</u>	<u>1,155,876.40</u>
Septage Removal	239,796.92	710,199.35	838,581.23		1,889.07		109,525.97
	<u>\$ 1,601,863.51</u>	<u>\$ 18,409,964.74</u>	<u>\$ 18,203,940.06</u>	<u>\$ 85,207.80</u>	<u>\$ 142,454.91</u>	<u>\$ 314,823.11</u>	<u>\$ 1,265,402.37</u>

Ref. E

Realized Sewer Rents Revenue

Cash Collections	\$ 17,365,358.83
Overpayments Applied	140,565.84
	<u>\$ 17,505,924.67</u>

Realized Septage Revenue

Cash Collections	\$ 838,581.23
Overpayments Applied	1,889.07
	<u>\$ 840,470.30</u>

E

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

	<u>Ref.</u>	
Balance December 31, 2021	E	\$ 23,274.52
Increased by:		
Transfer from Sewer Receivable		<u>85,207.80</u>
Balance December 31, 2022	E	<u><u>\$ 108,482.32</u></u>

SEWER UTILITY OPERATING FUND
SCHEDULE OF INVENTORY

	<u>Ref.</u>	
Balance December 31, 2021	E	\$ 88,600.00
Net Inventory Increase		<u>22,306.00</u>
Balance December 31, 2022	E	<u><u>\$ 110,906.00</u></u>

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

	Balance Dec.31, 2021	Balance Dec.31, 2022
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>\$ 140,640,056.25</u>	<u>\$ 140,640,056.25</u>

Ref.

E

E

TOWNSHIP OF PARSIPPANY-TROY HILLS
SEWER UTILITY OPERATING FUND
SCHEDULE OF 2021 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2022

	<u>Balance</u> <u>Dec. 31, 2021</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	\$ 915,652.15	\$ 915,652.15		\$ 915,652.15
Other Expenses	1,529,499.93	1,529,499.93	\$ 736,159.38	793,340.55
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	144,991.73	144,991.73	7,439.50	137,552.23
	<u>\$ 2,590,143.81</u>	<u>\$ 2,590,143.81</u>	<u>\$ 743,598.88</u>	<u>\$ 1,846,544.93</u>

Analysis of Balance December 31, 2021

	<u>Ref.</u>	
Encumbered	E	\$ 367,109.58
Unencumbered	E	<u>2,223,034.23</u>
		<u>\$ 2,590,143.81</u>

Analysis of Paid or Charged

Cash Disbursed	\$ 593,598.88
Due to Other Trust Funds	<u>150,000.00</u>
	<u>\$ 743,598.88</u>

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

Ord. No.	Improvement Description	Date	Ordinance Amount		Balance December 31, 2021		Paid or Charged	2022 Authorizations		
					Funded	Unfunded		Deferred Charges to Future Revenue	Funded	Unfunded
<u>General Improvements:</u>										
07-20	Various Major Information Technology and Telecommunications Equipment	07/24/07	\$	50,000.00	\$	13,811.07		\$	13,811.07	
08-15a	Various Sewer Utility Improvements and Equipment Acquisitions	05/13/08		3,130,000.00		108,514.38				
09-28	Improvements and Upgrades to the Township's Waste Water Treatment Plant	06/16/09		33,200,000.00		671,292.56	\$		699.00	
12-26	Various Sewer Utility Improvements	06/19/12		6,635,000.00		1,245,306.51				
13-24	Various Sewer Utility Improvements	09/18/13		4,400,000.00		952,776.36				
14-24	Various Sewer Utility Improvements	08/21/14		3,152,653.00		34,443.69				
15-23	Various Sewer Utility Improvements	09/15/15		580,000.00		312,054.05				
16-17	Various Sewer Utility Improvements	07/19/16		1,087,000.00		83,483.23				
16-27	Troy Meadows Interceptor Repairs	11/22/16		1,500,000.00		1,059,569.85				
17-12	Troy Meadows Interceptor Repairs	07/11/17		2,475,000.00					44,604.29	
18-04	Upgrade and Replacement of Generators	04/17/18		4,000,000.00		1,291,340.92				
18-20	Acquisition of a Sewer Jet Vacuum Truck	09/11/18		500,000.00		19,245.72			19,245.72	
18-21	Acquisition of Vehicles and Replacement Water Meters	09/11/18		515,000.00		46,818.52			149.52	
19-14	Various Sewer Utility Improvements	05/14/19		5,250,000.00						
20-20	Various Sewer Utility Improvements	07/21/20		6,415,000.00		5,100,240.15				
20-21	Pump Station 4 Redirection Tunnel Program	07/21/20		8,000,000.00		7,999,400.00				
21-22	Various Sewer Utility Improvements	05/17/22		1,980,000.00		5,734,000.00				
22-12	Various Sewer Utility Improvements	05/17/22		1,980,000.00				\$	1,980,000.00	
22-29	Various Sewer Utility Improvements	10/18/22		5,940,000.00					5,940,000.00	
					Ref.	E	E	E	E	
					\$	5,838,656.86	\$	22,501,307.22	\$	7,626,727.48
						E	E	E	E	
						\$	8,603,392.17	\$	20,029,844.43	

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

	<u>Ref.</u>	
Balance December 31, 2021	E	<u>\$ 466,000.00</u>
Balance December 31, 2022	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, 2021	E	\$ 142,220,916.94
Increased by:		
Sewer Utility Operating Budget:		
Serial Bonds		<u>1,205,000.00</u>
Balance December 31, 2022	E	<u>\$ 143,425,916.94</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, 2021	NJFIT Loan Paydowns	Balance Dec. 31, 2022
<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	707,409.75	\$ 9,026.71	716,436.46
09-28	Improvements and Upgrades to the Township's Waste Water Treatment Plant	06/16/19	16,380,907.92	1,044,281.85	17,425,189.77
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	1,884,676.14		1,884,676.14
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>\$ 24,619,401.81</u>	<u>\$ 1,053,308.56</u>	<u>\$ 25,672,710.37</u>

Ref.

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding			Interest Rate	Matured	Balance Dec. 31, 2022
			Date	December 31, 2022	Amount			
Sewer Improvements	10/26/2010	\$ 4,003,300.00	11/1/2023	\$ 370,000.00		\$ 370,000.00	\$ 370,000.00	
Sewer Improvements	9/7/2017	7,197,000.00	9/15/2023	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%	5,525,000.00	450,000.00	5,075,000.00		
Sewer Improvements	11/14/2019	9,570,000.00	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%	8,895,000.00	385,000.00	8,510,000.00		
				\$ 15,160,000.00	\$ 1,205,000.00	\$ 13,955,000.00		

Ref.

E

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

	<u>Ref.</u>	
Balance December 31, 2021	E	\$ 74,909.75
Less: 2022 Payment of Principal		<u>9,026.71</u>
Balance December 31, 2022	E	<u>\$ 65,883.04</u>

Schedule of Principal and Interest Payments Outstanding December 31, 2022
February 2010 Issue

Due Date	Trust Loan		Fund Loan	Balance of Loans
	Interest	Principal	Principal	
				\$ 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	
	\$ 3,250.76	\$ 19,655.81	\$ 46,227.23	

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

	<u>Ref.</u>	
Balance December 31, 2021	E	\$ 8,337,603.08
Less:		
2022 Payment of Principal		1,044,281.85
Balance December 31, 2022	E	\$ 7,293,321.23

Schedule of Principal and Interest Payments Outstanding December 31, 2022
March 2010 Issue

Due Date	Trust Loan		Fund Loan	Balance of
	Interest	Principal	Principal	Loans
				\$ 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	
	\$ 450,400.00	\$ 2,710,000.00	\$ 4,583,321.23	

TOWNSHIP OF PARSIPPANY-TROY HILLS
SEWER UTILITY CAPITAL FUND
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE TRUST
CONSTRUCTION FINANCING LOAN

	<u>Ref.</u>	
Balance December 31, 2021	E	\$ -0-
Increased by:		
2022 NJEIT Loans Issued		<u>8,000,000.00</u>
Balance December 31, 2022	E	<u><u>\$ 8,000,000.00</u></u>

Schedule of Note Outstanding December 31, 2022
The Construction Financing Program

<u>Project Number</u>	<u>Ordinance Number</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2022</u>
#S340886-05	2020-21	8/16/2022	6/30/2026	0.00%	<u><u>\$ 8,000,000.00</u></u>

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

Ord. No.	Improvement Description	Balance	2022	Bond	Bond	NJEIT	Balance
		Dec.31, 2021	Authorizations	Anticipation Notes Issued	Anticipation Notes Redeemed	Loan Issued	Dec.31, 2022
<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
17-12	Various Sewer Utility Improvements	186,298.35		\$ 800,000.00	\$ 650,000.00		36,298.35
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	
21-22	Various Sewer Utility Improvements			5,000,000.00	5,734,000.00		734,000.00
22-12	Various Sewer Utility Improvements		\$ 1,980,000.00				1,980,000.00
22-29	Various Sewer Utility Improvements		5,940,000.00				5,940,000.00
		<u>\$ 8,187,546.16</u>	<u>\$ 7,920,000.00</u>	<u>\$ 16,465,000.00</u>	<u>\$ 17,049,000.00</u>	<u>\$ 8,000,000.00</u>	<u>\$ 8,691,546.16</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
COUNTY OF MORRIS
2022
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, 2021	\$ 3,515,544.39	\$ 3,915,417.60
Increased by Receipts:		
Consumer Accounts Receivable:		
Collections - Golf Fees	\$ 3,704,921.33	
Concession Fees	97,500.00	
Concession Fees - Utilities	27,886.35	
Merchandise Sales	207,968.91	
Interest on Investments	72,418.61	
Miscellaneous Revenue	116,344.42	
Prepaid Golf Fees	15,118.82	
Due from Other Trust Funds - Open Space:		
Interfund Advanced/Returned	669,791.16	
Due from Sewer Utility Operating Fund:		
Interfund Advanced/Returned	2,377.07	
Due from Golf and Recreation Utility Capital Fund		
Reserve for Payment of Debt Service	108,481.03	
Interfund Advanced/Returned	73,070.00	
Sales Tax Payable	56,532.77	
Due to Golf Pro	35,195.57	
Premium on Sale of Notes		\$ 8,336.40
Appropriation Refunds	2,203.96	
	5,189,810.00	8,336.40
	8,705,354.39	3,923,754.00

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

<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Decreased by Disbursements:		
2022 Appropriation Expenditures	\$ 4,965,102.84	
2021 Appropriation Reserves	108,973.93	
Interest on Bonds	131,887.50	
Interest on Notes	3,734.48	
Due to Golf Pro	34,092.78	
Sales Tax Payable	64,773.01	
Due to Current Fund:		
Interfund Advanced/Returned	2,541,330.39	\$ 343,940.52
Due to Golf and Recreation Utility Operating Fund:		
Anticipated Revenue - Reserve to Pay Debt Service		108,481.03
Interfund Advanced/Returned		73,070.00
Improvement Authorizations		468,600.10
Preliminary Expenses - Miniature Golf Recreation Facility		12,000.00
	\$ 7,849,894.93	\$ 1,006,091.65
Balance December 31, 2022	\$ 855,459.46	\$ 2,917,662.35

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

	Balance		Receipts		Disbursements		Balance/ (Deficit) Dec. 31, 2022
	Dec. 31, 2021		Miscellaneous		Improvement Authorizations	Miscellaneous	
Fund Balance	\$ 1,950.78						\$ 1,950.78
Capital Improvement Fund	161,593.05						161,593.05
Due to Current Fund	343,940.52				\$ 343,940.52		
Due to Golf and Recreation Operating Fund	73,070.00				73,070.00		
Reserve for Preliminary Expenses - Miniature Golf Recreation Facility	12,000.00				12,000.00		
Reserve for Payment of Debt Service	2,403,910.45	\$ 8,336.40			108,481.03		2,303,765.82
<hr/>							
Improvement Authorizations							
<u>General Improvements:</u>							
Ord. No.							
10-16	Various Improvements and Equipment	2,500.00		\$ 2,500.00			
12-27	Golf Course and Recreation Utility Improvements	36,949.82		36,949.82			
15-20	Golf Course and Recreation Utility Improvements	43,428.62		30,389.69		13,038.93	
16-19	Golf Course and Recreation Utility Improvements	16,087.96		1,430.54		14,657.42	
17-14	Golf Course and Recreation Utility Improvements	147,886.94		65,969.14		81,917.80	
18-19	Golf Course and Recreation Utility Improvements	33,542.53		32,275.96		1,266.57	
19-12	Golf Course and Recreation Utility Improvements	10,476.75		10,867.75		(391.00)	
20-03	Other Expenses to the Knoll West Clubhouse Building	30,487.56		30,487.56			
20-04	Replacement of Irrigation System at the Knoll West Golf Course	961.88				961.88	
20-23	Golf Course and Recreation Utility Improvements	76,132.28		43,585.88		32,546.40	
21-19	Golf Course and Recreation Utility Improvements	520,498.46		214,143.76		306,354.70	
		\$ 3,915,417.60	\$ 8,336.40	\$ 468,600.10	\$ 537,491.55	\$ 2,917,662.35	

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

	<u>Ref.</u>	
Balance December 31, 2021	F	\$ 19,165.81
Increased by:		
Billings:		
Membership and Other Fees and Rentals		3,830,307.68
		<u>3,849,473.49</u>
Decreased by:		
Collections	\$ 3,830,307.68	
Accounts Receivable Cancelled	<u>19,165.81</u>	
		<u>3,849,473.49</u>
Balance December 31, 2022	F	<u><u>\$ -0-</u></u>

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

	<u>Ref.</u>	
Balance December 31, 2021	F	\$ 157,682.57
Net Inventory Increase		<u>100,654.33</u>
Balance December 31, 2022	F	<u>\$ 258,336.90</u>

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

	Balance Dec. 31, 2021	Additions by Ordinance	Balance Dec. 31, 2022
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	3,978,289.16		3,978,289.16
Reconstruction of the Knoll Country Club West	2,465,000.00	\$ 248,148.50	2,713,148.50
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	300,000.00	1,241,867.00
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
Golf Course and Recreation Facility Improvements		340,391.00	340,391.00
Issuance Cost	186,451.50		186,451.50
	<u>\$ 25,617,805.11</u>	<u>\$ 888,539.50</u>	<u>\$ 26,506,344.61</u>
	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, 2021	2022 Authorizations	Costs to		Balance Dec. 31, 2022
				Fixed	Capital	
<u>General Improvements:</u>						
Various Improvements and Equipment	10-16	\$ 300,000.00		\$ 300,000.00		
Golf Course and Recreation Utility Improvements	12-27	135,000.00		135,000.00		
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
Golf Course and Recreation Utility Improvements	21-19	520,700.00				520,700.00
Various Improvements and Equipments	22-08		\$ 1,117,000.00			1,117,000.00
		<u>\$ 9,352,999.50</u>	<u>\$ 1,117,000.00</u>	<u>\$ 888,539.50</u>		<u>\$ 9,581,460.00</u>

Ref.

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TOWNSHIP OF PARSIPPANY-TROY HILLS
GOLF AND RECREATION UTILITY OPERATING FUND
SCHEDULE OF 2021 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2022

	Balance Dec. 31, 2021	Balance After Modification	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	\$ 361,190.24	\$ 361,190.24	\$ 74,398.89	\$ 286,791.35
Other Expenses	211,109.10	211,109.10	29,284.22	181,824.88
Statutory Expenditures:				
Contribution to:				
Public Employees' Retirement System	7,309.88	7,309.88	5,290.82	2,019.06
	\$ 579,609.22	\$ 579,609.22	\$ 108,973.93	\$ 470,635.29

Analysis of Balance December 31, 2021

	<u>Ref.</u>		
Encumbered	F	\$	160,763.91
Unencumbered	F		418,845.31
		\$	579,609.22

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, 2021		Paid or Charged	2022 Improvement Authorizations	
				Funded	Unfunded		Deferred Charges to Future Revenue	Funded
10-16	Various Improvements and Equipment	07/20/10	\$ 300,000.00	\$ 2,500.00		\$ 2,500.00		
12-27	Golf Course and Recreation Utility Improvements	06/19/12	135,000.00	36,949.82		36,949.82		
15-20	Golf Course and Recreation Utility Improvements	09/15/15	3,006,403.00	43,428.62		30,389.69	\$ 13,038.93	
16-19	Golf Course and Recreation Utility Improvements	07/19/16	119,177.00	16,087.96		1,430.54	14,657.42	
17-14	Golf Course and Recreation Utility Improvements	07/11/17	2,865,180.00	147,886.94	\$ 593.00	65,969.14	81,917.80	\$ 593.00
18-19	Golf Course and Recreation Utility Improvements	09/11/18	253,000.00	33,542.53		32,275.96	1,266.57	
19-12	Golf Course and Recreation Utility Improvements	05/21/19	205,391.00	10,476.75	391.00	10,867.75		
20-03	Other Expenses to the Knoll West Clubhouse Building	02/04/20	250,000.00	30,487.56		30,487.56		
20-04	Replacement of Irrigation System at the Knoll West Golf Course	02/04/20	400,000.00	961.88			961.88	
20-23	Golf Course and Recreation Utility Improvements	07/21/20	1,300,000.00	76,132.28		43,585.88	32,546.40	
21-19	Golf Course and Recreation Utility Improvements	09/07/21	520,700.00		520,498.46	214,143.76		306,354.70
22-08	Various Improvements and Equipments	10/18/22	1,117,000.00					1,117,000.00
				\$ 398,454.34	\$ 521,482.46	\$ 468,600.10	\$ 144,389.00	\$ 1,423,947.70
				Ref.	F		F	F

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

	<u>Ref.</u>	
Balance December 31, 2021	F	<u>\$ 161,593.05</u>
Balance December 31, 2022	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, 2021	F	\$ 27,546,355.11
Increased by:		
Golf and Recreation Operating Budget:		
Serial Bonds		\$ 510,000.00
Open Space Trust Budget:		
Serial Bonds		205,000.00
Transfer from Deferred Reserve for Amortization		<u>66,486.50</u>
		<u>781,486.50</u>
Balance December 31, 2022	F	<u>\$ 28,327,841.61</u>

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

Ord. No.	Improvement Description	Date of Ordinance	Balance Dec. 31, 2021	Transferred to Reserve for Amortization	Balance Dec. 31, 2022
<u>General Improvements:</u>					
10-16	Various Improvements and Equipment	07/20/10	\$ 31,820.00	\$ 31,820.00	
12-27	Golf Course and Recreation Utility Improvements	06/19/12	15,828.00	15,828.00	
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>\$ 222,765.50</u>	<u>\$ 66,486.50</u>	<u>\$ 156,279.00</u>

Ref.

F

F

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

Ord. No.	Improvement Description	Date of		Interest Rate	Balance Dec. 31, 2021	Issued	Matured	Balance Dec. 31, 2022
		Original Issue	Issue					
21-19	Golf Course and Recreation Utility Improvements	11/10/21	11/10/21	1.00%	\$ 520,700.00	\$ 520,700.00	\$ 520,700.00	\$ 520,700.00
			11/08/22	5.00%				
					<u>\$ 520,700.00</u>	<u>\$ 520,700.00</u>	<u>\$ 520,700.00</u>	<u>\$ 520,700.00</u>
				<u>Ref.</u>	F			F
			Renewals			<u>\$ 520,700.00</u>	<u>\$ 520,700.00</u>	
						<u>\$ 520,700.00</u>	<u>\$ 520,700.00</u>	

TOWNSHIP OF PARSIPPANY-TROY HILLS
GOLF AND RECREATION UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2021	Matured	Balance Dec. 31, 2022
			Date	Outstanding December 31, 2022 Amount				
General Improvement	10/26/2010	\$ 758,700.00	11/1/2023	\$ 80,000.00	3.00%	\$ 160,000.00	\$ 80,000.00	\$ 80,000.00
General Improvement	9/7/2017	6,683,000.00	9/15/2023	500,000.00	2.00%			
			9/15/2024-25	600,000.00	2.50%			
			9/15/2026-29	550,000.00	3.00%			
			9/15/2030	550,000.00	2.50%	4,950,000.00	500,000.00	4,450,000.00
General Improvement	11/12/2020	1,645,000.00	6/01/2023-25	140,000.00	3.00%			
			6/01/2026-32	145,000.00	2.00% - 3.00%	1,570,000.00	135,000.00	1,435,000.00
						\$ 6,680,000.00	\$ 715,000.00	\$ 5,965,000.00

Ref. F

Paid by Operating Budget	\$ 510,000.00
Paid by Open Space Trust Budget	205,000.00
	<u>\$ 715,000.00</u>

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

Ord. No.	Improvement Description	Balance Dec.31, 2021	2022 Authorizations	Bond Anticipation Notes Issued	Bond Anticipation Notes Redeemed	Balance Dec.31, 2022
<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
21-19	Golf Course and Recreation Utility Improvements			\$ 520,700.00	\$ 520,700.00	
22-08	Various Improvements and Equipment		\$ 1,117,000.00			1,117,000.00
		\$ 984.00	\$ 1,117,000.00	\$ 520,700.00	\$ 520,700.00	\$ 1,117,984.00

TOWNSHIP OF PARSIPPANY-TROY HILLS
COUNTY OF MORRIS
2022
PUBLIC ASSISTANCE FUND

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

	<u>Ref.</u>	
Balance December 31, 2021	G	\$ 87,888.06
Increased by Receipts:		
Due from Sewer Utility Operating Fund		\$ 15,712.68
Interest on Investments		125.44
		<u>15,838.12</u>
Decreased by Disbursements:		
Due to Other Trust Fund		<u>99,428.25</u>
Balance December 31, 2022	G	<u><u>\$ 4,297.93</u></u>

TOWNSHIP OF PARSIPPANY-TROY HILLS

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2022

TOWNSHIP OF PARSIPPANY-TROY HILLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2022

Name of Federal Agency or Department, Pass Through Grantor, and Cluster Title	Name of Program	Assistance Listing 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	B18-MC34-0114	07/01/18	06/30/22	\$ 241,311.00	\$ 72,369.61	\$ 72,369.61	\$ 241,311.00	
	Housing Rehabilitation	14.218	B19-MC34-0113	07/01/19	06/30/23	223,600.00	24,729.79	24,729.79	213,445.57	
	Housing Rehabilitation	14.218	B20-MC34-0114	07/01/20	06/30/23	216,090.00	63,559.52	63,559.52	91,643.71	
	COVID-19 Housing Rehabilitation	14.218	B20-MC34-0114	07/01/20	06/30/23	550,782.00	18,749.31	18,749.31	21,826.65	
	Housing Rehabilitation	14.218	B21-MC34-0114	07/01/21	06/30/23	240,006.00	66,727.89	66,727.89	66,727.89	
	Housing Rehabilitation	14.218	B22-MC34-0114	07/01/22	06/30/23	228,014.00	219,552.00	219,552.00	219,552.00	
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	01/01/21	12/31/23	16,977.70		2,116.80	2,116.80	
	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 Grants	97.042	100-066-1200-726-062600	01/01/17	12/31/23	7,000.00	10,000.00	6,400.00	6,400.00	
	Disaster Grants - Public Assistance - F.E.M.A.	97.036	100-066-1200-C73-069820	08/04/20	08/04/20	1,935.49	1,935.49	1,935.49	1,935.49	
	Tropical Storm Isaias	97.036	100-066-1200-C80-066290	02/01/21	12/31/21	366,796.29	356,663.94	356,663.94	366,796.29	
	Winter Storm Orlena	97.036	100-066-1200-C84-069910	09/01/21	09/03/21	114,244.75	114,244.75	114,244.75	114,244.75	
	Hurricane Ida	97.036	100-066-1200-B80-068460	03/13/20	12/31/22	23,941.41	23,941.41	23,941.41	23,941.41	
Coronavirus Pandemic										
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)	Click-It or Ticket	20.616	100-066-1160-167-031230	01/01/21	12/31/23	6,000.00		4,610.00	5,570.00	
	Impaired Driving Countermeasure	20.616	100-066-1160-157-031020	01/01/21	12/31/23	2,460.00	420.00	420.00		
	Distracted Driving Crackdown	20.616	100-066-1160-158-031030	01/01/21	12/31/23	9,000.00		420.00	8,880.00	
	Non-Motorized Safety	20.616	100-066-1160-163-030340	01/01/22	12/31/23	720.00	720.00			
	State and Community Highway Safety	20.600	100-066-1160-119-031750	01/01/18	12/31/23	12,210.00	4,480.00	5,190.00	5,190.00	
	Transportation/Highway Safety Cluster			01/01/22	12/31/23	4,480.00	10,870.00	10,220.00	19,640.00	
Total U.S. Department of Transportation/Highway Safety Cluster										

TOWNSHIP OF PARSIPPANY-TROY HILLS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED DECEMBER 31, 2022

Name of Federal Agency or Department, Pass Through Grantor, and Cluster Title	Name of Program	Assistance Listing 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 Treasury	COVID-19 - American Rescue Plan Coronavirus State & Local Fiscal Recovery Funds	21.027	N/A	03/03/21	12/31/24	\$ 5,527,526.00	\$ 2,763,763.50	\$ 2,763,763.00	\$ 5,527,526.00	
Total US Department of Treasury										
TOTAL FEDERAL AWARDS										
N/A - Not Applicable/Available							2,763,763.50	2,763,763.00	5,527,526.00	
* - Expended in prior years.							\$ 3,747,107.21	\$ 3,744,973.51	\$ 6,914,990.76	\$ -0-

N/A - Not Applicable/Available

TOWNSHIP OF PARSIPPANY-TROY HILLS
 SCHEDULE OF EXPENDITURES OF STATE AWARDS
 YEAR ENDED DECEMBER 31, 2022

Name of State Agency or Department	Name of Program	Name of Project	Grant I.D. No.	Grant Period		Grant Award Amount	Amount Received	Amount of Expenditures	Cumulative Expenditures
				From	To				
Department of Law and Public Safety	Body Armor Replacement Program	Body Armor Replacement Program	718-066-1020-001-090160	01/01/20	12/31/23	\$ 9,229.19	\$ 4,240.25	\$ 396.00	\$ 9,064.45
				01/01/21	12/31/23	10,939.91	5,388.27		
				01/01/22	12/31/23	5,388.27		396.00	9,064.45
Department of Community Affairs	Total Department of Law and Public Safety	Recreation Opportunities for Handicapped Person's Recreational Opportunities Act	100-022-8050-035-051570	01/01/22	12/31/22	32,712.32	32,712.32	32,712.32	32,712.32
				Total Department of Community Affairs					
				01/01/21	12/31/22	111,066.43	5,544.48	111,066.43	
Department of Environmental Protection	Clean Communities Program	Clean Communities Program	765-042-4900-004-178910	01/01/22	12/31/23	113,932.96	113,932.96	110,855.66	110,855.66
				Recycling Tonnage Grant					
				01/01/21	12/31/22	188,816.00	47,661.44	188,816.00	
U.S. Department of Transportation (Passed Through the County of Morris -Department of Planning, Development & Technology)	Total Department of Environmental Protection	Pump Station No. 4 Sanitary Sewer Redirection Project	5340886-05	01/01/22	12/31/23	8,000,000.00	4,147,983.00	4,167,741.27	4,168,341.27
				Total Department of Environmental Protection					
				01/01/21	12/31/23	120,394.53	120,394.53	53,966.64	53,966.64
Department of the State - (Passed Through the County of Morris -Department of Planning, Development & Technology)	Historic Preservation Trust	Smith-Baldwin House Renovation	13-290-56-580560-888	01/01/21	12/31/23	307,720.00	225,000.00	227,643.67	253,828.52
				Total Department of State					
				01/01/22	12/31/23	300,000.00	300,000.00	300,000.00	300,000.00
U.S. Department of Transportation (Passed through New Jersey Department of Transportation)	Total U.S. Department of Transportation	Edwards Road Phase I	480-078-6320-AN8-606280	01/01/21	12/31/23	300,000.00	300,000.00	300,000.00	300,000.00
				Total U.S. Department of Transportation					
				01/01/22	12/31/23	300,000.00	300,000.00	300,000.00	300,000.00

TOWNSHIP OF PARSIPPANY-TROY HILLS
 SCHEDULE OF EXPENDITURES OF STATE AWARDS
 YEAR ENDED DECEMBER 31, 2022

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				
Department of the Treasury - Passed Through the County of Morris Governor's Council on Alcoholism and Drug Abuse	Municipal Alliance Program	Municipal Alliance Program	100-082-001-044	07/01/22	06/30/23	\$ 14,317.77	\$ 14,317.77	\$ 4,909.77	\$ 4,909.77
							14,317.77	4,909.77	4,909.77
Total Department of the Treasury						\$4,963,969.10	\$4,651,431.25	\$ 4,933,561.06	
TOTAL STATE AWARDS									

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2022

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, 2022. 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, 2022:

NJ Environmental Infrastructure	
Loan Payable:	
Sewer Utility Capital Fund	<u>\$ 15,359,204</u>

Currently, the Township is in the process of repaying the loan balances. Current year loan receipts and disbursements on the NJ Environmental Infrastructure Loan project is reflected on the Schedule of Expenditures of State Awards.

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, 2022 and 2021, and the related notes to the financial statements and have issued our report thereon dated July 24, 2023. 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.

Report on 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as Finding 2022-001, that we consider to be a significant deficiency.

Report on 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*.

The Township's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Township's response to the finding identified in our audit and described in the accompanying Schedule of Findings and Responses. The Township's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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, New Jersey
July 24, 2023

Nisiroccia LLP
NISIVOCCIA LLP

Valerie A. Dolan

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

Report on Compliance For Each Major Federal and State Program: Report on Internal Control
Over Compliance Required by the Uniform Guidance and New Jersey's OMB 15-08

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

Opinion on 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, 2022. 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.

In our opinion, the Township complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal and state programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*) and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Our responsibilities under those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Township and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the Township's compliance with the compliance requirements referred to above.

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Township's federal and state programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Township's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and NJOMB 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Township's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and NJOMB 15-08, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Township's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Township's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and NJOMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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
July 24, 2023

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, 2022

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.
- A significant deficiency disclosed during the audit of the financial statements is 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 material weaknesses are reported.
- No instances of noncompliance material to the financial statements of the Township which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no significant deficiencies or material weaknesses in internal control over the major federal and state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major Federal and State Program; Report on Internal Control Over Compliance Required by the Uniform Guidance and New Jersey's OMB Circular 15-08*.
- The auditor's report on compliance for its major federal and state programs for the Township expresses an unmodified opinion on its major federal and state programs.
- The audit did not disclose any audit findings which are required to be reported in accordance with 2 CFR 200.516(a) of the Uniform Guidance or NJ OMB 15-08.
- 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 programs. The Township was determined to be a "low-risk" auditee for state programs.
- The Township's program tested as a major federal program for the current fiscal year consisted of the following award:

<u>Federal</u>	<u>Assistance Listing No.</u>	<u>Grant Expenditures</u>
U.S. Department of Treasury:		
COVID-19 - American Rescue Plan		
Coronavirus State & Local Fiscal Recovery Funds	21.027	\$ 2,763,763

TOWNSHIP OF PARSIPPANY-TROY HILLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2022

Summary of Auditors' Results:

- The Township's program tested as a major state program for the current fiscal year consisted of the following award:

<u>State</u>	<u>State Account #</u>	<u>Grant Expenditures</u>
New Jersey Department of Environmental Protection:		
New Jersey Environmental Infrastructure Trust		
Program - Sewer - Pump Station No. 4		
Sanitary Sewer Redirection Project	S340886-05	\$ 4,167,741

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

- The audit disclosed the following significant deficiency required to be reported under Generally Accepted Government Auditing Standards:

Finding 2022-001

Segregation of Duties

Criteria

Concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view.

Condition

The Township does not maintain an adequate segregation of duties with respect to the recording and treasury functions. The various departments/offices of the Township are responsible for the issuance of permits and licenses; collections of taxes and permit and license fees; and recording of collections. Also, the reconciliation of bank accounts, the preparation of the general ledger for the various funds as well as the preparation of payroll are performed by one person, the Chief Financial Officer.

Cause

This is due, in part, to the limited number of personnel of the Township and the decentralized nature of governmental collection procedures.

Effect or Potential Effect

Segregation of duties refers to separating those functions that place too much control over a transaction or class of transactions that would enable a person to perpetuate errors and prevent detection within a reasonable period of time.

TOWNSHIP OF PARSIPPANY-TROY HILLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2022

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

Finding 2022-001 (Cont'd)

Recommendation

It is recommended that an adequate segregation of duties be maintained with respect to the recording and treasury functions.

Management's Response

The finding was evaluated, however, due to budgetary constraints, no resolution can be made at this time.

Findings and Questioned Costs for Federal Awards:

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

Findings and Questioned Costs for State Awards:

- 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.

TOWNSHIP OF PARSIPPANY-TROY HILLS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2022

Status of Prior Year Findings:

The prior year finding 2021-001 regarding the segregation of duties has not been resolved due to budgetary constraints and is included in the current year report as finding 2022-001.

TOWNSHIP OF PARSIPPANY-TROY HILLS

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2022

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, 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 5, 2022, 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 June 30, 2022. 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
2022	23
2021	23
2020	20

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 2022 Taxes	20
Payment of 2023 Taxes	20
Delinquent Taxes	15
Tax Title Liens	2
Payment of 2022 and 2023 Water/Sewer Utility Charges	20
Delinquent Sewer Utility Charges	10
Delinquent Water Utility Charges	10
Delinquent Sludge Charges	5

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, fixed asset accounting and reporting system and a general ledger accounting system.

Fixed Assets:

During our review of the fixed asset accounting and reporting system it was not that fixed assets were not adequately tagged in all cases.

It is recommended that the fixed asset inventory be adequately tagged.

Management's Response

The Township will ensure assets are adequately tagged.

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, 2022.

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

	Balance <u>Dec. 31, 2021</u>	Receipts	Disbursements	Balance <u>Dec. 31, 2022</u>
Municipal Treasurer:				
Fines and Costs	\$ 10,290.46	\$ 341,159.50	\$ 338,606.82	\$ 12,843.14
POAA FTA	6.00	120.00	120.00	6.00
Public Defender	200.00	8,100.00	6,969.50	1,330.50
Weights and Measures	2,350.00	85,655.00	78,505.00	9,500.00
County:				
Fines	2,730.00	55,790.07	55,688.82	2,831.25
State:				
Fines and Costs	16,189.24	295,823.52	293,795.41	18,217.35
Conditional Discharge	12.00	262.00	274.00	
Conditional Dismissal		450.00	450.00	
Collections	383.47	2,640.86	2,892.05	132.28
Bail	7,723.00	37,032.00	41,027.00	3,728.00
	<u>7,723.00</u>	<u>37,032.00</u>	<u>41,027.00</u>	<u>3,728.00</u>
TOTAL	<u>\$ 39,884.17</u>	<u>\$ 827,032.95</u>	<u>\$ 818,328.60</u>	<u>\$ 48,588.52</u>

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, which grants should be cancelled and be accounted for properly to ensure adequate posting.

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 and are accounted for properly to ensure adequate posting.

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

Trust Funds

1. 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.

2. During our review of the Trust Fund records it was noted that a Dedication by Rider was not obtained for all Other Trust Fund reserves.

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

Management's Response

A Dedication by Rider will be obtained for all Other Trust Fund reserves.

3. During our review of the Trust Fund records it was noted that escrow trust deposits were not being properly posted, therefore the subsidiary ledger was not in agreement with the general ledger.

It is recommended that greater care be taken when posting escrow trust deposits.

Management's Response

Greater care will be taken when posting escrow trust deposits in the future.

Management Suggestions

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, 2022. This situation arises when expenditures are made from an ordinance without funding. It is suggested that all capital ordinances be reviewed in 2023 and either be canceled and/or funded.

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

Management Suggestions (Cont'd)

Governmental Accounting Standards Board (GASB) Statements

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Arrangements*, is effective for the year ended December 31, 2023. This statement addresses issues related to public-private and public-public partnership agreements (PPP's). A PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time. This statement also provides guidance for accounting and financial reporting for availability payment arrangements (APA's). An APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset or a period of time.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA's)*, is effective for the year ended December 31, 2023. A SBITA is a contract that conveys control of the right to use another party's (a SBITA vendor) information technology software, alone or in combination with tangible capital assets as specified in the related contract for a period of time. It is likely that a SBITA software or similar spreadsheets will need to be utilized to perform the various calculations necessary to implement this standard.

COVID-19 Federal Funding

It is possible that the Township will undergo some review of its COVID-19 funding by the federal government. We strongly suggest that the Township ensures that these funds are utilized in accordance with the applicable federal requirements especially with respect to procurement. Additionally, we strongly suggest that the Township ensures that these funds are separately accounted for in the Township's accounting records and that any applicable Township policies are current with respect to federal grant requirements.

Because of the nature of these funds, being new programs, generally of a significant dollar amount, and some of which may be expended over a period of years, they may be subject to federal or state audit several years from now. It is important that the grant files maintained by local governments be complete, self-explanatory, and fully document the program(s) undertaken as part of the funding.

Status of Prior Year Recommendations

The Township initiated a corrective action plan to resolve the comments and recommendations from the 2021 audit report. The recommendations regarding the fixed asset system being updated annually, an accurate reconciliation and analysis of balance for the Payroll account, overexpenditures and deficits in operations, interfund balances, journal entries and general ledger maintenance, bank reconciliations for the Payroll and Claims accounts, a tax sale premiums reconciliation and outside lien analysis, and inaccuracy of reporting American Rescue Plan expenditures were resolved in the current year. The recommendations regarding segregation of duties, Self Insurance Committee meetings, obtaining a dedication by rider for all Other Trust Fund reserves, escrow trust deposits, and federal and state grants receivable and appropriated grant reserves 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. Consideration is given to providing for a more adequate segregation of duties with respect to the recording and treasury functions.
2. The fixed asset inventory be properly tagged.
3. 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, which grants should be cancelled and be accounted for properly to ensure adequate posting
4. Trust Funds:
 - a) Self Insurance Committee meetings be held in the future.
 - b) A Dedication by Rider be obtained for all Other Trust Fund reserves.
 - c) Greater care be taken when posting escrow trust deposits.