

*TOWNSHIP OF
PARSIPPANY-TROY HILLS*

COUNTY OF MORRIS

REPORT OF AUDIT

2023

*NISIVOCCIA LLP
CERTIFIED PUBLIC ACCOUNTANTS*

TOWNSHIP OF PARSIPPANY-TROY HILLS

COUNTY OF MORRIS

REPORT OF AUDIT

2023

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TOWNSHIP OF PARSIPPANY-TROY HILLS

PART I

FINANCIAL STATEMENTS AND

SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2023

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, 2023 and 2022, 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, 2023 and 2022, 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, 2023 and 2022, 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.

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.

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.
- 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 May 31, 2024 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
May 31, 2024

Nisiroccia 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
2023
CURRENT FUND

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

	Ref.	December 31,	
		2023	2022
<u>ASSETS</u>			
Regular Fund:			
Cash and Cash Equivalents	A-4	\$ 23,160,514.86	\$ 14,744,982.18
Change Funds		1,565.00	1,565.00
Due from State of N.J. for Veterans' & Senior Citizens' Deductions		51,735.65	53,108.86
		<u>23,213,815.51</u>	<u>14,799,656.04</u>
Receivables and Other Assets With			
Full Reserves:			
Delinquent Property Taxes Receivable	A-7	1,370,894.25	1,326,950.01
Tax Title Liens Receivable	A-8	1,491,377.29	1,212,319.38
Property Acquired for Taxes at Assessed Valuation		1,428,800.00	1,428,800.00
Revenue Accounts Receivable	A-9	23,109.18	12,843.14
Other Liens Receivable	A-10	191,926.95	191,926.95
Due from:			
Animal Control Fund	B	60,726.12	9,235.20
Total Receivables and Other Assets With Full Reserves		<u>4,566,833.79</u>	<u>4,182,074.68</u>
Deferred Charges:			
Special Emergency Authorizations		4,281,108.36	4,294,828.62
Total Deferred Charges		<u>4,281,108.36</u>	<u>4,294,828.62</u>
Total Regular Fund		<u>32,061,757.66</u>	<u>23,276,559.34</u>
Federal and State Grant Fund:			
Cash and Cash Equivalents	A-5	969,292.05	2,118,770.48
Federal and State Grants Receivable	A-14	2,888,186.77	1,824,210.32
Total Federal and State Grant Fund		<u>3,857,478.82</u>	<u>3,942,980.80</u>
<u>TOTAL ASSETS</u>		<u>\$ 35,919,236.48</u>	<u>\$ 27,219,540.14</u>

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

	Ref.	December 31	
		2023	2022
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Regular Fund:			
Appropriation Reserves:			
Encumbered	A-3;A-11	\$ 1,329,675.18	\$ 1,515,901.21
Unencumbered	A-3;A-11	8,744,220.82	4,558,135.98
		<u>10,073,896.00</u>	<u>6,074,037.19</u>
Accounts Payable - Vendors		500,000.00	
Special Emergency Notes Payable	A-13	2,316,000.00	3,322,000.00
Prepaid Taxes		1,733,334.82	1,544,136.98
Tax Overpayments		516,615.99	109,063.24
Due to State of New Jersey:			
Construction Code Fees		155,570.00	75,981.00
Marriage License Fees		1,422.00	25.00
Reserve for:			
Tax Appeals		1,379,704.36	1,476,317.77
Watershed Moratorium		55,178.00	55,178.00
Municipal Relief Aid		468,856.59	
		<u>17,200,577.76</u>	<u>12,656,739.18</u>
Reserve for Receivables and Other Assets	A	4,566,833.79	4,182,074.68
Fund Balance	A-1	10,294,346.11	6,437,745.48
Total Regular Fund		<u>32,061,757.66</u>	<u>23,276,559.34</u>
Federal and State Grant Fund:			
Unappropriated Reserves	A-15	185,721.45	15,516.27
Appropriated Reserves	A-16	3,671,757.37	3,927,464.53
Total Federal and State Grant Fund		<u>3,857,478.82</u>	<u>3,942,980.80</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 35,919,236.48</u>	<u>\$ 27,219,540.14</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,	
		2023	2022
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 5,400,000.00	
Miscellaneous Revenue Anticipated		24,641,818.06	\$ 27,126,587.22
Receipts from:			
Delinquent Taxes		1,319,025.62	953,884.00
Current Taxes		246,316,304.53	240,085,873.96
Nonbudget Revenue		199,661.45	1,059,210.05
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		2,546,979.35	2,335,517.72
Tax Overpayments Canceled		50,658.77	172,127.53
Accounts Payable Canceled			15,068.15
Federal and State Grants Appropriated Reserves Canceled		1,847,302.36	
Interfunds and Other Receivables Returned		9,235.20	
Total Income		<u>282,330,985.34</u>	<u>271,748,268.63</u>
<u>Expenditures</u>			
Budget and Emergency Appropriations:			
Municipal Purposes		89,008,270.17	86,509,708.26
County Taxes		24,344,592.80	23,269,306.63
Local School District Taxes		152,541,056.00	149,686,013.00
Open Space Taxes		1,464,203.68	1,462,665.45
Special District Taxes		5,503,225.00	5,281,418.00
Reserve for Pending Tax Appeals		1,000,000.00	1,000,000.00
Federal and State Grants Receivable Canceled		344,574.55	
Prior Year Senior Citizens Deductions Disallowed		10,330.13	15,188.33
Interfunds and Other Receivables Advanced		60,726.12	9,235.20
Total Expenditures		<u>274,276,978.45</u>	<u>267,233,534.87</u>
Excess in Revenue		8,054,006.89	4,514,733.76
Adjustments to Excess Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year:			
Special Emergency Authorization (40A:4-53)		1,202,593.74	917,849.02
Statutory Excess to Fund Balance		9,256,600.63	5,432,582.78
<u>Fund Balance</u>			
Balance January 1		6,437,745.48	1,005,162.70
Balance December 31	A	<u>\$ 10,294,346.11</u>	<u>\$ 6,437,745.48</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, 2023

	Budget	Added by NJSA 40A:4-87	Realized	Excess or Deficit *
Fund Balance Anticipated	\$ 5,400,000.00		\$ 5,400,000.00	
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	90,000.00		91,480.00	\$ 1,480.00
Other	250,000.00		270,672.00	20,672.00
Fees and Permits	1,018,948.00		921,651.71	97,296.29 *
Fines and Costs:				
Municipal Court	190,000.00		218,312.55	28,312.55
Interest and Costs on Taxes	350,000.00		462,623.49	112,623.49
Interest of Investments and Deposits	400,000.00		2,045,905.93	1,645,905.93
Garbage and Trash Removal	1,750,000.00		1,768,712.08	18,712.08
Community Center Revenue - Concession Rents	100,000.00		222,760.18	122,760.18
Hotel Tax	1,500,000.00		2,045,534.71	545,534.71
Ambulance Service Billing	850,000.00		1,476,704.02	626,704.02
Lease of Township Assets	680,000.00		622,901.31	57,098.69 *
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	4,526,094.00		4,526,094.20	0.20
Watershed Moratorium	55,178.00		55,178.00	
Uniform Construction Code Fees	2,050,000.00		3,765,495.00	1,715,495.00
Shared Services - Municipal Court	267,532.00		267,532.00	
Uniform Fire Safety Act - Ch. 383, P.L. 1985	180,000.00		196,248.66	16,248.66
General Capital Fund Balance	20,000.00		20,000.00	
Reserve for Debt Service	590,000.00		590,000.00	
Water Utility Operating Surplus of Prior Year	800,000.00		800,000.00	
Sewer Utility Operating Surplus of Prior Year	1,000,000.00		1,000,000.00	
Cablevision Franchise Fees	260,000.00		251,159.51	8,840.49 *
Reserve for Police Outside Employment	500,000.00		500,000.00	
Payment in Lieu of Taxes - BT Property LLC (UPS)	620,000.00		730,950.00	110,950.00

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023
(Continued)

	Budget	Added by NJSA 40A:4-87	Realized	Excess or Deficit *
Miscellaneous Revenue (Cont'd):				
State of New Jersey:				
Recycling Tonnage Grant	\$ 122,176.78		122,176.78	
Municipal Alliance Grant	9,408.00		9,408.00	
Clean Communities Program		\$ 127,789.66	127,789.66	
NJ Department of Transportation - North Beverwyck Road- Phase I		351,700.00	351,700.00	
NJ Department of Transportation - Edwards Road Improvements - Phase II		299,720.00	299,720.00	
NJ Department of Transportation - Sylvan Way Bridge		775,000.00	775,000.00	
Smith Field Light Replacement		75,000.00	75,000.00	
NJ Department of Environmental Protection - Stormwater Assistance Grant		25,000.00	25,000.00	
NJ Department of Law and Public Safety - Division of Highway Traffic Safety	720.00		720.00	
State Body Armor Replacement Program	5,388.27		5,388.27	
Total Miscellaneous Revenue	18,185,445.05	1,654,209.66	24,641,818.06	\$ 4,802,163.35
Receipts from Delinquent Taxes	1,150,000.00		1,319,025.62	169,025.62
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	60,497,056.75		61,194,315.05	697,258.30
Minimum Library Tax	3,168,912.00		3,168,912.00	
Budget Totals	63,665,968.75		64,363,227.05	697,258.30
Nonbudget Revenue	88,401,413.80	1,654,209.66	95,724,070.73	\$ 5,668,447.27
	\$ 88,401,413.80	\$ 1,654,209.66	\$ 95,923,732.18	

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023
(Continued)

Allocation of Current Tax Collections:

Collection of Current Taxes	\$ 246,316,304.53
Allocated to Local School, Municipal Open Space, Special District and County Taxes	183,853,077.48
	62,463,227.05
Add: Appropriation "Reserve for Uncollected Taxes"	1,900,000.00
	\$ 64,363,227.05
Realized for Support of Municipal Budget	\$ 64,363,227.05

Analysis of Other Licenses:

Clerk	\$ 74,008.00
Health	188,375.00
Registrar	8,289.00
	\$ 270,672.00
	\$ 270,672.00

Analysis of Fees and Permits:

Registrar	\$ 2,385.00
Zoning	74,978.35
Engineering	79,541.70
Fire Prevention	381,247.00
Police	35,997.00
Planning Board	46,290.05
Recreation	3,151.18
Board of Housing	197,350.00
Department of Public Works	92,691.43
Mayor	7,800.00
Tax Collector	220.00
	\$ 921,651.71
	\$ 921,651.71

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023
(Continued)

Analysis of Interest on Investments and Deposits:

Collected/Received by Treasurer	\$ 1,622,063.52
Due from Other Trust Fund	331,108.53
Due from General Capital Fund	92,733.88
	\$ 2,045,905.93
	\$ 2,045,905.93

Miscellaneous Revenue Not Anticipated:

Clerk	\$ 5,591.80	
Health	1,057.14	
Tax Collector	5,092.01	
Tax Assessor	2,350.00	
Zoning	170.00	
Police	21,424.79	
Engineering	17.50	
Finance	26,530.00	
Mayor	9,667.77	
Uniform Construction Code	2.00	
Administrative Fee - Senior Citizens and Veterans Deductions	4,082.01	
Other Miscellaneous	62,950.31	
	\$ 138,935.33	
Due from Animal Control Fund - Statutory Excess in Reserve for Animal Control Fund Expenditures		60,726.12
		\$ 199,661.45

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS":					
GENERAL GOVERNMENT:					
Executive:					
Salaries and Wages	\$ 221,152.00	\$ 163,152.00	\$ 92,085.68	\$ 71,066.32	
Other Expenses	40,000.00	98,000.00	51,761.56	46,238.44	
General Administration:					
Salaries and Wages	784,048.00	784,048.00	612,783.23	171,264.77	
Other Expenses	46,300.00	46,300.00	18,557.38	27,742.62	
Township Council:					
Salaries and Wages	50,116.00	50,116.00	42,115.05	8,000.95	
Other Expenses	3,675.00	3,675.00	1,740.00	1,935.00	
Municipal Clerk:					
Salaries and Wages	280,835.00	280,835.00	243,122.57	37,712.43	
Other Expenses	97,600.00	97,600.00	78,543.61	19,056.39	
Grant Writer:					
Other Expenses	19,800.00	25,800.00	21,450.00	4,350.00	
Treasury:					
Salaries and Wages	217,121.00	217,121.00	121,488.82	95,632.18	
Other Expenses	119,500.00	119,500.00	109,843.94	9,656.06	
Audit	92,912.00	92,912.00	92,600.00	312.00	

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023
(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	\$ 128,835.00	\$ 128,835.00	\$ 115,974.40	\$ 12,860.60	
Other Expenses	40,800.00	40,800.00	23,403.46	17,396.54	
Tax Assessment Administration:					
Salaries and Wages	311,031.00	321,031.00	312,501.18	8,529.82	
Other Expenses	57,500.00	57,500.00	54,694.45	2,805.55	
Legal Services and Costs:					
Other Expenses	600,000.00	600,000.00	385,110.89	214,889.11	
Engineering Services and Costs:					
Salaries and Wages	491,742.00	491,742.00	369,405.82	122,336.18	
Other Expenses	50,840.00	50,840.00	32,577.60	18,262.40	
LAND USE ADMINISTRATION:					
Department of Planning:					
Salaries and Wages	67,321.00	67,321.00	65,335.66	1,985.34	
Other Expenses	66,100.00	96,100.00	82,790.67	13,309.33	
Board of Adjustment:					
Salaries and Wages	63,937.00	63,937.00	38,566.19	25,370.81	
Other Expenses	21,750.00	21,750.00	19,848.55	1,901.45	

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023
(Continued)

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

Housing and Zoning Code Enforcement:

Salaries and Wages	\$ 606,309.00	\$ 606,309.00	\$ 564,209.45	\$ 42,099.55
Other Expenses	56,360.00	56,360.00	33,358.25	23,001.75
INSURANCE:				
Unemployment Insurance	5,000.00	5,000.00		5,000.00
Liability Insurance	750,000.00	750,000.00	696,861.92	53,138.08
Worker Compensation	860,000.00	860,000.00	859,203.51	796.49
Employee Group Health	11,197,342.00	11,111,342.00	10,417,593.59	693,748.41
Health Benefit Waivers	140,000.00	140,000.00	59,292.77	80,707.23

PUBLIC SAFETY:

Police Department:

Salaries and Wages	16,437,461.00	16,437,461.00	15,214,018.58	1,223,442.42
Other Expenses	1,003,350.00	1,003,350.00	827,068.19	176,281.81

Office of Emergency Management:

Salaries and Wages	43,704.00	43,704.00	34,314.49	9,389.51
Other Expenses	70,000.00	70,000.00	27,515.47	42,484.53
Aid to First Aid Organization	300,000.00	300,000.00	210,000.00	90,000.00

Fire Prevention Bureau:

Salaries and Wages	366,445.00	366,445.00	321,000.00	45,445.00
Other Expenses	57,087.00	57,087.00	50,455.19	6,631.81

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023
(Continued)

Operations Within "CAPS" (Continued):

Municipal Court:

Salary and Wages	\$ 566,424.00	\$ 566,424.00	\$ 516,957.11	\$ 49,466.89	
Other Expenses	26,200.00	26,200.00	19,445.93	6,754.07	

Prosecutor:

Salary and Wages	40,000.00	40,000.00	30,000.00	10,000.00	
Other Expenses	40,000.00	40,000.00	27,500.00	12,500.00	

Information Technology

Other Expenses	351,000.00	351,000.00	221,962.03	129,037.97	
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PUBLIC WORKS:

Streets and Road Maintenance:

Salaries and Wages	2,089,649.00	2,089,649.00	1,626,925.16	462,723.84	
Other Expenses	766,960.00	766,960.00	434,948.56	332,011.44	

Garbage and Trash Removal:

Salary and Wages	2,517,326.00	2,517,326.00	2,327,526.62	189,799.38	
Other Expenses	900,142.00	900,142.00	406,869.98	493,272.02	

Buildings and Grounds:

Salary and Wages	265,022.00	295,022.00	269,408.71	25,613.29	
Other Expenses	184,300.00	184,300.00	165,832.84	18,467.16	

Vehicle Maintenance:

Other Expenses	858,950.00	858,950.00	754,085.80	104,864.20	
Condominium Costs	270,000.00	270,000.00	173,611.61	96,388.39	

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023
(Continued)

Operations Within "CAPS" (Continued):

HEALTH AND HUMAN SERVICES:

Public Health Services:

Salaries and Wages	\$ 483,635.00	\$ 483,635.00	\$ 414,271.34	\$ 69,363.66
Other Expenses	57,350.00	67,350.00	47,121.85	20,228.15

Senior Citizen Center:

Salaries and Wages	570,542.00	570,542.00	505,856.63	64,685.37
Other Expenses	37,000.00	37,000.00	35,206.47	1,793.53

Animal Control:

Other Expenses	200,000.00	200,000.00	200,000.00	
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Contribution to Day Care Center

	60,400.00	60,400.00	45,000.00	15,400.00
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Ambulance Services:

Salaries and Wages	1,292,251.00	1,292,251.00	1,236,160.46	56,090.54
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Other Expenses

	309,667.00	309,667.00	299,463.92	10,203.08
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RECREATION AND EDUCATION:

Recreation Services:

Salaries and Wages	811,887.00	811,887.00	664,258.03	147,628.97
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Other Expenses

	468,060.00	468,060.00	391,252.98	76,807.02
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Maintenance of Parks:

Salaries and Wages	2,294,699.00	2,294,699.00	1,855,724.90	438,974.10
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Other Expenses

	360,500.00	360,500.00	335,490.84	25,009.16
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UTILITIES:

Utilities and Gasoline

	2,509,063.41	2,509,063.41	1,653,271.51	855,791.90
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Solid Waste Disposal Costs

	2,100,000.00	2,100,000.00	1,508,065.99	591,934.01
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TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
LANDFILL- MAINTENANCE:					
Salaries and Wages	\$ 20,000.00	\$ 20,000.00		\$ 20,000.00	
Other Expenses	20,000.00	20,000.00	\$ 8,057.50	11,942.50	
UNIFORM CONSTRUCTION CODE:					
Department of Buildings and Inspections:					
Salaries and Wages	1,493,103.00	1,493,103.00	1,378,508.07	114,594.93	
Other Expenses	286,319.00	286,319.00	239,086.37	47,232.63	
UNCLASSIFIED:					
Salary Adjustment	750,000.00	750,000.00		750,000.00	
Accumulated Absence Liabilities					
(Special Emergency + \$1,202,593.74)	10,000.00	1,212,593.74	1,202,593.74	10,000.00	
SFSP Fire District Adjustments	18,948.00	18,948.00		18,948.00	
Total Operations Within "CAPS"	58,795,370.41	59,997,964.15	51,295,657.07	8,702,307.08	
Detail:					
Salaries and Wages	33,414,595.00	34,599,188.74	30,234,404.66	4,334,784.08	
Other Expenses (Including Contingent)	25,380,775.41	25,398,775.41	21,061,252.41	4,337,523.00	
Deferred Charges and Statutory Expenditures-					
Municipal within "CAPS":					
Emergency Authorizations:					
Anticipated Deficit in Golf Utility Fund	334,590.00	334,590.00			\$ 334,590.00

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023
(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.)	\$ 1,690,000.00	\$ 1,690,000.00	\$ 1,655,640.28	\$ 34,359.72	
Public Employees' Retirement System	2,498,760.00	2,498,760.00	2,498,759.98	0.02	
Police and Firemen's Retirement System of N.J.	4,989,618.84	4,989,618.84	4,989,618.84		
Defined Contribution Retirement Program	17,000.00	17,000.00	13,174.17	3,825.83	
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	9,529,968.84	9,529,968.84	9,157,193.27	38,185.57	\$ 334,590.00
Total General Appropriations for Municipal Purposes Within "CAPS"	68,325,339.25	69,527,932.99	60,452,850.34	8,740,492.65	334,590.00
Operations Excluded from "CAPS":					
Maintenance of Free Public Library	3,631,912.00	3,631,912.00	3,628,183.83	3,728.17	
LOSAP:					
Other Expenses	60,000.00	60,000.00	60,000.00		
Insurances - Health - Employee Health & Group Life	72,568.00	72,568.00	72,568.00		
Shared Service Agreements:					
Shared Services Agreement - Health Officer	89,470.00	89,470.00	89,470.00		

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023
(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	\$ 122,176.78	\$ 122,176.78	\$ 122,176.78		
Clean Communities Grant (N.J.S.A. 40A:4-87 + \$127,789.66)		127,789.66	127,789.66		
Municipal Alliance Grant	9,408.00	9,408.00	9,408.00		
NJ Department of Transportation - North Beverwyck Road- Phase I (N.J.S.A. 40A:4-87 + \$351,700.00)		351,700.00	351,700.00		
NJ Department of Transportation - Edwards Road Improvements - Phase II (N.J.S.A. 40A:4-87 + \$299,720.00)		299,720.00	299,720.00		
NJ Department of Transportation - Sylvan Way Bridge (N.J.S.A. 40A:4-87 + \$775,000.00)		775,000.00	775,000.00		
NJ Department of Environmental Protection - Stormwater Assistance Grant (N.J.S.A. 40A:4-87 + \$25,000.00)		25,000.00	25,000.00		
NJ Department of Law and Public Safety - Division of Highway Traffic Safety	720.00	720.00	720.00		
Body Armor Replacement Program	5,388.27	5,388.27	5,388.27		
Smith Field Light Replacement (N.J.S.A. 40A:4-87 + \$75,000.00)		75,000.00	75,000.00		
Total Operations Excluded from "CAPS"	3,991,643.05	5,645,852.71	5,642,124.54	\$ 3,728.17	
Detail:					
Other Expenses	3,991,643.05	5,645,852.71	5,642,124.54	3,728.17	

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Capital Improvements Excluded from "CAPS":					
Capital Improvement Fund	\$ 300,000.00	\$ 300,000.00	\$ 300,000.00		
Total Capital Improvements Excluded from "CAPS"	300,000.00	300,000.00	300,000.00		
Municipal Debt Service Excluded from "CAPS":					
Payment of Bond Principal	8,995,000.00	8,995,000.00	8,995,000.00		
Payment of Bond Anticipation Notes	561,000.00	561,000.00	561,000.00		
Interest on Bonds	1,799,450.00	1,799,450.00	1,799,450.00		
Interest on Notes	1,143,127.50	1,143,127.50	1,129,770.94		\$ 13,356.56
Special Emergency Note Interest	169,540.00	169,540.00	167,539.53		2,000.47
Total Municipal Debt Service Excluded from "CAPS"	12,668,117.50	12,668,117.50	12,652,760.47		15,357.03
Deferred Charges - Municipal - Excluded from "CAPS"					
Special Emergency Authorizations - 5 Years:					
Retirement Payouts 2021	207,795.00	207,795.00	207,795.00		
Retirement Payouts 2022	183,570.00	183,570.00	183,570.00		
Retirement Payouts 2018	150,427.00	150,427.00	150,427.00		
Retirement Payouts 2019	61,187.00	61,187.00	61,187.00		
Retirement Payouts 2020	126,335.00	126,335.00	126,335.00		
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"	1,216,314.00	1,216,314.00	1,216,314.00		

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	\$ 18,176,074.55	\$ 19,830,284.21	\$ 19,811,199.01	\$ 3,728.17	\$ 15,357.03
Subtotal General Appropriations	86,501,413.80	89,358,217.20	80,264,049.35	8,744,220.82	349,947.03
Reserve for Uncollected Taxes	1,900,000.00	1,900,000.00	1,900,000.00		
Total General Appropriations	\$ 88,401,413.80	\$ 91,258,217.20	\$ 82,164,049.35	\$ 8,744,220.82	\$ 349,947.03

Ref.

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TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023
(Continued)

		Analysis of	
<u>Ref.</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	
Adopted Budget	\$ 88,401,413.80		
Special Emergency Authorization (40A:4-53)	1,202,593.74		
Added by NJSA 40A:4-87	1,654,209.66		
	\$ 91,258,217.20		
Cash Disbursed		\$ 76,333,170.02	
Due to Federal and State Grant Fund		1,791,902.71	
Deferred Charges		1,216,314.00	
Encumbrances	A	1,329,675.18	
Reserve for Uncollected Taxes		1,900,000.00	
		82,571,061.91	
Less: Refunds		407,012.56	
		\$ 82,164,049.35	

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
COUNTY OF MORRIS
2023
TRUST FUNDS

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

	<u>Ref.</u>	<u>December 31,</u>	
		<u>2023</u>	<u>2022</u>
<u>ASSETS</u>			
Animal Control Fund:			
Cash and Cash Equivalents	B-4	\$ 159,604.70	\$ 105,686.18
Change Fund		50.00	50.00
		<u>159,654.70</u>	<u>105,736.18</u>
Other Trust Funds:			
Cash and Cash Equivalents	B-4	27,844,939.04	24,429,011.54
Cash with Fiscal Agents:			
Workers' Compensation Plan		120,278.41	123,466.40
Due from Water Utility Operating Fund	D		150,000.00
Due from Sewer Utility Operating Fund	E		150,000.00
Community Development Block Grant - Federal Grants Receivable		937,135.97	845,296.18
		<u>28,902,353.42</u>	<u>25,697,774.12</u>
<u>TOTAL ASSETS</u>		<u>\$ 29,062,008.12</u>	<u>\$ 25,803,510.30</u>

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

	<u>Ref.</u>	<u>December 31,</u>	
		<u>2023</u>	<u>2022</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Fund:			
Due to State of New Jersey		\$ 92.40	\$ 85.80
Due to Current Fund	A	60,726.12	9,235.20
Reserve for Animal Control Expenditures	B-5	46,437.00	48,507.00
Reserve for Donations		52,399.18	47,908.18
		<u>159,654.70</u>	<u>105,736.18</u>
Other Trust Funds:			
Reserve for:			
Special Deposits		10,391,071.46	9,235,321.51
Premiums on Tax Sale		1,863,600.00	1,916,600.00
Security Deposits			17,111.99
Off Duty Police		762,909.09	754,712.43
Municipal Open Space Preservation Trust Fund		7,646,380.73	6,510,097.98
Workers' Compensation - Self Insurance Fund - Municipal			7,867.86
Workers' Compensation - Self Insurance Fund - Contractor		120,278.41	123,466.40
LOSAP Forfeiture		195,085.27	135,085.27
Employee Health Benefit Self Insurance Fund		4,990,521.03	4,035,345.44
State Unemployment Insurance Fund		895,116.18	968,469.22
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		937,135.97	845,296.18
		<u>28,902,353.42</u>	<u>25,697,774.12</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 29,062,008.12</u>	<u>\$ 25,803,510.30</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, 2023

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, 2023

NOT APPLICABLE

ASSESSMENT TRUST FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

NOT APPLICABLE

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
COUNTY OF MORRIS
2023
GENERAL CAPITAL FUND

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

	Ref.	December 31,	
		2023	2022
<u>ASSETS</u>			
Cash and Cash Equivalents	C-2	\$ 14,538,490.93	\$ 8,306,430.45
Grants Receivable:			
New Jersey Department of Transportation		2,176.35	2,176.35
Deferred Charges to Future Taxation:			
Funded		75,293,000.00	62,175,000.00
Unfunded	C-4	28,654,055.48	40,234,784.48
<u>TOTAL ASSETS</u>		<u>\$ 118,487,722.76</u>	<u>\$ 110,718,391.28</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds Payable	C-8	\$ 72,358,000.00	\$ 57,780,000.00
Refunding Bonds	C-8A	2,935,000.00	4,395,000.00
Bond Anticipation Notes Payable	C-7	12,769,000.00	22,849,300.00
Improvement Authorizations:			
Funded	C-5	5,628,919.90	2,910,982.46
Unfunded	C-5	21,021,010.00	18,938,972.18
Capital Improvement Fund	C-6	2,456,789.00	2,720,218.00
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		844,633.93	634,510.30
Emergency Preparedness		122,442.50	122,442.50
Fund Balance	C-1	10,854.56	25,892.97
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 118,487,722.76</u>	<u>\$ 110,718,391.28</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, 2022	C	\$ 25,892.97
Increased by:		
Improvement Authorizations Canceled		4,961.59
		30,854.56
Decreased by:		
Utilized as Anticipated Revenue in the Current Fund		20,000.00
		20,000.00
Balance December 31, 2023	C	\$ 10,854.56

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
COUNTY OF MORRIS
2023
WATER UTILITY FUND

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

	<u>Ref.</u>	<u>December 31,</u>	
		<u>2023</u>	<u>2022</u>
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents	D-4	\$ 5,612,986.09	\$ 4,819,219.62
Receivables and Inventory with Full Reserves:			
Consumer Accounts Receivable	D-6	432,417.10	698,238.40
Water Utility Liens Receivable	D-6A	109,146.37	77,919.45
Inventory	D-6B	455,589.50	369,640.00
Total Receivables and Inventory with Full Reserves		<u>997,152.97</u>	<u>1,145,797.85</u>
Total Operating Fund		<u>6,610,139.06</u>	<u>5,965,017.47</u>
Capital Fund:			
Cash and Cash Equivalents	D-4	25,571,693.90	14,966,476.34
Fixed Capital	D-7	39,649,472.26	38,712,449.71
Fixed Capital Authorized and Uncompleted	D-8	57,393,000.00	47,403,000.00
Total Capital Fund		<u>122,614,166.16</u>	<u>101,081,926.05</u>
<u>TOTAL ASSETS</u>		<u>\$ 129,224,305.22</u>	<u>\$ 107,046,943.52</u>

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

	Ref.	December 31,	
		2023	2022
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Appropriation Reserves:			
Encumbered	D-3;D-9	\$ 358,825.63	\$ 308,503.52
Unencumbered	D-3;D-9	976,635.78	678,807.74
		<u>1,335,461.41</u>	<u>987,311.26</u>
Accrued Interest on Bonds and Notes		336,340.63	142,043.13
Water Rent Overpayments		35,628.83	35,070.36
Reserve for Water Master Plan		24,250.03	24,250.03
Due to Other Trust Funds	B		150,000.00
		<u>1,731,680.90</u>	<u>1,338,674.78</u>
Reserve for Receivables and Inventory	D	997,152.97	1,145,797.85
Fund Balance	D-1	3,881,305.19	3,480,544.84
		<u>6,610,139.06</u>	<u>5,965,017.47</u>
Total Operating Fund			
Capital Fund:			
Bond Anticipation Notes Payable	D-13	19,020,000.00	16,580,000.00
Serial Bonds Payable	D-14	25,942,000.00	10,440,000.00
Improvement Authorizations:			
Funded	D-10	6,162,658.81	2,512,295.85
Unfunded	D-10	28,745,292.55	30,318,874.58
Capital Improvement Fund	D-11	314,498.22	314,498.22
Reserve for:			
Debt Service		984,498.69	507,670.81
Amortization	D-12	41,010,411.26	38,995,388.71
Deferred Amortization	D-12A	200,000.00	1,080,000.00
Fund Balance	D-1A	234,806.63	333,197.88
		<u>122,614,166.16</u>	<u>101,081,926.05</u>
Total Capital Fund			
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 129,224,305.22</u>	<u>\$ 107,046,943.52</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

	<u>Ref.</u>	<u>Year Ended December 31,</u>	
		<u>2023</u>	<u>2022</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	\$	1,600,000.00	\$ 1,500,000.00
Rents		12,020,857.60	10,642,128.70
Interest on Investments		831,920.25	225,198.44
Water Utility Capital Fund Balance		100,000.00	
Reserve for Payment of Debt Service		200,000.00	45,000.00
Miscellaneous Revenue		161,037.58	156,456.34
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		357,733.81	574,839.02
Total Income		<u>15,271,549.24</u>	<u>13,143,622.50</u>
<u>Expenditures</u>			
Budget Expenditures:			
Operating		9,687,596.76	9,324,723.00
Capital Improvements		95,000.00	95,000.00
Debt Service		2,195,001.39	1,356,555.28
Statutory Expenditures		493,190.74	452,523.00
Total Expenditures		<u>12,470,788.89</u>	<u>11,228,801.28</u>
Excess in Revenue		2,800,760.35	1,914,821.22
<u>Fund Balance</u>			
Balance January 1		3,480,544.84	3,065,723.62
		<u>6,281,305.19</u>	<u>4,980,544.84</u>
Decreased by:			
Utilized as Anticipated Revenue		1,600,000.00	1,500,000.00
Prior Year Fund Balance Appropriated as Revenue - Current Fund		800,000.00	
Balance December 31	D	<u>\$ 3,881,305.19</u>	<u>\$ 3,480,544.84</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, 2022	D	\$ 333,197.88
Increased by:		
Cancellation of Improvement Authorizations		1,608.75
		334,806.63
Decreased by:		
Anticipated as Revenue in Water Utility Operating Fund Budget		100,000.00
		100,000.00
Balance December 31, 2023	D	\$ 234,806.63

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, 2023

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess/ Deficit *</u>
Operating Fund Balance Anticipated	\$ 1,600,000.00	\$ 1,600,000.00	
Water Rents	10,500,000.00	12,020,857.60	\$ 1,520,857.60
Interest on Investments	80,000.00	831,920.25	751,920.25
Water Capital Fund Balance	100,000.00	100,000.00	
Reserve for Payment of Debt Service	200,000.00	200,000.00	
	<u>12,480,000.00</u>	<u>14,752,777.85</u>	<u>2,272,777.85</u>
Nonbudget Revenue		161,037.58	161,037.58
	<u>\$ 12,480,000.00</u>	<u>\$ 14,913,815.43</u>	<u>\$ 2,433,815.43</u>
 <u>Analysis of Water Rents</u>			
Cash Received		\$ 11,985,787.24	
Overpayments Applied		<u>35,070.36</u>	
		<u>\$ 12,020,857.60</u>	
 <u>Analysis of Nonbudget Revenue</u>			
Interest on Water Rents		\$ 84,483.04	
Final Fee		20,922.56	
Off/On Fee		20,090.21	
Capacity/Connection Fees		27,179.59	
Other		<u>8,362.18</u>	
		<u>\$ 161,037.58</u>	

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
COUNTY OF MORRIS
2023
SEWER UTILITY FUND

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

	Ref.	December 31,	
		2023	2022
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents	E-4	\$ 10,781,001.80	\$ 8,105,193.59
Receivables and Inventory With Full Reserves:			
Consumer Accounts Receivable	E-6	917,712.65	1,265,402.37
Sewer Utility Liens Receivable	E-6A	112,011.44	108,482.32
Inventory	E-6B	96,487.61	110,906.00
Total Receivables and Inventory with Full Reserves		<u>1,126,211.70</u>	<u>1,484,790.69</u>
Total Operating Fund		<u>11,907,213.50</u>	<u>9,589,984.28</u>
Capital Fund:			
Cash and Cash Equivalents	E-4	20,831,488.02	17,018,093.59
NJ Infrastructure Bank Loan Receivable			3,852,017.00
Fixed Capital	E-7	145,932,213.33	140,640,056.25
Fixed Capital Authorized and Uncomplete	E-8	85,112,023.14	82,929,321.49
Total Capital Fund		<u>251,875,724.49</u>	<u>244,439,488.33</u>
TOTAL ASSETS		<u><u>\$ 263,782,937.99</u></u>	<u><u>\$ 254,029,472.61</u></u>

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

	Ref.	December 31	
		2023	2022
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves:			
Encumbered	E-3;E-9	\$ 165,713.04	\$ 260,093.18
Unencumbered	E-3;E-9	2,712,643.95	1,608,027.76
		<u>2,878,356.99</u>	<u>1,868,120.94</u>
Accounts Payable		908.50	908.50
Accrued Interest on Loans		39,681.43	45,485.70
Accrued Interest on Bonds		197,770.83	84,462.50
Accrued Interest on Notes		66,300.00	80,266.88
Sewer Rent Overpayments		60,433.25	61,783.71
Prepaid Sewer Rents		26,691.08	163,665.57
Due to Other Trust Funds	B		150,000.00
		<u>3,270,142.08</u>	<u>2,454,693.80</u>
Reserve for Receivables and Inventory	E	1,126,211.70	1,484,790.69
Fund Balance	E-1	7,510,859.72	5,650,499.79
		<u>7,510,859.72</u>	<u>5,650,499.79</u>
Total Operating Fund		<u>11,907,213.50</u>	<u>9,589,984.28</u>
Capital Fund:			
Bond Anticipation Notes Payable	E-13	7,956,000.00	16,465,000.00
Serial Bonds Payable	E-14	29,031,000.00	13,955,000.00
NJ Environmental Infrastructure Trust Loans Payable #1	E-15	56,772.50	65,883.04
NJ Environmental Infrastructure Trust Loans Payable #2	E-15A	6,235,039.38	7,293,321.23
NJ Infrastructure Bank Loans Payable #1	E-15B	5,507,568.00	8,000,000.00
Improvement Authorizations:			
Funded	E-10	12,967,930.39	8,603,392.17
Unfunded	E-10	15,328,217.72	20,029,844.43
Capital Improvement Fund	E-11	466,000.00	466,000.00
Reserve for:			
Debt Service		579,707.29	269,950.64
Amortization	E-12	145,517,707.67	143,425,916.94
Deferred Amortization	E-12a	28,012,170.76	25,672,710.37
Fund Balance	E-1a	217,610.78	192,469.51
		<u>217,610.78</u>	<u>192,469.51</u>
Total Capital Fund		<u>251,875,724.49</u>	<u>244,439,488.33</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 263,782,937.99</u>	<u>\$ 254,029,472.61</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	
		2023	2022
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	\$	2,200,000.00	\$ 2,600,000.00
Sewer and Other Rents		19,996,215.42	17,505,924.67
Septage Removal		725,549.36	840,470.30
Interest on Investments		1,018,382.92	272,844.25
Reserve to Pay Debt Service		260,000.00	121,692.00
Nonbudget Revenue		214,705.45	206,645.13
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		1,292,392.68	1,846,544.93
Total Income		<u>25,707,245.83</u>	<u>23,394,121.28</u>
<u>Expenditures</u>			
Budget Expenditures:			
Operating		16,020,542.79	15,184,325.00
Debt Service		3,755,514.70	3,026,842.43
Deferred Charges and Statutory Expenditures		870,828.41	751,814.00
Total Expenditures		<u>20,646,885.90</u>	<u>18,962,981.43</u>
Excess in Revenue		5,060,359.93	4,431,139.85
<u>Fund Balance</u>			
Balance January 1		5,650,499.79	5,319,359.94
		<u>10,710,859.72</u>	<u>9,750,499.79</u>
Decreased by:			
Utilization as Anticipated Revenue		2,200,000.00	2,600,000.00
Prior Year Fund Balance Appropriated as Revenue - Current Fund		1,000,000.00	1,500,000.00
Balance December 31	E	<u>\$ 7,510,859.72</u>	<u>\$ 5,650,499.79</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, 2022	E	\$ 192,469.51
Increased by:		
Improvement Authorizations Cancelled		<u>25,141.27</u>
Balance December 31, 2023	E	<u>\$ 217,610.78</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, 2023

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess/ Deficit *</u>
Operating Fund Balance Anticipated	\$ 2,200,000.00	\$ 2,200,000.00	
Sewer Rents	17,510,000.00	19,996,215.42	\$ 2,486,215.42
Interest on Investments	100,000.00	1,018,382.92	918,382.92
Septage Removal	600,000.00	725,549.36	125,549.36
Reserve to Pay Debt Service	260,000.00	260,000.00	
	<u>20,670,000.00</u>	<u>24,200,147.70</u>	<u>3,530,147.70</u>
Nonbudget Revenue		214,705.45	214,705.45
	<u>\$ 20,670,000.00</u>	<u>\$ 24,414,853.15</u>	<u>\$ 3,744,853.15</u>

Analysis of Sewer Rents:

Collections	\$ 19,772,587.60
Prepays Applied	163,665.57
Overpayments Applied	59,962.25
	<u>\$ 19,996,215.42</u>

Analysis of Septage Removal

Collections	\$ 723,727.90
Overpayments Applied	1,821.46
	<u>\$ 725,549.36</u>

Analysis of Interest on Investments

Collected by Treasurer	\$ 1,018,382.92
	<u>\$ 1,018,382.92</u>

Analysis of Nonbudget Revenue:

Interest on Sewer Rents	\$ 129,469.25
Other Miscellaneous	22,224.52
Capacity/Connection Fees	63,011.68
	<u>\$ 214,705.45</u>

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

	Appropriations		Expended by			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved		
Operating:						
Salaries and Wages	\$ 4,605,406.00	\$ 4,605,406.00	\$ 3,807,339.14	\$ 798,066.86		
Other Expenses	11,415,136.79	11,415,136.79	9,647,061.75	1,768,075.04		
Debt Service:						
Payment of Bond Principal	1,210,000.00	1,210,000.00	1,210,000.00			
Payment of Bond Anticipation Notes	179,000.00	179,000.00	179,000.00			
Interest on Bonds	395,625.00	395,625.00	395,625.00			
Interest on Notes	823,250.00	823,250.00	800,135.90		\$ 23,114.10	
Environmental Infrastructure Loan	1,170,753.80	1,170,753.80	1,170,753.80			
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	521,228.41	521,228.41	521,228.41			
Social Security System (O.A.S.I.)	349,600.00	349,600.00	203,097.95	146,502.05		
	<u>\$ 20,670,000.00</u>	<u>\$ 20,670,000.00</u>	<u>\$ 17,934,241.95</u>	<u>\$ 2,712,643.95</u>	<u>\$ 23,114.10</u>	

Ref.

E

TOWNSHIP OF PARSIPPANY-TROY HILLS
SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023
(Continued)

		Analysis of	
	<u>Ref.</u>	Budget After Modification	Paid or Charged
Adopted Budget		\$ 20,670,000.00	
Cash Disbursed			\$ 16,469,406.60
Encumbered	E		165,713.04
Accrued Interest on Bonds			395,625.00
Accrued Interest on Notes			800,135.90
Accrued Interest on Loans			103,361.41
			\$ 17,934,241.95

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
COUNTY OF MORRIS
2023
GOLF AND RECREATION UTILITY FUND

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

	Ref.	December 31,	
		<u>2023</u>	<u>2022</u>
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents	F-4	\$ 1,192,077.70	\$ 855,459.46
		<u>1,192,077.70</u>	<u>855,459.46</u>
Receivables and Inventory With Full Reserves:			
Inventory	F-6a	419,929.42	258,336.90
		<u>419,929.42</u>	<u>258,336.90</u>
Total Receivables and Inventory With Full Receivables		<u>419,929.42</u>	<u>258,336.90</u>
Deferred Charges:			
Emergency Authorization (40A:4-48)			250,000.00
Total Deferred Charges			<u>250,000.00</u>
Total Operating Fund		<u>1,612,007.12</u>	<u>1,363,796.36</u>
Capital Fund:			
Cash and Cash Equivalents	F-4	954,285.98	2,917,662.35
Fixed Capital	F-7	34,316,824.00	26,506,344.61
Fixed Capital Authorized and Uncompleted	F-8	1,970,219.58	9,581,460.00
		<u>37,241,329.56</u>	<u>39,005,466.96</u>
Total Capital Fund		<u>37,241,329.56</u>	<u>39,005,466.96</u>
<u>TOTAL ASSETS</u>		<u>\$ 38,853,336.68</u>	<u>\$ 40,369,263.32</u>

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

	Ref.	December 31,	
		2023	2022
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Appropriation Reserves:			
Encumbered	F-3;F-9	\$ 47,522.43	\$ 91,065.70
Unencumbered	F-3;F-9	363,727.71	182,349.42
		<u>411,250.14</u>	<u>273,415.12</u>
Sales Tax Payable		2,692.41	113.00
Accrued Interest on Bonds and Notes		34,643.75	40,848.80
Overpayments		3,960.10	15,118.82
Due to Golf Pro		1,602.79	1,102.79
		<u>454,149.19</u>	<u>330,598.53</u>
Reserve for Receivables and Inventory	F	419,929.42	258,336.90
Fund Balance	F-1	737,928.51	774,860.93
		<u>1,612,007.12</u>	<u>1,363,796.36</u>
Total Operating Fund			
Capital Fund:			
Bond Anticipation Notes Payable	F-13		520,700.00
Serial Bonds Payable	F-14	5,245,000.00	5,965,000.00
Improvement Authorizations:			
Funded	F-10	37,715.95	144,389.00
Unfunded	F-10	951,593.35	1,423,947.70
Capital Improvement Fund	F-11	151,303.05	161,593.05
Reserve for:			
Payment of Debt Service		1,117,671.82	2,303,765.82
Amortization	F-12	29,182,384.58	28,327,841.61
Deferred Amortization	F-12a	536,949.00	156,279.00
Fund Balance	F-1a	18,711.81	1,950.78
		<u>37,241,329.56</u>	<u>39,005,466.96</u>
Total Capital Fund			
		<u>37,241,329.56</u>	<u>39,005,466.96</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 38,853,336.68</u>	<u>\$ 40,369,263.32</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,	
		2023	2022
<u>Revenue and Other Income Realized</u>			
Fund Balance Anticipated		\$ 500,000.00	\$ 1,090,000.00
Golf Fees		3,939,610.54	3,830,307.68
Concession Fees		341,268.22	
Merchandise Sales		269,375.85	207,968.91
Interest on Investments		186,837.50	72,418.61
Reserve for the Payment of Debt Service		664,410.00	108,481.03
Miscellaneous Revenue Not Anticipated		118,636.52	116,344.42
Other Credits to Income:			
Overpayments Canceled		11,158.72	
Unexpended Balance of Appropriation Reserves		175,275.87	470,635.29
		<u>6,206,573.22</u>	<u>5,896,155.94</u>
Total Income			
<u>Expenditures</u>			
Budget Expenditures and Emergency:			
Operating		4,505,439.83	4,421,529.00
Debt Service		658,053.14	644,567.82
Deferred Charges and Statutory Expenditures		580,012.67	324,957.53
		<u>5,743,505.64</u>	<u>5,391,054.35</u>
Total Expenditures			
Excess in Revenue		463,067.58	505,101.59
Adjustments to Excess Before Fund Balance:			
Expenditures included above which are by Statute			
Deferred Charges to Budget of Succeeding Year			250,000.00
			<u>250,000.00</u>
Statutory Excess to Fund Balance		463,067.58	755,101.59
<u>Fund Balance</u>			
Balance January 1		774,860.93	1,109,759.34
		<u>1,237,928.51</u>	<u>1,864,860.93</u>
Decreased by:			
Utilized as Anticipated Revenue		500,000.00	1,090,000.00
		<u>500,000.00</u>	<u>1,090,000.00</u>
Balance December 31	F	<u>\$ 737,928.51</u>	<u>\$ 774,860.93</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, 2022	F	\$	1,950.78
Increased by:			
Cancellation of Improvement Authorizations			16,761.03
Balance December 31, 2023	F	\$	18,711.81

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, 2023

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess/ Deficit *</u>
Operating Fund Balance Anticipated	\$ 500,000.00	\$ 500,000.00	
Golf Fees	3,830,000.00	3,939,610.54	\$ 109,610.54
Concession Fees	150,000.00	341,268.22	191,268.22
Merchandise Sales	201,000.00	269,375.85	68,375.85
Interest on Investments	70,000.00	186,837.50	116,837.50
Reserve for the Payment of Debt Service	664,410.00	664,410.00	
Anticipated Deficit in Golf Utility Fund	334,590.00		334,590.00 *
	<u>5,750,000.00</u>	<u>5,901,502.11</u>	<u>151,502.11</u>
Nonbudget Revenue		118,636.52	118,636.52
	<u>\$ 5,750,000.00</u>	<u>\$ 6,020,138.63</u>	<u>\$ 270,138.63</u>

Analysis of Concession Fees

Concession Fees	\$ 310,500.00
Concession Fees - Utilities	<u>30,768.22</u>
	<u>\$ 341,268.22</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, 2023

	Appropriations		Expended by		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operating:					
Salaries and Wages	\$ 2,367,539.02	\$ 2,287,539.02	\$ 2,066,622.40	\$ 220,916.62	
Other Expenses	2,137,900.81	2,217,900.81	2,098,491.20	119,409.61	
Debt Service:					
Payment of Bond Principal	515,000.00	515,000.00	515,000.00		
Interest on Bonds	123,512.50	123,512.50	119,845.86		\$ 3,666.64
Interest on Notes	26,035.00	26,035.00	23,207.28		2,827.72
Deferred Charges and Statutory Expenditures:					
Overexpenditure of Appropriations	250,000.00	250,000.00	250,000.00		
Contribution to:					
Public Employees' Retirement System	170,012.67	170,012.67	170,012.67		
Social Security (O.A.S.I.)	160,000.00	160,000.00	136,598.52	23,401.48	
	<u>\$ 5,750,000.00</u>	<u>\$ 5,750,000.00</u>	<u>\$ 5,379,777.93</u>	<u>\$ 363,727.71</u>	<u>\$ 6,494.36</u>

Ref.

F

TOWNSHIP OF PARSIPPANY-TROY HILLS
GOLF AND RECREATION UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023
(Continued)

		Analysis of	
	<u>Ref.</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>
Adopted Budget		\$ 5,750,000.00	
Cash Disbursed			\$ 4,947,663.08
Encumbrances Payable	F		47,522.43
Accrued Interest on Bonds and Notes			143,053.14
Deferred Charges			250,000.00
			5,388,238.65
Less: Refunds			8,460.72
			\$ 5,379,777.93

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
COUNTY OF MORRIS
2023
PUBLIC ASSISTANCE FUND

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

		December 31,	
<u>ASSETS</u>	<u>Ref.</u>	2023	2022
Cash and Cash Equivalents	G-1	\$ 4,497.44	\$ 4,297.93
<u>TOTAL ASSETS</u>		<u>\$ 4,497.44</u>	<u>\$ 4,297.93</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Reserve for Public Assistance		\$ 4,497.44	\$ 4,297.93
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 4,497.44</u>	<u>\$ 4,297.93</u>

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
COUNTY OF MORRIS
2023
GENERAL FIXED ASSETS ACCOUNT GROUP

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

	December 31,	
	2023	2022
<u>ASSETS</u>		
Land	\$ 114,261,584.00	\$ 114,261,584.00
Buildings	32,940,200.00	32,940,200.00
Machinery and Equipment	46,340,551.00	45,139,481.00
<u>TOTAL ASSETS</u>	<u>\$ 193,542,335.00</u>	<u>\$ 192,341,265.00</u>
 <u>RESERVE</u>		
Reserve for Fixed Assets	<u>\$ 193,542,335.00</u>	<u>\$ 192,341,265.00</u>
<u>TOTAL RESERVE</u>	<u>\$ 193,542,335.00</u>	<u>\$ 192,341,265.00</u>

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

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, 2023
 (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 in a prior year.

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, 2023
(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, 2023
 (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, 2023
(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,		
	2023	2022	2021
<u>Issued</u>			
General:			
Bonds and Notes	\$ 88,062,000	\$ 85,024,300	\$ 93,805,300
Water Utility:			
Bonds and Notes	44,962,000	27,020,000	23,870,000
Sewer Utility:			
Bonds, Loans and Notes	48,786,380	45,779,204	40,621,513
Golf and Recreation Utility:			
Bonds and Notes	5,245,000	6,485,700	7,200,700
Total Issued	<u>187,055,380</u>	<u>164,309,204</u>	<u>165,497,513</u>
Less:			
Funds Temporarily Held			
to Pay Bonds and Notes:			
General	924,287	714,163	252,720
Water Utility	984,499	507,671	287,225
Sewer Utility	579,707	269,951	128,038
Golf and Recreation Utility	1,117,672	2,303,766	2,403,910
Total Deductions	<u>3,606,165</u>	<u>3,795,551</u>	<u>3,071,893</u>
Net Debt Issued	<u>183,449,215</u>	<u>160,513,653</u>	<u>162,425,620</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

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

Summary of Municipal Debt (Cont'd)

	December 31,		
	2023	2022	2021
<u>Authorized but not Issued:</u>			
General:			
Bonds and Notes	\$ 15,885,055	\$ 17,385,484	\$ 7,678,185
Water Utility:			
Bonds and Notes	10,870,061	19,020,061	12,700,061
Sewer Utility:			
Bonds, Loans and Notes	8,727,978	8,691,546	8,187,546
Golf and Recreation Utility:			
Bonds and Notes	1,322,710	1,117,984	984
Total Authorized but not Issued	36,805,804	46,215,075	28,566,776
Net Bonds and Notes Issued and			
Authorized but not Issued	\$ 220,255,019	\$ 206,728,728	\$ 190,992,396

Summary of Municipal Debt Issued and Outstanding – Prior Year

	Balance	Additions	Retirements	Balance
	12/31/2021			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:				
NJEIT/NJIB Loans	8,412,513	8,000,000	1,053,309	15,359,204
Total	\$ 165,497,513	\$ 64,415,000	\$ 65,603,309	\$ 164,309,204

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

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

Summary of Municipal Debt Issued and Outstanding – Current Year

	Balance 12/31/2022	Additions	Retirements	Balance 12/31/2023
Serial Bonds:				
General Capital Fund	\$ 62,175,000	\$ 22,288,000	\$ 9,170,000	\$ 75,293,000
Water Utility Capital Fund	10,440,000	16,387,000	885,000	25,942,000
Sewer Utility Capital Fund	13,955,000	16,286,000	1,210,000	29,031,000
Golf and Recreation Utility Capital Fund	5,965,000		720,000	5,245,000
Bond Anticipation Notes:				
General Capital Fund	22,849,300	12,769,000	22,849,300	12,769,000
Water Utility Capital Fund	16,580,000	19,020,000	16,580,000	19,020,000
Sewer Utility Capital Fund	16,465,000	7,956,000	16,465,000	7,956,000
Golf and Recreation Utility Capital Fund	520,700		520,700	
Loans Payable:				
Sewer Utility Capital Fund:				
NJ Environmental Infrastructure Loan	15,359,204		3,559,824	11,799,380
Total	<u>\$ 164,309,204</u>	<u>\$ 94,706,000</u>	<u>\$ 71,959,824</u>	<u>\$ 187,055,380</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 1.098%.

	Gross Debt	Deductions	Net Debt
Local School District Debt	\$ 16,545,000	\$ 16,545,000	
Water Utility Debt	55,832,061	55,832,061	
Sewer Utility Debt	57,514,358	57,514,358	
Golf and Recreation Utility Debt	6,567,710	6,567,710	
General Debt	103,947,055	924,287	\$ 103,022,768
	<u>\$ 240,406,184</u>	<u>\$ 137,383,416</u>	<u>\$ 103,022,768</u>

Net Debt: \$103,022,768 divided by Equalized Valuation basis per N.J.S. 40A:2-2, as amended, of \$9,379,408,485 = 1.098%.

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(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	\$ 328,279,297
Net Debt	<u>103,022,768</u>
Remaining Borrowing Power	<u><u>\$ 225,256,529</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	\$ 14,913,815
Deductions:	
Operating and Maintenance Cost	\$ 10,180,788
Debt Service	<u>2,195,001</u>
	<u>12,375,789</u>
Excess in Revenue	<u><u>\$ 2,538,026</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	\$ 24,414,853
Deductions:	
Operating and Maintenance Cost	\$ 16,891,371
Debt Service	<u>3,755,515</u>
	<u>20,646,886</u>
Excess in Revenue	<u><u>\$ 3,767,967</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	\$ 6,020,139
Deductions:	
Operating and Maintenance Cost	\$ 4,835,453
Debt Service	<u>658,053</u>
	<u>5,493,506</u>
Excess in Revenue	<u><u>\$ 526,633</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, 2023
(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
2024	\$ 10,428,000	\$ 2,633,163	\$ 1,177,000	\$ 996,613
2025	10,710,000	2,272,912	1,530,000	951,262
2026	9,765,000	1,906,913	1,565,000	888,638
2027	9,610,000	1,549,212	1,605,000	822,387
2028	9,645,000	1,199,763	1,640,000	754,438
2029-2033	25,135,000	2,158,156	7,225,000	2,834,718
2034-2038			6,500,000	1,586,125
2039-2043			4,700,000	516,750
	<u>\$ 75,293,000</u>	<u>\$ 11,720,119</u>	<u>\$ 25,942,000</u>	<u>\$ 9,350,931</u>

Year Ended December 31,	Sewer Utility		Golf and Recreation Utility	
	Principal	Interest	Principal	Interest
2024	\$ 2,689,269	\$ 1,233,930	\$ 740,000	\$ 139,250
2025	2,905,757	1,190,500	740,000	120,050
2026	2,959,860	1,110,287	695,000	100,775
2027	3,001,968	1,024,159	695,000	79,925
2028	3,056,084	936,243	695,000	59,800
2029-2033	9,923,271	3,492,250	1,680,000	67,200
2034-2038	8,190,419	2,006,621		
2039-2043	6,034,359	768,994		
2044-2048	1,057,504	145,221		
2049-2053	1,011,889	58,341		
	<u>\$ 40,830,380</u>	<u>\$ 11,966,546</u>	<u>\$ 5,245,000</u>	<u>\$ 567,000</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

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

Analysis of Debt Issued and Outstanding at December 31, 2023

General Capital Fund

Serial Bonds

<u>Purpose</u>	<u>Maturities of Bonds</u> <u>Outstanding Dec. 31, 2023</u>		<u>Interest</u> <u>Rate</u>	<u>Balance</u> <u>Dec. 31, 2023</u>
	<u>Date</u>	<u>Amount</u>		
Refunding Bonds	7/15/2024	\$ 1,470,000	4.00%	
	7/15/2025	1,465,000	4.00%	\$ 2,935,000
General Improvements	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%	27,010,000
General Improvements	5/1/2024-25	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%	13,140,000
General Improvements	6/1/2024-27	1,240,000	3.00%	
	6/1/2028-31	1,240,000	2.00%	9,920,000
General Improvements	11/1/2024	1,253,000	5.00%	
	11/1/2025	1,540,000	5.00%	
	11/1/2026	2,330,000	5.00%	
	11/1/2027	2,365,000	5.00%	
	11/1/2028	2,400,000	5.00%	
	11/1/2029	2,430,000	5.00%	
	11/1/2030	2,470,000	5.00%	
	11/1/2031-32	2,500,000	5.00%	
11/1/2033	2,500,000	4.00%	22,288,000	
				<u>\$ 75,293,000</u>

Bond Anticipation Notes

<u>Purpose</u>	<u>Maturities of Notes</u> <u>Outstanding Dec. 31, 2023</u>		<u>Interest</u> <u>Rate</u>	<u>Balance</u> <u>Dec. 31, 2023</u>
	<u>Date</u>	<u>Amount</u>		
Various Capital Improvements	10/31/2024	\$ 12,769,000	5.00%	<u>\$ 12,769,000</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

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

Analysis of Debt Issued and Outstanding at December 31, 2023 (Cont'd)

Water Utility Capital Fund

<u>Serial Bonds</u>	<u>Maturities of Bonds</u>		<u>Interest</u>	<u>Balance</u>
	<u>Outstanding Dec. 31, 2023</u>			
<u>Purpose</u>	<u>Date</u>	<u>Amount</u>	<u>Rate</u>	<u>Dec. 31, 2023</u>
Water Improvements	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%	\$ 3,030,000
Water Improvements	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%	6,525,000
Water Improvements	11/1/2024	427,000	5.00%	
	11/1/2025	765,000	5.00%	
	11/1/2026	790,000	5.00%	
	11/1/2027	815,000	5.00%	
	11/1/2028	840,000	5.00%	
	11/1/2029-32	850,000	5.00%	
	5/1/2033-43	850,000	4.00%	16,387,000
			<u>\$ 25,942,000</u>	

<u>Bond Anticipation Notes</u>	<u>Maturities of Notes</u>		<u>Interest</u>	<u>Balance</u>
	<u>Outstanding Dec. 31, 2023</u>			
<u>Purpose</u>	<u>Date</u>	<u>Amount</u>	<u>Rate</u>	<u>Dec. 31, 2023</u>
Improvements to Water Utility	10/31/2024	\$ 16,580,000	5.00%	<u>\$ 19,020,000</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

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

Analysis of Debt Issued and Outstanding at December 31, 2023 (Cont'd)

Sewer Utility Capital Fund

<u>Serial Bonds</u>	<u>Maturities of Bonds</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2023</u>
	<u>Outstanding Dec. 31, 2023</u>			
<u>Purpose</u>	<u>Date</u>	<u>Amount</u>		
Sewer Improvements	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%	\$ 4,625,000
	5/1/2022	385,000.00	4.00%	
Sewer Improvements	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%	8,120,000
Sewer Improvements	11/1/2024	451,000	5.00%	
	11/1/2025	605,000	5.00%	
	11/1/2026	630,000	5.00%	
	11/1/2027	650,000	5.00%	
	11/1/2028	665,000	5.00%	
	11/1/2029	685,000	5.00%	
	11/1/2030-32	900,000	5.00%	
	11/1/2033-43	900,000	4.00%	16,286,000
			<u>\$ 29,031,000</u>	
<u>Loans Payable</u>	<u>Final Maturity Date of</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2023</u>
<u>Purpose</u>	<u>NJEIT/NJIB Loans Payable</u>			
Sewer Improvements	8/1/2029		3.00 -5.00%	\$ 6,291,812
Sewer Improvements	8/1/2053		3.00 -4.00%	5,507,568
				<u>\$ 11,799,380</u>
<u>Bond Anticipation Notes</u>	<u>Maturities of Notes</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2023</u>
<u>Purpose</u>	<u>Outstanding Dec. 31, 2023</u>			
	<u>Date</u>	<u>Amount</u>		
Various Sewer Improvements	10/31/2024	\$ 16,465,000	5.00%	<u>\$ 7,956,000</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

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

Analysis of Debt Issued and Outstanding at December 31, 2023 (Cont'd)

Golf and Recreation Utility Capital Fund

Serial Bonds

<u>Purpose</u>	<u>Maturities of Bonds</u>		<u>Interest</u>	<u>Balance</u>
	<u>Outstanding Dec. 31, 2023</u>			
	<u>Date</u>	<u>Amount</u>	<u>Rate</u>	<u>Dec. 31, 2023</u>
General Improvements	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%	\$ 3,950,000
General Improvements	6/1/2024-25	140,000	3.00%	
	6/1/2026-27	145,000	3.00%	
	6/1/2028-32	145,000	2.00%	<u>1,295,000</u>
				<u>\$ 5,245,000</u>
Total Debt Issued and Outstanding				<u>\$ 187,055,380</u>

N.J. Environmental Infrastructure Loan (NJEIT)/New Jersey Infrastructure Bank Loan(NJIB)

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, 2023 for the Sewer Utility Capital Fund were \$6,291,811.88.

As of December 31, 2023 the Township of Parsippany-Troy Hills entered into a loan agreement with the New Jersey Infrastructure Bank (I-Bank) for \$5,507,568 to complete improvements of the Sewer System funded in 2023 at an interest rate of 3.03% to 5.00%. Loans payable at December 31, 2023 for the Sewer Utility Capital Fund were \$5,507,568.

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(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, 2023 which are appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2024 adopted budget were as follows:

Current Fund	\$ 5,400,000
Water Utility Operating Fund	\$ 1,600,000
Sewer Utility Operating Fund	\$ 1,970,000
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, 2023
(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.

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

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, 2023
(Continued)

Note 4: Pension Plans (Cont'd)

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

Contributions (Cont'd)

Township contributions to PERS amounted to \$3,628,577 for 2023. 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

Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under the legislation is considered to be 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 the legislation directly to the plan (except for employer specific financed amounts), there is no pension liability or deferred outflows or inflows to report in the financial statement of the local participating employers related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entity's total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must disclose pension expense associated with the employers in an amount equal to the nonemployer contributing entity's total proportionate share of the collective pension expense associated with the local participating employer.

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 0.005% from its proportion measured as of June 30, 2021. The Township has rolled forward the net pension liability as of June 30, 2022 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. The Division of Local Government Services, Department of Community Affairs, State of New Jersey is permitting municipalities and counties to include the June 30, 2022 information in the Notes to the Financial Statements as the June 30, 2023 information has not been released as of the date of this audit.

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, 2023, the Township recognized actual pension expense in the amount of \$3,628,577.

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

Note 4: Pension Plans (Cont'd)

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

Actuarial Assumptions

The collective 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, 2023
(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, 2023
(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, 2023
(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 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 2022, the State contributed an amount more 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, 2023
(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 \$4,989,619 for the year ended December 31, 2023. During the fiscal year ended June 30, 2022, the State of New Jersey contributed \$963,107 to the PFRS for normal pension benefits on behalf of the Township, which is more than the contractually required contribution of \$892,541.

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

Pension Liabilities and Pension Expense

At June 30, 2022, the Township's liability for its proportionate share of the net pension liability was \$43,468,398. 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 0.380%, which was an increase of 0.008% from its proportion measured as of June 30, 2021. The Township has rolled forward the net pension liability as of June 30, 2022 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, 2022 information in the Notes to the Financial Statements as the June 30, 2023 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 \$7,736,100 as of June 30, 2022. 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, 2021 which was rolled forward to June 30, 2022. 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, 2022, the State's proportion was 0.380%, which was an increase of 0.008% from its proportion measured as of June 30, 2021 which is the same proportion as the Township's.

Township's Proportionate Share of the Net Pension Liability	\$ 43,468,398
State's Proportionate Share of the Net Pension Liability Associated with the Township	<u>7,736,100</u>
Total Net Pension Liability	<u>\$ 51,204,498</u>

For the year ended December 31, 2023, the Township recognized total pension expense of \$4,989,619.

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(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, 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:	
Through all future years	3.25 – 16.25% based on years of service
Thereafter	Not Applicable
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, 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 PFRS' 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, 2023
(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%	8.12%
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 – PFRS

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 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, 2022 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, 2023
(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 (Cont'd)

	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 NPL and the State's proportionate share of the Net Pension Liability associated with the Township	\$ 70,258,103	\$ 51,204,498	\$ 35,342,281

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 \$13,174 for the year ended December 31, 2023. Employee contributions to DCRP amounted to \$17,891 for the year ended December 31, 2023.

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, 2023
(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 \$7,619,400 at December 31, 2023. 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, 2023 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

	2023	2022	2021
<u>Tax Rate</u>	\$ 3.312	\$ 3.231	\$ 3.096
<u>Apportionment of Tax Rate</u>			
Municipal	0.890	0.859	0.759
County	0.334	0.319	0.317
Local School	2.088	2.053	2.020
<u>Assessed Valuations</u>			
2023	\$ 7,308,004,700		
2022		\$ 7,293,668,250	
2021			\$ 7,271,860,000

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(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>
2023	\$ 248,011,634	\$ 246,316,305	99.31%
2022	241,654,386	240,085,874	99.35%
2021	231,027,794	229,807,791	99.47%

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 investment section of this footnote.

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, 2023
(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, 2023
(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, 2023, cash and cash equivalents 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	\$ 23,160,515	\$ 23,162,080
Federal and State Grant Fund		969,292	969,292
Animal Control Trust Fund	50	159,605	159,655
Other Trust Fund		27,844,939	27,844,939
General Capital Fund		14,538,491	14,538,491
Water Utility Operating Fund		5,612,986	5,612,986
Water Utility Capital Fund		25,571,694	25,571,694
Sewer Utility Operating Fund		10,781,002	10,781,002
Sewer Utility Capital Fund		20,831,488	20,831,488
Golf and Recreation Utility Operating Fund		1,192,078	1,192,078
Golf and Recreation Utility Capital Fund		954,286	954,286
Public Assistance Fund		4,497	4,497
	<u>\$ 1,615</u>	<u>\$ 131,620,873</u>	<u>\$ 131,622,488</u>

The carrying amount of the Township's cash and cash equivalents at December 31, 2023, was \$131,622,488 and the bank balance was \$137,371,472.

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(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, 2023 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, 2022 is as follows:

Total Assets	<u>\$ 63,828,590</u>
Net Position (Deficit)	<u>\$ (4,763,931)</u>
Total Revenue	<u>\$ 39,931,633</u>
Total Expenses	<u>\$ 45,065,192</u>
Change in Net Position	<u>\$ (5,133,559)</u>
Members Dividends	<u>\$ -0-</u>

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

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

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(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, 2023 of \$4,007,301, 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>2023</u>	<u>2022</u>
Balance, Beginning of the Year	\$ 4,035,345	\$ 3,578,694
Provision for Insured Events	<u>14,880,787</u>	<u>13,557,086</u>
	18,916,132	17,135,780
Claims and Claim Adjustment Expenses Attributable to Insured Events	<u>13,925,611</u>	<u>13,100,435</u>
Balance, End of the Year	<u>\$ 4,990,521</u>	<u>\$ 4,035,345</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(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, 2023.

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

	<u>2023</u>	<u>2022</u>
Balance, Beginning of the Year	\$ 123,466	\$ 25,863
Provisions for Insured Events	<u>871,430</u>	<u>1,543,906</u>
	994,896	1,569,769
Claims and Claim Adjustment Expenses Attributable to Insured Events	<u>874,618</u>	<u>1,446,303</u>
Balance, End of the Year	<u>\$ 120,278</u>	<u>\$ 123,466</u>

Workers' Compensation Loss Reserves

The liability for unpaid losses and loss adjustment expenses represents an estimate of the ultimate net cost of reported losses and loss adjustment expenses as of December 31, 2023. 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 \$120,278.

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

Note 9: Risk Management (Cont'd)

Workers' Compensation Loss Reserves (Cont'd)

Loss reserves, at December 31, 2023 and 2022, respectively, which have been estimated by the Fund's Actuary and Servicing Agents, are as follows:

	2023	2022
Case Reserves	\$ 5,612,298	\$ 5,561,172
Less: Excess Coverage	3,524,317	3,609,151
Total Loss Reserves (Expenses)	\$ 2,087,981	\$ 1,952,021

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
2023		\$ 60,475	\$ 133,828	\$ 895,116
2022	\$ 157,500	58,820	24,585	968,469
2021	100,000	54,869	27,221	776,734

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, 2023
(Continued)

Note 11: Interfund Receivables and Payables

The following interfund balances remain on the balance sheet at December 31, 2023:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 60,726	
Animal Control Fund		\$ 60,726
	<u>\$ 60,726</u>	<u>\$ 60,726</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 in the Reserve for Animal Control Expenditures due to Current Fund at the end of the year.

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, 2023.

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 \$1,379,704 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 Parsippany-Troy Hills. The amount recorded as receivable on the Sewer Utility Operating Fund balance sheet at December 31, 2023 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, 2023
(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, 2023, the Township had the following deferred charge:

	Balance Dec. 31, 2023	Required 2024 Budget Appropriation	Balance to Years Subsequent Budgets
Current Fund:			
Special Emergency Appropriations	\$ 4,281,108	\$ 1,306,406	\$ 2,974,702

The appropriation in the 2024 budget is 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, 2023, 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, 2023
(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 \$730,950 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 \$1,150,166 of which \$279,186 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 2021 and 2022 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, 2023
(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 \$208,465,476 was measured as of December 31, 2023 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, 2023 to December 31, 2023 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	3.88%
Salary Increases	3.00% per year

The discount rate used was 3.88% 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 3.88%.

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

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

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

Actuarial Assumptions and Other Inputs (Cont'd)

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

Health Care Trend Rates	Year	Pre 65	Post 65
Year 1 Trend	January 1, 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, 2023	\$ 192,795,289
Changes for Year:	
Service Cost	2,735,028
Interest on total OPEB Liability	7,366,083
Change in Assumptions	11,464,649
Benefit Payments	<u>(5,895,573)</u>
Net Changes	<u>15,670,187</u>
Balance at December 31, 2023	<u>\$ 208,465,476</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(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 (2.88 percent) or 1 percentage higher (4.88 percent) than the current discount rate:

	December 31, 2023		
	1%	Discount Rate	1%
	Decrease (2.88%)	(3.88%)	Increase (4.88%)
Total OPEB Liability	\$ 253,470,926	\$ 208,465,476	\$ 174,638,936

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, 2023		
	1%	Valuation Healthcare Trend Rates	1%
	Decrease		Increase
Total OPEB Liability	\$ 171,631,350	\$ 208,465,476	\$ 257,568,833

OPEB Expense

For the year ended December 31, 2023, the Township's OPEB expense was \$4,499,014 as determined by the actuarial valuation.

Actual retiree payments to 199 retired employees in 2023 were \$6,982,000.

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(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, 2023
 (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, 2021 through June 30, 2022. 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, 2023
(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, 2022 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, 2022 OPEB information in the Notes to the Financial Statements as the June 30, 2023 OPEB information has not been released as of this audit report.

The total OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022.

The State's proportionate share of the net OPEB liability attributable to the Township at June 30, 2022 was \$18,674,981. At June 30, 2022, the State's proportion related to the Township was .553528%. This is the percentage of the total State Share of the net OPEB liability of the Plan. During the year ended June 30, 2022, the State of New Jersey's OPEB benefit related to the Township was \$3,063,089.

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.

- Salary Increases*:
 - Public Employees' Retirement System (PERS)
 - Rate for all future years 2.75% to 6.55% based on years of service
 - Police and Firemen's Retirement System (PFRS)
 - Rate for all future years 3.25% to 16.25% based on years of service

* - 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, 2023
(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, 2021 valuation were based on the results of the PFRS and the PERS experience studies prepared for July 1, 2018 to June 30, 2021.

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 6.25% for fiscal year 2023 and decreases to a 4.5% long term trend rate in 2030. For PPO post 65 medical benefits, the trend rate is -1.89% in fiscal year 2023 and increases to a 4.50% trend rate starting with fiscal year 2033 and later. For HMO Post 65 medical benefits, the trend rate is -1.99% in fiscal year 2023 and increases to a 4.50% trend rate starting with fiscal year 2033 and later. For prescription drug benefits, the trend rate is 8.00% for fiscal year 2023 and decreases to a 4.50% trend rate in 2030 and later.

Discount Rate

The discount rate for June 30, 2022 was 3.54%. 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, 2023 and 2022:

	Balance Dec. 31, 2022	Additions	Deletions/ Adjustments	Balance Dec. 31, 2023
Land	\$ 114,261,584			\$ 114,261,584
Buildings	32,940,200			32,940,200
Machinery and Equipment	45,139,481	\$ 2,146,209	\$ (945,139)	46,340,551
	<u>\$ 192,341,265</u>	<u>\$ 2,146,209</u>	<u>\$ (945,139)</u>	<u>\$ 193,542,335</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

Note 17: Fixed Assets (Cont'd)

	Balance Dec. 31, 2021	Additions	Deletions/ Adjustments	Balance 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>

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, 2023 and 2022 were \$7,646,381 and \$6,510,098, respectively.

Note 19: Leases

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 2023 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 2023 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. The total lease payments for 2023 were approximately \$194,711.

TOWNSHIP OF PARSIPPANY-TROY HILLS

SUPPLEMENTARY DATA

TOWNSHIP OF PARSIPPANY-TROY HILLS
ROSTER OF OFFICIALS
YEAR ENDED DECEMBER 31, 2023

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		
Loretta Gragnani	Council President		
Michael J. dePierro	Council Vice President		
Paul Carifi, Jr.	Councilman		
Justin Musella	Councilman		
Frank Neglia	Councilman		
Jamie Cryan	Administrator	*	
Khaled Madin	Clerk	*	
Leonard Ho	Chief Financial Officer	\$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 (To 11/30/23)	*	
Suzanne Taylor	Director of Purchasing (From 4/1/24)	*	
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
2023
CURRENT FUND

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

	<u>Ref.</u>	
Balance December 31, 2022	A	\$ 14,744,982.18
Increased by Receipts:		
Tax Collector	\$ 248,672,279.78	
Revenue Accounts Receivable	20,286,207.93	
Miscellaneous Revenue Not Anticipated	138,935.33	
Due from / to State of New Jersey:		
Veterans and Senior Citizens' Deductions	204,100.61	
Construction Code Fees Payable	166,697.00	
Marriage License Fees Payable	3,347.00	
Interest on Investments	1,622,063.52	
Reserve for Watershed Moratorium	55,178.00	
Special Emergency Notes Payable	2,316,000.00	
Reserve for Municipal Relief Aid	468,856.59	
Due to/from:		
Federal and State Grant Fund:		
Grant Cancellations Returned	1,502,727.81	
Animal Control Fund:		
Interfund Returned	9,235.20	
Other Trust Funds:		
Interest Earned	331,108.53	
General Capital Fund:		
Interest Earned	92,733.88	
Appropriation Refunds	407,012.56	
Appropriation Reserve Refunds	8,614.34	
		276,285,098.08
		291,030,080.26

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

Ref.

Decreased by Disbursements:		
2023 Appropriation Expenditures	\$ 76,333,170.02	
2022 Appropriation Reserves	3,035,672.18	
Tax Overpayment Refunds	135,807.42	
Local School District Taxes	152,541,056.00	
County Taxes	24,344,592.80	
Special District Taxes	5,503,225.00	
Due State of New Jersey:		
Construction Code Fees Payable	87,108.00	
Marriage License Fees Payable	1,950.00	
Reserve for Tax Appeals	1,096,613.41	
Special Emergency Notes Payable	3,322,000.00	
Due to:		
Other Trust Funds:		
Open Space Tax Levy	1,464,203.68	
Refund of 2024 Prepaid Taxes	4,166.89	
	\$ 267,869,565.40	
Balance December 31, 2023	A	\$ 23,160,514.86

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2023

Increased by Receipts:		
Taxes Receivable	\$ 245,878,135.64	
2024 Prepaid Taxes	1,737,501.71	
Interest and Costs on Taxes	462,623.49	
Tax Overpayments	<u>594,018.94</u>	
		<u>\$ 248,672,279.78</u>
Decreased by:		
Payments to Treasurer		<u><u>\$ 248,672,279.78</u></u>

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

	<u>Ref.</u>	
Balance December 31, 2022	A	\$ 2,118,770.48
Increased by Receipts:		
Federal and State Grants Receivable	\$ 367,835.44	
Unappropriated Reserves	<u>185,721.45</u>	
		<u>553,556.89</u>
		<u>2,672,327.37</u>
Decreased by:		
Appropriated Reserves	200,307.51	
Due to Current Fund	<u>1,502,727.81</u>	
		<u>1,703,035.32</u>
Balance December 31, 2023	A	<u><u>\$ 969,292.05</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, 2023
	Dec 31, 2022	2023 Levy	2022	2023				
2020	\$ 274.64					\$ 274.64		
2021	250.10			\$ 250.08		0.02		
2022	1,326,425.27			1,318,775.54	\$ (10,330.13)	10,847.61	\$ 7,132.25	
	1,326,950.01	\$248,011,634.12	\$ 1,544,136.98	1,319,025.62	(10,330.13)	11,122.27	7,132.25	
2023				244,559,110.02	213,057.53	112,825.14	211,610.20	\$ 1,370,894.25
	\$ 1,326,950.01	\$248,011,634.12	\$ 1,544,136.98	\$245,878,135.64	\$ 202,727.40	\$ 123,947.41	\$ 218,742.45	\$ 1,370,894.25

Ref. A

Analysis of 2023 Property Tax Levy

Tax Yield:

General Purpose Tax	\$242,028,410.62
Business Personal Property Taxes	12,704.83
Special District Taxes	5,530,640.49
Added and Omitted Taxes	439,878.18
	<u>\$248,011,634.12</u>

Tax Levy:

Local School District Taxes	\$152,541,056.00
Open Space Taxes	1,464,203.68
Special District Taxes	5,503,225.00
County Taxes	
Due County for Added and Omitted Taxes	\$ 24,301,232.34
	<u>43,360.46</u>
	24,344,592.80
	<u>183,853,077.48</u>

Local Tax for Municipal Purposes Levied	60,497,056.75
Minimum Library Tax Levied	3,168,912.00
Add: Additional Tax Levied	492,587.89
	<u>64,158,556.64</u>
	<u>\$248,011,634.12</u>

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

	<u>Ref.</u>	
Balance December 31, 2022	A	\$ 1,212,319.38
Increased by:		
Transfer from Taxes Receivable		\$ 218,742.45
Interest and Costs Accrued at Sale		77.88
Adjustment		<u>60,237.58</u>
		<u>279,057.91</u>
Balance December 31, 2023	A	<u><u>\$ 1,491,377.29</u></u>

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

	Balance Dec 31, 2022	Accrued in 2023	Received in 2023	Balance Dec 31, 2023
Clerk:				
Alcoholic Beverages Licenses	\$	91,480.00	\$ 91,480.00	
Other Licenses		74,008.00	74,008.00	
Health:				
Other Licenses		188,375.00	188,375.00	
Registrar:				
Other Licenses		8,289.00	8,289.00	
Fees and Permits:				
Registrar		2,385.00	2,385.00	
Zoning		74,978.35	74,978.35	
Engineering		79,541.70	79,541.70	
Fire Prevention		381,247.00	381,247.00	
Planning Board		46,290.05	46,290.05	
Recreation		3,151.18	3,151.18	
Board of Housing		197,350.00	197,350.00	
Recycling		92,691.43	92,691.43	
Administration		7,800.00	7,800.00	
Tax Collector		220.00	220.00	
Police		35,997.00	35,997.00	
Municipal Court:				
Fines and Costs	\$	12,843.14	218,312.55	\$ 23,109.18
Garbage and Trash Removal		1,768,712.08	1,768,712.08	
Community Center Revenue - Concession Rents		222,760.18	222,760.18	
Hotel Tax		2,045,534.71	2,045,534.71	
Ambulance Service Billing		1,476,704.02	1,476,704.02	
Lease Rentals		622,901.31	622,901.31	

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

	Balance Dec 31, 2022	Accrued in 2023	Received in 2023	Balance Dec 31, 2023
Energy Receipts Taxes	\$ 4,526,094.20		\$ 4,526,094.20	
Watershed Moratorium	55,178.00		55,178.00	
Construction Code Official:				
Fees and Permits	3,765,495.00		3,765,495.00	
Uniform Fire Safety Act	196,248.66		196,248.66	
Municipal Court - Shared Services	267,532.00		267,532.00	
Reserve for Police Outside Employment	500,000.00		500,000.00	
General Capital Fund - Fund Balance	20,000.00		20,000.00	
General Capital Fund - Reserve for Debt Service	590,000.00		590,000.00	
Water Utility Operating Surplus of Prior Year	800,000.00		800,000.00	
Sewer Utility Operating Surplus of Prior Year	1,000,000.00		1,000,000.00	
Cablevision Franchise Fees	251,159.51		251,159.51	
Payment in Lieu of Taxes - BT Property LLC (UPS)	730,950.00		730,950.00	
	<u>\$ 12,843.14</u>	<u>\$ 20,351,651.97</u>	<u>\$ 20,341,385.93</u>	<u>\$ 23,109.18</u>

Ref. A

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Cash Received	\$ 20,286,207.93
Reserve for Accumulated Revenue	
Unappropriated - Watershed	
Moratorium	<u>55,178.00</u>
	<u>\$ 20,341,385.93</u>

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

	<u>Ref.</u>	
Balance December 31, 2022	A	<u>\$ 191,926.95</u>
Balance December 31, 2023	A	<u><u>\$ 191,926.95</u></u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
SCHEDULE OF 2022 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2023

	Balance Dec 31, 2022	Balance After Modification	Paid or Charged	Balance Lapsed
GENERAL GOVERNMENT:				
Executive:				
Salaries and Wages	\$ 82,979.14	\$ 82,979.14		\$ 82,979.14
Other Expenses	33,162.78	33,162.78	\$ 5,062.73	28,100.05
General Administration:				
Salaries and Wages	10,453.75	10,453.75		10,453.75
Other Expenses	25,036.94	25,036.94	16,829.88	8,207.06
Township Council:				
Salaries and Wages	2.19	2.19		2.19
Other Expenses	2,320.00	2,320.00		2,320.00
Municipal Clerk:				
Salaries and Wages	1,880.71	1,880.71		1,880.71
Other Expenses	7,784.79	7,784.79	3,743.85	4,040.94
Grant Writer:				
Other Expenses	6,600.00	6,600.00		6,600.00
Treasury:				
Salaries and Wages	38,245.41	38,245.41		38,245.41
Other Expenses	8,394.68	8,394.68	4,392.90	4,001.78
Audit	2,051.00	2,051.00		2,051.00
Tax Collection:				
Salaries and Wages	14,675.16	14,675.16		14,675.16
Other Expenses	16,328.12	16,328.12	521.98	15,806.14
Tax Assessing:				
Salaries and Wages	0.21	0.21		0.21
Other Expenses	26,959.94	26,959.94	9,669.96	17,289.98
Legal Services and Costs:				
Other Expenses	400,781.91	375,781.91	126,927.74	248,854.17
Engineering Services and Costs:				
Salaries and Wages	34,358.22	34,358.22		34,358.22
Other Expenses	21,755.66	21,755.66	5,685.89	16,069.77
LAND USE ADMINISTRATION				
Department of Planning:				
Salaries and Wages	457.73	457.73		457.73
Other Expenses	17,231.93	17,231.93	14,337.91	2,894.02
Board of Adjustment:				
Salaries and Wages	723.83	723.83		723.83
Other Expenses	300.42	300.42	258.54	41.88
Housing and Zoning Code Enforcement:				
Salaries and Wages	21,408.46	21,408.46		21,408.46
Other Expenses	10,905.55	10,905.55	3,640.81	7,264.74

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
SCHEDULE OF 2022 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2023

(Continued)

	Balance Dec 31, 2022	Balance After Modification	Paid or Charged	Balance Lapsed
INSURANCE:				
Liability Insurance	\$ 56,394.14	\$ 56,394.14	\$ 43,001.96	\$ 13,392.18
Worker Compensation	12,281.67	312,281.67	300,000.00	12,281.67
Employee Health and Group Life	298,780.59	1,098,780.59	1,050,314.76	48,465.83
Health Benefit Waivers	34,929.09	34,929.09		34,929.09
PUBLIC SAFETY:				
Police Department:				
Salaries and Wages	573,423.44	573,423.44	500,000.00	73,423.44
Other Expenses	345,627.90	345,627.90	184,695.91	160,931.99
Office of Emergency Management:				
Salaries and Wages	609.92	609.92		609.92
Other Expenses	38,187.71	38,187.71	2,028.44	36,159.27
Fire Prevention Bureau:				
Salaries and Wages	35,549.08	35,549.08		35,549.08
Other Expenses	12,125.31	12,125.31	10,351.39	1,773.92
Municipal Court:				
Salaries and Wages	56,848.25	56,848.25		56,848.25
Other Expenses	13,275.89	13,275.89	1,289.15	11,986.74
Prosecutor:				
Salaries and Wages	19,004.00	19,004.00	2,750.00	16,254.00
Other Expenses	11,333.00	11,333.00		11,333.00
PUBLIC WORKS:				
Street and Road Maintenance:				
Salaries and Wages	400,385.25	385.25		385.25
Other Expenses	323,452.24	323,452.24	174,671.68	148,780.56
Garbage and Trash Removal:				
Salaries and Wages	218,897.08	18,897.08		18,897.08
Other Expenses	483,534.86	483,534.86	226,998.57	256,536.29
Buildings and Grounds:				
Salaries and Wages	30,821.87	30,821.87		30,821.87
Other Expenses	25,284.52	25,284.52	11,555.62	13,728.90
Vehicle Maintenance:				
Other Expenses	150,785.19	150,785.19	74,645.72	76,139.47
Condominium Cost	538.59	538.59		538.59
HEALTH AND HUMAN SERVICES:				
Public Health Services:				
Salaries and Wages	6,306.79	6,306.79		6,306.79
Other Expenses	2,890.40	2,890.40	1,894.43	995.97
Senior Citizen Center:				
Salaries and Wages	1,544.29	1,544.29		1,544.29
Other Expenses	5,141.99	5,141.99	1,754.70	3,387.29

TOWNSHIP OF PARSIPPANY-TROY HILLS
CURRENT FUND
SCHEDULE OF 2022 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2023
(Continued)

	Balance Dec 31, 2022	Balance After Modification	Paid or Charged	Balance Lapsed
HEALTH AND HUMAN SERVICES (Cont'd):				
Contribution to Day Care Center	\$ 15,400.00	\$ 15,400.00	\$ 15,000.00	\$ 400.00
Ambulance Services:				
Salaries and Wages	111,686.18	111,686.18		111,686.18
Other Expenses	85,670.30	85,670.30	53,528.27	32,142.03
RECREATION AND EDUCATION:				
Recreation Services:				
Salaries and Wages	158,938.83	158,938.83		158,938.83
Other Expenses	226,596.64	226,596.64	5,338.16	221,258.48
Maintenance of Parks:				
Salaries and Wages	544,336.99	44,336.99		44,336.99
Other Expenses	107,468.89	107,468.89	103,839.09	3,629.80
Utilities:				
Utilities and Gasoline	304,494.82	304,494.82	204,506.22	99,988.60
Solid Waste Disposal Costs	349,565.13	349,565.13	303,929.07	45,636.06
Uniform Construction Code:				
Department of Buildings and Inspections:				
Salaries and Wages	31,611.80	31,611.80		31,611.80
Other Expenses	11,140.77	36,140.77	8,378.56	27,762.21
Contribution to :				
Social Security System (O.A.S.I)	72,057.27	72,057.27	6,433.40	65,623.87
DCRP Pension	2,311.58	2,311.58		2,311.58
Contribution to LOSAP	60,000.00	60,000.00	40,100.00	19,900.00
Maintenance of Free Public Library	1,058.40	1,058.40	980.55	77.85
Public and Private Programs Offset by Revenues:				
Matching Funds for Grants	20,000.00	20,000.00	8,000.00	12,000.00
UNCLASSIFIED:				
Salary Adjustment	10,000.00	10,000.00		10,000.00
SFSP Fire District Adjustments	18,948.00	18,948.00		18,948.00
	\$ 6,074,037.19	\$ 6,074,037.19	\$ 3,527,057.84	\$ 2,546,979.35

Analysis of Balance December 31, 2022

Encumbered	\$ 1,515,901.21
Unencumbered	4,558,135.98
	\$ 6,074,037.19

Analysis of Paid or Charged

Cash Disbursed	\$ 3,035,672.18
Accounts Payable	500,000.00
	3,535,672.18
Less: Refunds	8,614.34
	\$ 3,527,057.84

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

Increased by:

Levy - Calendar Year 2023

\$ 152,541,056.00

Decreased by:

Payments to Local School District

\$ 152,541,056.00

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

Date Authorized	Purpose	Date of		Interest Rate	Balance Dec. 31, 2022	Issued	Matured	Balance Dec. 31, 2023
		Issue	Maturity					
Various	Accrued Vacation and Sick Time Liabilities	11/07/2022	11/03/2023	5.100%	\$ 3,322,000.00	\$ 2,316,000.00	\$ 3,322,000.00	\$ 2,316,000.00
		11/01/2023	10/31/2024	6.250%				
					<u>\$ 3,322,000.00</u>	<u>\$ 2,316,000.00</u>	<u>\$ 3,322,000.00</u>	<u>\$ 2,316,000.00</u>
				<u>Ref.</u>	A			A
				New Issue		\$ 2,316,000.00		
				Retired			\$ 3,322,000.00	
						<u>\$ 2,316,000.00</u>	<u>\$ 3,322,000.00</u>	<u>\$ 2,316,000.00</u>

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

Grant	Balance		2023		Received	Transfer from Unappropriated Reserves	Canceled	Balance Dec 31, 2023
	Dec 31, 2022		Revenue Realized					
Clean Communities Program			\$ 127,789.66	\$ 127,789.66				
Body Armor Replacement Fund			5,388.27			\$ 5,388.27		\$ 11,575.10
Bulletproof Vest Partnership Grant	\$ 11,575.10							
Recycling Tonnage Grant			122,176.78	122,176.78				
Municipal Alliance Grant 2023/2024			9,408.00			9,408.00		
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							1,080.00
Highlands Initial Assessment	12,057.67							12,057.67
Drive Sober or Get Pulled Over	1,595.00							1,595.00
NJ Department of Law and Public Safety - Division of Highway Traffic Safety			720.00			720.00		
Recreation for Individuals with Disabilities	53.14						53.14	
NJ Trafficking Org Task Force (NJ HIDTA)	15,000.00						15,000.00	
Distracted Driving Statewide Crackdown Grant	12,880.00			6,720.00				6,160.00
Smith Baldwin House Archaeological Investment	16,456.00							16,456.00
NJ Department of Environmental Protection - It Pays to Plug In - NJ Electric Vehicle Charging Grant	12,000.00							12,000.00
NJ Department of Transportation - Greenbank Road Safety & Improvements	98,125.00						98,125.00	
NJ Department of Transportation - Jefferson Road Improvement	760,000.00							760,000.00
NJ Department of Transportation - North Beverwyck Road-Phase I			351,700.00					351,700.00
NJ Department of Transportation - Edwards Road Improvements - Phase II			299,720.00					299,720.00
NJ Department of Transportation - Sylvan Way Bridge			775,000.00					775,000.00
Sustainable Jersey	12,000.00							12,000.00
Community Development Block Grant	216,090.00						216,090.00	
Smith Baldwin House Renovation	25,000.00			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
NJ Department of Transportation - 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

(Continued)

Grant	Balance Dec 31, 2022	2023		Received	Transfer from Unappropriated Reserves	Canceled	Balance Dec 31, 2023
		Revenue Realized					
Morris County Historic Preservation Trust - Smith-Baldwin House Shutters	\$ 56,496.00		\$ 56,496.00				\$ 531.00
Morris County Historic Preservation Trust - Smith-Baldwin House ADA Compliance	15,184.00		14,653.00			\$ 1,420.00	38,380.00
Smith Baldwin Construction Documents	39,800.00						75,000.00
Smith Field Light Replacement		\$ 75,000.00		15,000.00			10,000.00
NJ Department of Environmental Protection - Stormwater Assistance Grant		25,000.00					1,000.00
ANJEC Open Space Stewardship Grant	1,000.00						
	<u>\$ 1,824,210.32</u>	<u>\$ 1,791,902.71</u>	<u>\$ 367,835.44</u>	<u>\$ 15,516.27</u>	<u>\$ 344,574.55</u>	<u>\$ 2,888,186.77</u>	

Ref. A

Original Budget
Added by NJSA 40A:4-87

A

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

Grant	Balance Dec 31, 2022	Cash Received	Transferred to Grant Receivable	Balance Dec 31, 2023
Municipal Alliance	\$ 9,408.00		\$ 9,408.00	
Bulletproof Vest Partnership Grant		\$ 5,294.80		\$ 5,294.80
Emergency Management Performance Grant		10,000.00		10,000.00
Body Armor Replacement Fund	5,388.27	6,898.81	5,388.27	6,898.81
Division of Highway Traffic Safety	720.00		720.00	
National Opioid Grant		127,127.84		127,127.84
LGAP Lead Initiative		22,400.00		22,400.00
Cablevision PEG Grant		14,000.00		14,000.00
	<u>\$ 15,516.27</u>	<u>\$ 185,721.45</u>	<u>\$ 15,516.27</u>	<u>\$ 185,721.45</u>

Ref.

A

A

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

Grant	Balance		Transfer from		Paid or Charged	Canceled	Balance Dec 31, 2023
	Dec 31, 2022	2023	Budget	Appropriations			
Drunk Driving Enforcement Fund - FY 2019	\$ 8,564.45		\$ 127,789.66		\$ 54,903.57		\$ 8,564.45
Clean Communities Program - FY 2021	3,077.30				3,077.30		72,886.09
Clean Communities Program - FY 2022	11,104.65		5,388.27		7,781.20		8,711.72
Body Armor Replacement Fund	2,501.43						2,501.43
No Net Loss Grant - PF14-07	66,427.89				65,555.96		871.93
Recycling Tonnage Grant - FY 2022							122,176.78
Recycling Tonnage Grant - FY 2023							2,638.73
Alcohol Education, Rehabilitation and Enforcement Fund - 2013	2,638.73						413.56
Alcohol Education, Rehabilitation and Enforcement Fund - 2014	413.56						5,261.23
Alcohol Education, Rehabilitation and Enforcement Fund - 2018	5,261.23						3,214.99
Alcohol Education, Rehabilitation and Enforcement Fund - 2019	3,214.99						416.77
Alcohol Education, Rehabilitation and Enforcement Fund - 2020	416.77						25,258.57
Highlands Initial Assessment Grant	25,258.57						
Recreation for Individuals with Disabilities	53.14						
Stream Cleaning and Desnagging	300,000.00						
Federal Emergency Management Agency:					\$ 53.14		
Emergency Management Performance Guarantee	30,000.00						300,000.00
National Priority Safety Program Grant /							
Pedestrian Safety Grant	30,000.00						30,000.00
NJ Department of Law and Public Safety - Division of Highway Traffic Safety	11,500.00						11,500.00
NJ Department of Transportation - Greenbank Road Safety & Improvements	2,460.00						2,460.00
NJ Department of Transportation - North Beverwyck Road Improvements	392,500.00				392,500.00		
NJ Department of Transportation - Old Bloomfield Ave Phase I	244,451.81				244,451.81		
NJ Department of Transportation - Old Bloomfield Ave Phase II	245,000.00				245,000.00		
NJ Department of Transportation - Jefferson Road Improvement	400,000.00				400,000.00		
NJ Department of Transportation - Edwards Road Phase I	760,000.00						760,000.00
NJ Department of Transportation - Edwards Road Phase II	300,000.00				300,000.00		
NJ Department of Transportation - North Beverwyck Road - Phase I			351,700.00				351,700.00
NJ Department of Transportation - Edwards Road Improvements - Phase II			299,720.00				299,720.00
NJ Department of Transportation - Sylvan Way Bridge			775,000.00				775,000.00

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

Grant	Balance		Transfer from		Paid or Charged	Canceled	Balance Dec 31, 2023
	Dec 31, 2022	2023	Budget Appropriations	2023			
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		\$ 9,408.00			\$ 9,408.00		
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	3,000.00						3,000.00
Contribution - Waterview Assistance with Waterways Cleanup	50,000.00						50,000.00
Smith Baldwin House Renovation	53,891.48				53,891.48		
Distracted Driving Statewide Crackdown Grant	10,620.00						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 Department of Environmental Protection Performance Partnership	1,999.15						1,999.15
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
NJ Department of Transportation - North Beverwyck Rd Streetscape Phase II	316,400.00						316,400.00
Matching Funds for Grants	40,000.00						40,000.00

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

Grant	Transfer from		Paid or Charged	Canceled	Balance Dec 31, 2023
	Balance Dec 31, 2022	2023 Budget Appropriations			
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	5,680.00		\$ 4,690.00		990.00
Bulletproof Vest Partnership Grant	26,541.10				26,541.10
NJ Trafficking Org Task Force (NJ HIDTA)	15,000.00			\$ 15,000.00	
NJ Department of Environmental Protection - 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		1,000.00		5,000.00
NJ Department of Law and Public Safety - Division of Highway Traffic Safety		\$ 720.00			720.00
Smith Field Light Replacement		75,000.00			75,000.00
NJ Department of Environmental Protection - Stormwater Assistance Grant		25,000.00			25,000.00
	<u>\$ 3,927,464.53</u>	<u>\$ 1,791,902.71</u>	<u>\$ 200,307.51</u>	<u>\$ 1,847,302.36</u>	<u>\$ 3,671,757.37</u>
	Ref.	A			A
Grant Funds:					
Original Budget		\$ 137,693.05			
Added by NJSA 40A:4-87		<u>1,654,209.66</u>			
		<u>\$ 1,791,902.71</u>			

TOWNSHIP OF PARSIPPANY-TROY HILLS
COUNTY OF MORRIS
2023
TRUST FUNDS

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

	Ref.	Animal Control Fund	Other Trust Funds
Balance December 31, 2022	B	\$ 105,686.18	\$ 24,429,011.54
Increased by Receipts:			
Animal Control Fees		\$ 23,184.00	
Due to State of New Jersey		2,631.00	
Miscellaneous		3,582.51	
Reserve for Donations		4,491.00	
Replacement Fees		12.00	
Special Deposits			\$ 2,718,532.33
Premiums on Tax Sale			691,400.00
Off Duty Police Deposits			2,395,474.05
LOSAP			60,000.00
Employee Health Benefit Self Insurance Fund			14,880,786.59
Receipts			150,000.00
Due Water Utility Operating Fund - Interfund Returned			150,000.00
Due Sewer Utility Operating Fund - Interfund Returned			57,105.44
National Opioid Reserve			
Open Space Trust Reserve:			
Deposits and Interest			298,073.48
Open Space Tax Levy			1,464,203.68
Workers' Compensation - Municipal			3,187.99
Workers' Compensation - Contractor			863,562.41
Unemployment Insurance Trust Fund Deposits			60,475.03
Community Development Block Grant Receivable			137,101.21
Due Current Fund:			
Interest			331,108.53
Budget Appropriation		<u>200,000.00</u>	
		233,900.51	<u>24,261,010.74</u>
		<u>339,586.69</u>	<u>48,690,022.28</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS

TRUST FUNDS

SCHEDULE OF CASH - TREASURER

(Continued)

Ref.	Animal Control Fund	Other Trust Funds
Decreased by Disbursements:		
Due to State of New Jersey	\$ 2,624.40	
Expenditures Under R.S. 4:19-15.11	168,122.39	
Due Current Fund	9,235.20	\$ 331,108.53
Off Duty Police		2,387,277.39
Special Deposits		1,562,782.38
Employee Health Benefit Self Insurance Fund		13,925,611.00
National Opioid Reserve		105,250.00
Premiums on Tax Sale		744,400.00
Security Deposits		17,111.99
Municipal Open Space Preservation Trust Fund		625,994.41
Workers' Compensation - Municipal		7,867.86
Workers' Compensation - Contractor		866,750.40
Unemployment Insurance Trust Fund Expenditures		133,828.07
Community Development Block Grant - Federal Grant Fund Expenditures		137,101.21
	\$ 179,981.99	\$ 20,845,083.24
Balance December 31, 2023	\$ 159,604.70	\$ 27,844,939.04

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

	<u>Ref.</u>		
Balance December 31, 2022	B	\$	48,507.00
Increased by:			
Animal License Fees Collected		\$	23,184.00
Replacement Tag Fees			12.00
Miscellaneous Fees			3,582.51
Budget Appropriation			<u>200,000.00</u>
			<u>226,778.51</u>
			275,285.51
Decreased by:			
Animal Control Fund Expenditures Under R.S. 4:19-15.11			168,122.39
Statutory Excess- Due to Current Fund			<u>60,726.12</u>
			<u>228,848.51</u>
Balance December 31, 2023	B	\$	<u><u>46,437.00</u></u>

License Fees Collected

<u>Year</u>	<u>Amount</u>
2022	\$ 22,314.60
2021	<u>24,122.40</u>
Maximum Allowable Reserve	<u><u>\$ 46,437.00</u></u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
COUNTY OF MORRIS
2023
GENERAL CAPITAL FUND

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

	<u>Ref.</u>	
Balance December 31, 2022	C	\$ 8,306,430.45
Increased by Receipts:		
Current Fund Budget Appropriation:		
Capital Improvement Fund	\$ 300,000.00	
Payment of Bond Anticipation Notes	561,000.00	
Due to/from Current Fund:		
Interest Earned	92,733.88	
Reserve for Payment of Debt Service:		
Premium on Sale of Bonds and Notes	800,123.63	
Bond Anticipation Notes Issued	12,769,000.00	
Bond Proceeds	22,288,000.00	
		36,810,857.51
		45,117,287.96
Decreased by Disbursements:		
Improvement Authorization Expenditures	7,026,763.15	
Bond Anticipation Notes Matured	22,849,300.00	
Due to Current Fund as Anticipated Revenue:		
Reserve for Payment of Debt Service	590,000.00	
Fund Balance	20,000.00	
Due to/from Current Fund	92,733.88	
		30,578,797.03
Balance December 31, 2023	C	\$ 14,538,490.93

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

Ord. No.	Improvement Description	Balance Dec. 31, 2022	2023 Improvement Authorizations	Funded by Budget Appropriation	Serial Bonds Issued	Balance Dec. 31, 2023	Analysis of Balance December 31, 2023		
							Financed by 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	938,703.02		\$ 61,188.04
15-22	Various Capital Improvements	2,102,498.97				2,102,498.97	510,740.78		1,591,758.19
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	600,943.63		
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	1,615,800.00		\$ 132,000.00	\$ 1,447,000.00	36,800.00	\$ 36,500.00	300.00	
19-11	Various Capital Improvements	6,872,500.00		323,000.00	6,549,500.00				
20-10	Various Road and Sidewalk Improvements	2,897,500.00		106,000.00	2,791,500.00				
20-24	Various Capital Improvements	7,208,008.00			6,500,000.00	708,008.00	707,635.00		373.00
21-21	Various Capital Improvements	5,880,000.00			4,000,000.00	1,880,000.00			1,880,000.00
22-13	Various Capital Improvements	2,906,665.00			1,000,000.00	1,906,665.00	1,906,665.00		
22-30	Various Capital Improvements	7,718,200.00				7,718,200.00	7,718,200.00		
23-05	Various Capital Improvements		\$ 2,400,000.00			2,400,000.00	2,400,000.00		
23-16	Various Capital Improvements		8,868,271.00			8,868,271.00			8,868,271.00
		\$40,234,784.48	\$11,268,271.00	\$ 561,000.00	\$ 22,288,000.00	\$28,654,055.48	\$ 3,331,279.11	\$ 12,769,000.00	\$12,553,776.37

Ref.

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Improvement Authorizations - Unfunded	
Less: Unexpended Proceeds of Bond Anticipation Notes Issued:	
20-24 Various Capital Improvements	\$ 707,635.00
22-13 Various Capital Improvements	916,055.74
22-30 Various Capital Improvements	6,242,384.22
23-16 Various Capital Improvements	601,158.67
	<u>\$21,021,010.00</u>

8,467,233.63

C
4
\$12,553,776.37

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

	<u>Ref.</u>	
Balance December 31, 2022	C	\$ 2,720,218.00
Increased by:		
Budget Appropriations		300,000.00
		<hr/> 3,020,218.00
Decreased by:		
Appropriated to Finance Improvement Authorizations		563,429.00
		<hr/> 563,429.00
Balance December 31, 2023	C	<hr/> <u>\$ 2,456,789.00</u>

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

Ord. No.	Improvement Description	Date of			Interest Rate	Balance		Matured	Balance Dec. 31, 2023
		Original Issue	Issue	Maturity		Dec. 31, 2022	Dec. 31, 2023		
19-09	Various Capital Improvements	11/14/19	11/07/22	11/03/23	5.00%	\$ 1,579,300.00	\$ 1,579,300.00	\$ 36,500.00	\$ 36,500.00
		11/01/23	11/01/23	10/31/24	5.00%				
19-11	Various Capital Improvements	11/14/19	11/07/22	11/03/23	5.00%	6,872,500.00	6,872,500.00		
20-10	Various Road and Sidewalk Improvements	11/12/20	11/07/22	11/03/23	5.00%	2,897,500.00	2,897,500.00		
20-24	Various Road and Sidewalk Improvements	11/10/21	11/07/22	11/03/23	5.00%	4,439,200.00	4,439,200.00		
		11/07/22	11/07/22	11/03/23	5.00%	2,060,800.00	2,060,800.00		
		11/01/23	11/01/23	10/31/24	5.00%		707,635.00		707,635.00
21-21	Various Road and Sidewalk Improvements	11/10/21	11/07/22	11/03/23	5.00%	4,000,000.00	4,000,000.00		
22-13	Various Road and Sidewalk Improvements	11/07/22	11/07/22	11/03/23	5.00%	1,000,000.00	1,000,000.00		
		11/01/23	11/01/23	10/31/24	5.00%		1,906,665.00		1,906,665.00
22-30	Various Capital Improvements	11/01/23	11/01/23	10/31/24	5.00%		7,718,200.00		7,718,200.00
23-05	Various Capital Improvements	11/01/23	11/01/23	10/31/24	5.00%		2,400,000.00		2,400,000.00
						<u>\$ 22,849,300.00</u>	<u>\$ 22,849,300.00</u>		<u>\$ 12,769,000.00</u>
									<u>\$ 12,769,000.00</u>
									<u>\$ 12,769,000.00</u>

C

C

Ref.	C
New Issues	\$ 12,769,000.00
Paid by Budget Appropriation	\$ 561,000.00
Serial Bonds Issued	22,288,300.00
	<u>\$ 12,769,000.00</u>
	<u>\$ 22,849,300.00</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, 2022	Matured	Balance Dec. 31, 2023
			Outstanding Dec. 31, 2023	Amount				
Refunding Bonds	5/15/2012	\$ 15,190,000.00	7/15/2024	\$ 1,470,000.00	4.00%	\$ 4,395,000.00	\$ 1,460,000.00	\$ 2,935,000.00
			7/15/2025	1,465,000.00	4.00%			
						<u>\$ 4,395,000.00</u>	<u>\$ 1,460,000.00</u>	<u>\$ 2,935,000.00</u>

Ref. C C

TOWNSHIP OF PARSIPPANY-TROY HILLS
GENERAL CAPITAL FUND
SCHEDULE OF GREEN ACRES TRUST ACQUISITION LOAN PAYABLE
YEAR ENDED DECEMBER 31, 2023

NOT APPLICABLE

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

Ord. No.	Improvement Description	2023		Serial Bonds Issued	Funded by Budget Appropriation	Bond Anticipation Notes		Balance Dec. 31, 2023
		Improvement Authorizations	Balance Dec. 31, 2022			Redeemed	Issued	
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	\$ 1,447,000.00	\$ 132,000.00	\$ 1,579,300.00	\$ 36,500.00	300.00
19-11	Various Capital Improvements			6,549,500.00	323,000.00	6,872,500.00		
20-10	Various Road and Sidewalk Improvements			2,791,500.00	106,000.00	2,897,500.00		
20-24	Various Capital Improvements		708,008.00	6,500,000.00		6,500,000.00	707,635.00	373.00
21-21	Various Capital Improvements		1,880,000.00	4,000,000.00		4,000,000.00		1,880,000.00
22-13	Various Capital Improvements		1,906,665.00	1,000,000.00		1,000,000.00	1,906,665.00	
22-30	Various Capital Improvements		7,718,200.00				7,718,200.00	
23-05	Various Capital Improvements						2,400,000.00	
23-16	Various Capital Improvements							8,868,271.00
			\$ 17,385,484.48	\$ 22,288,000.00	\$ 561,000.00	\$ 22,849,300.00	\$ 12,769,000.00	\$ 15,885,055.48

TOWNSHIP OF PARSIPPANY-TROY HILLS
COUNTY OF MORRIS
2023
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, 2022	D	\$ 4,819,219.62	\$ 14,966,476.34
Increased by Receipts:			
Consumer Accounts Receivable		\$ 11,985,787.24	
Water Rent Overpayments		67,216.07	
Interest on Investments		831,920.25	
Miscellaneous Revenue		161,037.58	
Due from Water Utility Capital Fund:			
Reserve for Payment of Debt Service		200,000.00	
Capital Fund Balance		100,000.00	
Interfund Returned - Accrued Interest on Bonds and Notes		194,297.50	
Received from Water Utility Operating Fund Budget Appropriation:			
Payment of Bond Anticipation Notes			\$ 193,000.00
Appropriation Refunds		13,073.43	
Reserve for Payment of Debt Service:			
Premium on Sale of Bond Anticipation Notes			178,788.00
Premium on Sale of Bonds			498,039.88
Bond Proceeds			16,387,000.00
Bond Anticipation Notes Issued			19,020,000.00
		13,553,332.07	36,276,827.88
		18,372,551.69	51,243,304.22

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

(Continued)

<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Decreased by Disbursements:		
2023 Appropriation Expenditures	\$ 10,031,399.52	
2022 Appropriation Reserves	629,577.45	
Accrued Interest on Bonds and Notes	1,117,001.39	
Water Rent Overpayments	31,587.24	
Due to Other Trust Funds - Interfund Returned	150,000.00	
Due to Water Utility Operating Fund		\$ 194,297.50
Interfund Returned		100,000.00
Utilized as Anticipated Revenue:		200,000.00
Capital Fund Balance		
Reserve for Debt Service		
Due to Current Fund:		
Fund Balance Utilized as Anticipated Revenue	800,000.00	
Bond Anticipation Notes Matured		16,580,000.00
Improvement Authorizations		8,597,312.82
	<u>\$ 12,759,565.60</u>	<u>\$ 25,671,610.32</u>
Balance December 31, 2023	<u>\$ 5,612,986.09</u>	<u>\$ 25,571,693.90</u>

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

	<u>Ref.</u>	
Balance December 31, 2022	D	\$ 698,238.40
Increased by:		
Water Rents Levied		11,786,129.57
		12,484,367.97
Decreased by:		
Collections:		
Water Collections	\$ 11,985,787.24	
Overpayments Applied	35,070.36	
		12,020,857.60
Transfer to Water Utility Liens Receivable		31,093.27
Balance December 31, 2023	D	\$ 432,417.10

WATER UTILITY OPERATING FUND
SCHEDULE OF WATER UTILITY LIENS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2022	D	\$ 77,919.45
Increased by:		
Transfer from Water Rents Receivable	\$ 31,093.27	
Interest and Costs Accrued at Tax Sale	133.65	
		31,226.92
Balance December 31, 2023	D	\$ 109,146.37

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

	<u>Ref.</u>	
Balance December 31, 2022	D	\$ 369,640.00
Net Inventory Increase		<u>85,949.50</u>
Balance December 31, 2023	D	<u>\$ 455,589.50</u>

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

	Balance Dec. 31, 2022	Additions by Ordinance	Additions by Budget	Balance Dec. 31, 2023
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	1,614,501.88		\$ 58,631.30	1,673,133.18
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	758,511.00			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	\$ 878,391.25		26,319,568.41
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
(Continued)

	Balance Dec. 31, 2022	Additions by Ordinance	Additions by Budget	Balance Dec. 31, 2023
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
	\$ 38,712,449.71	\$ 878,391.25	\$ 58,631.30	\$ 39,649,472.26
	D			D
2022 Appropriation Reserves			\$ 58,631.30	

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, 2022</u>	<u>2023 Authorizations</u>	<u>Transferred to Fixed Capital</u>	<u>Improvement Authorizations Canceled</u>	<u>Balance Dec.31, 2023</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		\$ 878,391.25	\$ 1,608.75	
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
Improvements to Water Utility System	23-04		\$ 7,220,000.00			7,220,000.00
Improvements to Water Utility System	23-18		3,650,000.00			3,650,000.00
		<u>\$ 47,403,000.00</u>	<u>\$ 10,870,000.00</u>	<u>\$ 878,391.25</u>	<u>\$ 1,608.75</u>	<u>\$ 57,393,000.00</u>

Ref.

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TOWNSHIP OF PARSIPPANY-TROY HILLS
WATER UTILITY OPERATING FUND
SCHEDULE OF 2022 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2023

	<u>Balance Dec. 31, 2022</u>	<u>Balance After Modification</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Operating:				
Salaries and Wages	\$ 300,839.01	\$ 300,839.01	\$ 1,734.31	\$ 299,104.70
Other Expenses	602,825.46	602,825.46	569,211.84	33,613.62
Capital Improvements:				
Capital Outlay	62,168.31	62,168.31	58,631.30	3,537.01
Statutory Expenditures:				
Contribution to:				
Social Security (O.A.S.I.)	21,478.48	21,478.48		21,478.48
	<u>\$ 987,311.26</u>	<u>\$ 987,311.26</u>	<u>\$ 629,577.45</u>	<u>\$ 357,733.81</u>

Analysis of Balance December 31, 2022

	<u>Ref.</u>	
Encumbered	D	\$ 308,503.52
Unencumbered	D	<u>678,807.74</u>
		<u>\$ 987,311.26</u>

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

Ord. No.	Improvement Description	Ordinance		Balance Dec. 31, 2022		2023 Authorizations Deferred Charges to Future Revenue	Paid or Charged	Authorizations Canceled to Fund Balance	Balance Dec. 31, 2023	
		Date	Amount	Funded	Unfunded				Funded	Unfunded
14-25	Improvements to Water Utility System	08/21/14	\$ 880,000.00	\$ 16,418.27		\$ 14,809.52	\$ 1,608.75			
17-13	Improvements to Water Utility System	07/11/17	1,075,000.00	24,429.26		19,210.85		\$ 5,218.41		
18-18	Improvements to Water Utility System	09/11/18	2,925,000.00	682,833.65		670,959.57		11,874.08		
19-13	Improvements to Water Utility System	06/25/19	4,598,000.00	1,788,614.67		761,774.65		1,026,840.02		
19-70	Improvements to Water Utility System	12/17/19	3,000,000.00		\$ 1,401,876.52	942,162.59		459,713.93		
20-16	Improvements to Water Utility System	05/05/20	3,170,000.00		2,741,962.83	311,618.11		2,430,344.72		
20-22	Improvements to Water Utility System	07/21/20	6,410,000.00		3,820,528.37	1,835,682.30		1,984,846.07		
21-20	Improvements to Water Utility System	09/07/21	12,700,000.00		12,082,686.86	2,394,626.86			\$ 9,688,060.00	
22-14	Improvements to Water Utility System	05/17/22	5,150,000.00		5,101,820.00	707,998.42		243,821.58		4,150,000.00
22-31	Improvements to Water Utility System	10/18/22	5,170,000.00		5,170,000.00	493,023.91				4,676,976.09
23-04	Improvements to Water Utility System	04/18/23	7,220,000.00			639,743.54				6,580,256.46
23-18	Improvements to Water Utility System	09/19/23	3,650,000.00							3,650,000.00
						\$ 8,791,610.32	\$ 1,608.75	\$ 6,162,658.81		\$ 28,745,292.55

Ref.

D

D

D

Cash Disbursed
 Due Water Utility Operating Fund:
 Accrued Interest on Bonds and Notes

\$ 8,597,312.82

194,297.50

\$ 8,791,610.32

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

	<u>Ref.</u>	
Balance December 31, 2022	D	<u>\$ 314,498.22</u>
Balance December 31, 2023	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, 2022	D	\$ 38,995,388.71
Increased by:		
Water Utility Operating Budget:		
Serial Bonds		\$ 885,000.00
Bond Anticipation Notes		193,000.00
Capital Outlay:		
2022 Budget Appropriation Reserves		58,631.30
Transfer from Deferred Reserve for Amortization		878,391.25
		2,015,022.55
Balance December 31, 2023	D	\$ 41,010,411.26

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

Ord. No.	Improvement Description	Date of Ordinance	Balance		Reserve for Amortization	Authorizations Cancelled	Balance Dec. 31, 2023
			Dec. 31, 2022	To			
14-25	Improvements to Water Utility System	08/21/14	\$ 880,000.00	\$ 878,391.25	\$ 1,608.75	\$ 200,000.00	
18-18	Improvements to Water Utility System	09/11/18	200,000.00				
			<u>\$ 1,080,000.00</u>	<u>\$ 878,391.25</u>	<u>\$ 1,608.75</u>	<u>\$ 200,000.00</u>	
		<u>Ref.</u>	D			D	

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

Ord. No.	Improvement Description	Date of		Interest Rate	Balance Dec. 31, 2022	Issued	Matured	Balance Dec. 31, 2023
		Original Issue	Maturity					
19-70	Improvements to Water Utility System	11/12/20	11/03/23	5.00%	\$ 3,000,000.00		\$ 3,000,000.00	
20-16	Improvements to Water Utility System	11/12/20	11/03/23	5.00%	3,170,000.00		3,170,000.00	
20-22	Improvements to Water Utility System	11/12/20	11/03/23	5.00%	6,410,000.00		6,410,000.00	
21-20	Improvements to Water Utility System	11/07/22	11/03/23	5.00%	3,000,000.00		3,000,000.00	
		11/01/23	10/31/24	5.00%		\$ 9,700,000.00		\$ 9,700,000.00
22-14	Improvements to Water Utility System	11/07/22	11/03/23	5.00%	1,000,000.00		1,000,000.00	
		11/01/23	10/31/24	5.00%		4,150,000.00		4,150,000.00
22-31	Improvements to Water Utility System	11/01/23	10/31/24	5.00%		5,170,000.00		5,170,000.00
					<u>\$ 16,580,000.00</u>	<u>\$ 19,020,000.00</u>	<u>\$ 16,580,000.00</u>	<u>\$ 19,020,000.00</u>
				<u>Ref.</u>	D			D
						\$ 19,020,000.00	\$ 193,000.00	
							<u>16,387,000.00</u>	
						<u>\$ 19,020,000.00</u>	<u>\$ 16,580,000.00</u>	

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds				Matured	Balance Dec. 31, 2023	
			Outstanding		Interest Rate	Balance Dec. 31, 2022			Issued
			Date	December 31, 2023					
Water Improvements	10/26/2010	\$ 1,988,000.00					\$ 175,000.00	\$ 175,000.00	
Water Improvements	9/7/2018	5,119,000.00	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%	3,415,000.00	385,000.00	\$ 3,030,000.00	
Water Improvements	11/14/2019	7,670,000.00	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%	6,850,000.00	325,000.00	6,525,000.00	
Water Improvements	11/1/2023	16,387,000.00	11/1/2024	427,000.00	5.00%				
			11/1/2025	765,000.00	5.00%				
			11/1/2026	790,000.00	5.00%				
			11/1/2027	815,000.00	5.00%				
			11/1/2028	840,000.00	5.00%				
			11/1/2029-32	850,000.00	5.00%				
			11/1/2033-43	850,000.00	4.00%				
							\$ 16,387,000.00	16,387,000.00	
						\$ 10,440,000.00	\$ 16,387,000.00	\$ 25,942,000.00	

Ref. D

TOWNSHIP OF PARSIPPANY-TROY HILLS
WATER UTILITY CAPITAL FUND
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE LOANS PAYABLE
YEAR ENDED DECEMBER 31, 2023

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, 2022	2023 Authorizations	Bond Anticipation Notes Issued	Balance Dec.31, 2023
<u>General Improvements:</u>					
12-25	Improvements to Water Utility System	\$ 61.00			\$ 61.00
21-20	Improvements to Water Utility System	9,700,000.00		\$ 9,700,000.00	
22-14	Improvements to Water Utility System	4,150,000.00		4,150,000.00	
22-31	Improvements to Water Utility System	5,170,000.00		5,170,000.00	
23-04	Improvements to Water Utility System		\$ 7,220,000.00		7,220,000.00
23-18	Improvements to Water Utility System		3,650,000.00		3,650,000.00
		<u>\$ 19,020,061.00</u>	<u>\$ 10,870,000.00</u>	<u>\$ 19,020,000.00</u>	<u>\$ 10,870,061.00</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
COUNTY OF MORRIS
2023
SEWER UTILITY FUND

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

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2022	E	\$ 8,105,193.59	\$ 17,018,093.59
Increased by Receipts:			
Sewer Rents and Septage Removal Receivable		\$ 20,496,315.50	
Miscellaneous Revenue		214,705.45	
Interest Earned on Investments		1,018,382.92	
Prepaid Sewer Rents		26,691.08	
Sewer Rent Overpayments		64,912.82	
NJIB Loans Receivable			\$ 3,353,641.00
Received from Sewer Utility Operating Fund			
Budget Appropriation:			
Payment of Bond Anticipation Notes			179,000.00
Due from Sewer Utility Capital Fund:			
Interfund Advanced/Returned		113,308.33	
Reserve to Pay Debt Service		260,000.00	
Reserve to Pay Debt Service -			
Premium on Sale of Bond Anticipation Notes			74,786.40
Premium on Sale of Bonds			494,970.25
Bond Proceeds			16,286,000.00
Bond Anticipation Notes Issued			7,956,000.00
		<u>22,194,316.10</u>	<u>28,344,397.65</u>
		30,299,509.69	45,362,491.24
Decreased by Disbursements:			
2023 Appropriation Expenditures		16,469,406.60	
2022 Appropriation Reserves		575,728.26	
Interest on Bonds		395,625.00	
Interest on Notes		814,102.78	
Interest on Loans		109,165.68	
Due to/from Current Fund:			
Fund Balance Utilized as Anticipated Revenue		1,000,000.00	
Due to/from Other Trust Fund:			
Interfund Advanced/Returned		150,000.00	
Due to/from Sewer Utility Operating Fund:			
Interfund Advanced/Returned			113,308.33
Anticipated Revenue - Reserve to Pay Debt Service			260,000.00
Refund of Sewer Rent Overpayments		4,479.57	
Bond Anticipation Notes Matured			16,465,000.00
Improvement Authorization Expenditures			7,692,694.89
		<u>19,518,507.89</u>	<u>24,531,003.22</u>
Balance December 31, 2023	E	<u>\$ 10,781,001.80</u>	<u>\$ 20,831,488.02</u>

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

	Balance Dec.31, 2022	2023 Billings	Cash Receipts	Prepays Applied	Transferred to Lien	Overpayments Applied	Balance Dec.31, 2023
Sewer Rents:							
Residential and Industrial	\$ 799,628.60	\$ 14,782,473.53	\$ 15,048,762.55		\$ 3,395.47	\$ 59,962.25	\$ 469,981.86
Municipalities:							
Township of East Hanover	311,439.65	1,867,862.16	2,036,062.15				143,239.66
Township of Montville		2,375,653.28	2,187,800.93	\$ 144,457.79			43,394.56
Borough of Mountain Lakes	44,808.15	492,015.19	418,653.05				118,170.29
Township of Denville		100,516.70	81,308.92	19,207.78			
	<u>1,155,876.40</u>	<u>19,618,520.86</u>	<u>19,772,587.60</u>	<u>163,665.57</u>	<u>3,395.47</u>	<u>59,962.25</u>	<u>774,786.37</u>
Septage Removal	109,525.97	758,949.67	723,727.90			1,821.46	142,926.28
	<u>\$ 1,265,402.37</u>	<u>\$ 20,377,470.53</u>	<u>\$ 20,496,315.50</u>	<u>\$ 163,665.57</u>	<u>\$ 3,395.47</u>	<u>\$ 61,783.71</u>	<u>\$ 917,712.65</u>

Ref.

E

E

Realized Sewer Rents Revenue

Cash Collections	\$ 19,772,587.60
Prepays Applied	163,665.57
Overpayments Applied	59,962.25
	<u>\$ 19,996,215.42</u>

Realized Septage Revenue

Cash Collections	\$ 723,727.90
Overpayments Applied	1,821.46
	<u>\$ 725,549.36</u>

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

	<u>Ref.</u>	
Balance December 31, 2022	E	\$ 108,482.32
Increased by:		
Transfer from Sewer Receivable		\$ 3,395.47
Interest and Costs Accrued at Sale		133.65
		<u>3,529.12</u>
Balance December 31, 2023	E	<u>\$ 112,011.44</u>

SEWER UTILITY OPERATING FUND
SCHEDULE OF INVENTORY

	<u>Ref.</u>	
Balance December 31, 2022	E	\$ 110,906.00
Net Inventory Decrease		<u>14,418.39</u>
Balance December 31, 2023	E	<u>\$ 96,487.61</u>

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

	Balance Dec.31, 2022	Additions by Ordinance	Balance Dec.31, 2023
Sanitary Sewer Facilities	\$ 136,740,520.66	\$ 2,137,298.35	\$ 138,877,819.01
Equipment	1,100,405.00	3,118,669.80	4,219,074.80
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	36,188.93	192,987.51
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>\$ 5,292,157.08</u>	<u>\$ 145,932,213.33</u>

Ref.

E

E

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

Improvement Description	Ord. No.	Balance		2023 Authorizations	Costs to Fixed Capital		Authorizations Canceled	Balance Dec.31, 2023	
		Dec.31, 2022							
<u>General Improvements:</u>									
Various Major Information Technology and Telecommunications Equipment	07-20	\$	50,000.00		\$	36,188.93	\$	13,811.07	
Various Sewer Utility Improvements and Equipment Acquisitions	08-15a		3,130,000.00			3,118,669.80		11,330.20	
Improvements and Upgrades to the Township's Waste Water Treatment Plant	09-28		27,188,210.00				\$	27,188,210.00	
Various Sewer Utility Improvements	12-26		4,636,547.50					4,636,547.50	
Various Sewer Utility Improvements	13-24		2,401,589.50					2,401,589.50	
Various Sewer Utility Improvements	14-24		1,884,676.14					1,884,676.14	
Various Sewer Utility Improvements	15-23		580,000.00					580,000.00	
Various Sewer Utility Improvements	16-17		1,087,000.00					1,087,000.00	
Troy Meadows Interceptor Repairs	16-27		1,500,000.00					1,500,000.00	
Various Sewer Utility Improvements	17-12		2,137,298.35			2,137,298.35			
Upgrade and Replacement of Generators	18-04		4,000,000.00					4,000,000.00	
Acquisition of a Sewer Jet Vacuum Truck	18-20		500,000.00					500,000.00	
Acquisition of Vehicles and Replacement Water Meters	18-21		515,000.00					515,000.00	
Various Sewer Utility Improvements	19-14		5,250,000.00					5,250,000.00	
Various Sewer Utility Improvements	20-20		6,415,000.00					6,415,000.00	
Pump Station 4 Redirection Tunnel Program	20-21		8,000,000.00					8,000,000.00	
Various Sewer Utility Improvements	21-22		5,734,000.00					5,734,000.00	
Various Sewer Utility Improvements	22-12		1,980,000.00					1,980,000.00	
Various Sewer Utility Improvements	22-29		5,940,000.00					5,940,000.00	
Various Sewer Utility Improvements	23-17			\$	6,400,000.00			6,400,000.00	
Lake Hiawatha Pump Station	23-19				1,100,000.00			1,100,000.00	
		\$	82,929,321.49	\$	7,500,000.00	\$	5,292,157.08	\$	85,112,023.14

Ref. E

E 8

TOWNSHIP OF PARSIPPANY-TROY HILLS
SEWER UTILITY OPERATING FUND
SCHEDULE OF 2022 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2023

	Balance Dec. 31, 2022	Balance After Modification	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	\$ 756,974.44	\$ 756,974.44		\$ 756,974.44
Other Expenses	1,022,638.36	1,022,638.36	\$ 575,728.26	446,910.10
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	88,508.14	88,508.14		88,508.14
	\$ 1,868,120.94	\$ 1,868,120.94	\$ 575,728.26	\$ 1,292,392.68

Analysis of Balance December 31, 2022

		<u>Ref.</u>	
Encumbered	E		\$ 260,093.18
Unencumbered	E		1,608,027.76
			\$ 1,868,120.94

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

	<u>Ref.</u>	
Balance December 31, 2022	E	<u>\$ 466,000.00</u>
Balance December 31, 2023	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, 2022	E	\$ 143,425,916.94
Increased by:		
Sewer Utility Operating Budget:		
Serial Bonds	\$ 1,210,000.00	
Bond Anticipation Notes	179,000.00	
Transfer from Deferred Reserve for Amortization	<u>727,932.00</u>	
		<u>2,116,932.00</u>
		145,542,848.94
Decreased by:		
Improvement Authorizations Canceled		<u>25,141.27</u>
Balance December 31, 2023	E	<u><u>\$ 145,517,707.67</u></u>

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

Ord. No.	Improvement Description	Date of Ordinance	Balance Dec. 31, 2022	NJEIT Loan Paydowns/ Debt Forgiveness	Transferred to Reserve for Amortization	Balance Dec. 31, 2023
<u>General Improvements:</u>						
07-20	Various Major Information Technology and Telecommunications Equipments	07/24/17	\$ 2,385.00		\$ 2,385.00	
08-15a	Various Sewer Utility Improvements and Equipment Acquisitions	05/13/08	716,436.46	\$ 9,110.54	725,547.00	
09-28	Improvements and Upgrades to the Township's Waste Water Treatment Plant	06/16/19	17,425,189.77	1,058,281.85		\$ 18,483,471.62
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
20-21	Pump Station 4 Redirection Tunnel Program	07/21/20		2,000,000.00		2,000,000.00
			<u>\$ 25,672,710.37</u>	<u>\$ 3,067,392.39</u>	<u>\$ 727,932.00</u>	<u>\$ 28,012,170.76</u>

Ref.

E

E

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

Ord. No.	Improvement Description	Date of			Interest Rate	Balance Dec. 31, 2022	Issued	Matured	Balance Dec. 31, 2023
		Original Issue	Issue	Maturity					
17-12	Various Sewer Utility Improvements	11/10/21	11/08/22	11/03/23	5.00%	\$ 650,000.00	\$ 650,000.00		
		11/08/22	11/08/22	11/03/23	5.00%	150,000.00	150,000.00		
		11/01/23	11/01/23	10/31/24	5.00%	\$ 36,000.00		\$ 36,000.00	
19-14	Various Sewer Utility Improvements	11/12/20	11/08/22	11/03/23	5.00%	4,250,000.00	4,250,000.00		
20-20	Various Sewer Utility Improvements	11/12/20	11/08/22	11/03/23	5.00%	6,415,000.00	6,415,000.00		
21-22	Various Sewer Utility Improvements	11/10/21	11/08/22	11/03/23	5.00%	5,000,000.00	5,000,000.00		
22-12	Various Sewer Utility Improvements	11/01/23	11/01/23	10/31/24	5.00%		1,980,000.00	1,980,000.00	
22-29	Various Sewer Utility Improvements	11/01/23	11/01/23	10/31/24	5.00%		5,940,000.00	5,940,000.00	
						<u>\$ 16,465,000.00</u>	<u>\$ 16,465,000.00</u>	<u>\$ 7,956,000.00</u>	
					<u>Ref.</u>	<u>E</u>		<u>E</u>	
					New Issue	\$ 7,956,000.00			
					Paid by Operating Budget	\$ 179,000.00			
					Serial Bonds Issued	16,286,000.00			
						<u>\$ 7,956,000.00</u>	<u>\$ 16,465,000.00</u>	<u>\$ 16,465,000.00</u>	

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	Balance Dec. 31, 2022	Issued	Matured	Balance Dec. 31, 2023
			Date	December 31, 2023	Amount						
Sewer Improvements	10/26/2010	\$ 4,003,300.00					\$ 370,000.00		\$ 370,000.00		
Sewer Improvements	9/7/2017	7,197,000.00	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%	5,075,000.00		450,000.00	\$ 4,625,000.00	
Sewer Improvements	11/14/2019	9,570,000.00	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%	8,510,000.00		390,000.00	8,120,000.00	
Sewer Improvements	11/1/2023	16,286,000.00	11/1/2024	451,000.00		5.00%					
			11/2/2025	605,000.00		5.00%					
			11/3/2026	630,000.00		5.00%					
			11/4/2027	650,000.00		5.00%					
			11/5/2028	665,000.00		5.00%					
			11/6/2029	685,000.00		5.00%					
			11/7/2030-32	900,000.00		5.00%					
			11/7/2033-43	900,000.00		4.00%	\$ 16,286,000.00			16,286,000.00	
							\$ 13,955,000.00		\$ 1,210,000.00	\$ 29,031,000.00	

Ref.

E

E

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

	<u>Ref.</u>	
Balance December 31, 2022	E	\$ 65,883.04
Less: 2023 Payment of Principal		<u>9,110.54</u>
Balance December 31, 2023	E	<u>\$ 56,772.50</u>

Schedule of Principal and Interest Payments Outstanding December 31, 2023
February 2010 Issue

Due Date	Trust Loan		Fund Loan	Balance of
	Interest	Principal	Principal	Loans
				\$ 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	
	\$ 2,485.08	\$ 17,149.12	\$ 39,623.38	

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

	<u>Ref.</u>	
Balance December 31, 2022	E	\$ 7,293,321.23
Less:		
2023 Payment of Principal		1,058,281.85
Balance December 31, 2023	E	\$ 6,235,039.38

Schedule of Principal and Interest Payments Outstanding December 31, 2023

March 2010 Issue

Due Date	Trust Loan		Fund Loan	Balance of Loans
	Interest	Principal	Principal	
				\$ 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	
	\$ 342,000.00	\$ 2,364,000.00	\$ 3,871,039.38	

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

	<u>Ref.</u>	
Balance December 31, 2022 (Construction Financing Loan)	E	\$ 8,000,000.00
Less:		
Fund Loan Cancelled		492,432.00
Loan Forgiveness		<u>2,000,000.00</u>
Balance December 31, 2023 (NJIB Loan Payable)	E	<u><u>\$ 5,507,568.00</u></u>

Schedule of Principal and Interest Payments Outstanding December 31, 2023

December 2023 Issue

Due Date	I - Bank Loan		Fund Loan	Balance of Loans
	Interest	Principal	Principal	
				\$ 5,507,568.00
8/1/2024	\$ 63,669.27		\$ 66,786.00	5,440,782.00
2/1/2025	44,767.45		33,393.00	5,407,389.00
8/1/2025	44,767.45	\$ 45,000.00	66,786.00	5,295,603.00
2/1/2026	43,642.45		33,393.00	5,262,210.00
8/1/2026	43,642.45	50,000.00	66,786.00	5,145,424.00
2/1/2027	42,392.45		33,393.00	5,112,031.00
8/1/2027	42,392.45	50,000.00	66,786.00	4,995,245.00
2/1/2028	41,142.45		33,393.00	4,961,852.00
8/1/2028	41,142.45	50,000.00	66,786.00	4,845,066.00
2/1/2029	39,892.45		33,393.00	4,811,673.00
8/1/2029	39,892.45	55,000.00	66,786.00	4,689,887.00
2/1/2030	38,517.45		33,393.00	4,656,494.00
8/1/2030	38,517.45	55,000.00	66,786.00	4,534,708.00
2/1/2031	37,142.45		33,393.00	4,501,315.00
8/1/2031	37,142.45	65,000.00	66,786.00	4,369,529.00
2/1/2032	35,517.45		33,393.00	4,336,136.00
8/1/2032	35,517.45	65,000.00	66,786.00	4,204,350.00
2/1/2033	33,892.45		33,393.00	4,170,957.00
8/1/2033	33,892.45	65,000.00	66,786.00	4,039,171.00
2/1/2034	32,267.45		33,393.00	4,005,778.00
8/1/2034	32,267.45	70,000.00	66,786.00	3,868,992.00
2/1/2035	30,517.45		33,393.00	3,835,599.00
8/1/2035	30,517.45	75,000.00	66,786.00	3,693,813.00
2/1/2036	28,642.45		33,393.00	3,660,420.00
8/1/2036	28,642.45	82,410.00	66,786.00	3,511,224.00
2/1/2037	27,393.94		33,393.00	3,477,831.00
8/1/2037	27,393.94	82,407.00	66,786.00	3,328,638.00

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

Schedule of Principal and Interest Payments Outstanding December 31, 2023
December 2023 Issue

<u>Due Date</u>	<u>I Bank Loan</u>		<u>Fund Loan</u>	<u>Balance of Loans</u>
	<u>Interest</u>	<u>Principal</u>	<u>Principal</u>	
2/1/2038	\$ 26,145.48		\$ 33,393.00	\$ 3,295,245.00
8/1/2038	26,145.48	\$ 87,404.00	66,786.00	3,141,055.00
2/1/2039	24,821.31		33,393.00	3,107,662.00
8/1/2039	24,821.31	87,303.00	66,786.00	2,953,573.00
2/1/2040	23,498.67		33,393.00	2,920,180.00
8/1/2040	23,498.67	92,198.00	66,786.00	2,761,196.00
2/1/2041	22,101.87		33,393.00	2,727,803.00
8/1/2041	22,101.87	91,991.00	66,786.00	2,569,026.00
2/1/2042	20,708.20		33,393.00	2,535,633.00
8/1/2042	20,708.20	96,779.00	66,786.00	2,372,068.00
2/1/2043	19,242.00		33,393.00	2,338,675.00
8/1/2043	19,242.00	101,461.00	66,786.00	2,170,428.00
2/1/2044	17,704.87		33,393.00	2,137,035.00
8/1/2044	17,704.87	101,035.00	66,786.00	1,969,214.00
2/1/2045	16,174.19		33,393.00	1,935,821.00
8/1/2045	16,174.19	105,597.00	66,786.00	1,763,438.00
2/1/2046	14,574.39		33,393.00	1,730,045.00
8/1/2046	14,574.39	110,046.00	66,786.00	1,553,213.00
2/1/2047	12,907.19		33,393.00	1,519,820.00
8/1/2047	12,907.19	109,381.00	66,786.00	1,343,653.00
2/1/2048	11,250.07		33,393.00	1,310,260.00
8/1/2048	11,250.07	113,695.00	66,786.00	1,129,779.00
2/1/2049	9,527.59		33,393.00	1,096,386.00
8/1/2049	9,527.59	117,890.00	66,786.00	911,710.00
2/1/2050	7,741.56		33,393.00	878,317.00
8/1/2050	7,741.56	121,962.00	66,786.00	689,569.00
2/1/2051	5,893.83		33,393.00	656,176.00
8/1/2051	5,893.83	125,907.00	66,786.00	463,483.00
2/1/2052	3,986.34		33,393.00	430,090.00
8/1/2052	3,986.34	129,722.00	66,786.00	233,582.00
2/1/2053	2,021.06		33,393.00	200,189.00
8/1/2053	2,021.06	133,403.00	66,786.00	
	<u>\$ 1,491,723.19</u>	<u>\$ 2,535,591.00</u>	<u>\$ 2,971,977.00</u>	

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

Ord. No.	Improvement Description	Balance Dec.31, 2022	2023 Authorizations	Bond Anticipation Notes Issued	NJIB Loan Cancelled	Balance Dec.31, 2023
<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	36,298.35	\$ 36,000.00			298.35
20-21	Pump Station 4 Redirection Tunnel Program				\$ 492,432.00	492,432.00
21-22	Various Sewer Utility Improvements	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		
23-17	Various Sewer Utility Improvements		\$ 6,400,000.00			6,400,000.00
23-19	Lake Hiawatha Pump Station		1,100,000.00			1,100,000.00
		<u>\$ 8,691,546.16</u>	<u>\$ 7,500,000.00</u>	<u>\$ 7,956,000.00</u>	<u>\$ 492,432.00</u>	<u>\$ 8,727,978.16</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
COUNTY OF MORRIS
2023
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, 2022	\$ 855,459.46	\$ 2,917,662.35
Increased by Receipts:		
Consumer Accounts Receivable:		
Collections - Golf Fees	\$ 3,939,610.54	
Concession Fees	310,500.00	
Concession Fees - Utilities	30,768.22	
Merchandise Sales	269,375.85	
Interest on Investments	186,837.50	
Miscellaneous Revenue	118,636.52	
Due from Golf and Recreation Utility Capital Fund		
Reserve for Payment of Debt Service	664,410.00	
Interfund Advanced/Returned		
Sales Tax Payable	66,099.16	
Due to Golf Pro	7,420.00	
Appropriation Refunds	8,460.72	
	5,602,118.51	2,917,662.35
	6,457,577.97	
Decreased by Disbursements:		
2023 Appropriation Expenditures	\$ 4,947,663.08	
2022 Appropriation Reserves	98,139.25	
Interest on Bonds	123,512.50	
Interest on Notes	25,745.69	
Due to Golf Pro	6,920.00	
Sales Tax Payable	63,519.75	
Due to Golf and Recreation Utility Operating Fund:		
Anticipated Revenue - Reserve to Pay Debt Service	\$ 664,410.00	
Reserve to Pay Debt Service	520,700.00	
Improvement Authorizations	778,266.37	
	\$ 5,265,500.27	\$ 1,963,376.37
Balance December 31, 2023	\$ 1,192,077.70	\$ 954,285.98

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

	Balance/ (Deficit) Dec. 31, 2022	Disbursements			Transfers		Balance/ (Deficit) Dec. 31, 2023
		Bond Anticipation Notes	Improvement Authorizations	Miscellaneous	From	To	
Fund Balance	\$ 1,950.78						\$ 18,711.81
Capital Improvement Fund	161,593.05				\$ 10,290.00	\$ 16,761.03	151,303.05
Due to Golf and Recreation Operating Fund				\$ 664,410.00	1,186,094.00	664,410.00	
Reserve for Payment of Debt Service	2,303,765.82						1,117,671.82
<u>Improvement Authorizations</u>							
<u>General Improvements:</u>							
Ord. No.							
15-20			\$ 6,982.78		6,056.15		
16-19	13,038.93				2,657.42		12,000.00
17-14	14,657.42					593.00	
18-19	81,917.80		82,510.80				
19-12	1,266.57				1,266.57		
20-04	(391.00)					391.00	
	961.88				961.88		
20-23	32,546.40		26,727.39		5,819.01		
21-19	306,354.70	\$ 520,700.00	290,928.75			520,700.00	15,425.95
22-08			371,116.65				(371,116.65)
23-15						10,290.00	10,290.00
	\$ 2,917,662.35	\$ 520,700.00	\$ 778,266.37	\$ 664,410.00	\$ 1,213,145.03	\$ 1,213,145.03	\$ 954,285.98

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

	<u>Ref.</u>	
Balance December 31, 2022	F	\$ -0-
Increased by:		
Billings:		
Membership and Other Fees and Rentals		4,280,878.76
		<u>4,280,878.76</u>
Decreased by:		
Collections		<u>4,280,878.76</u>
Balance December 31, 2023	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, 2022	F	\$ 258,336.90
Net Inventory Increase		<u>161,592.52</u>
Balance December 31, 2023	F	<u>\$ 419,929.42</u>

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

	Balance Dec. 31, 2022	Additions by Ordinance	Balance Dec. 31, 2023
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	\$ 251,733.43	4,230,022.59
Reconstruction of the Knoll Country Club West	2,713,148.50		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	1,241,867.00		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	7,558,745.96	7,899,136.96
Issuance Cost	186,451.50		186,451.50
	<u>\$ 26,506,344.61</u>	<u>\$ 7,810,479.39</u>	<u>\$ 34,316,824.00</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, 2022	2023 Authorizations	Costs to Fixed Capital	Improvement Authorizations Cancellations	Balance Dec. 31, 2023
<u>General Improvements:</u>						
Golf Course and Recreation Utility Improvements	15-20	\$ 3,006,403.00		\$ 3,000,346.85	\$ 6,056.15	
Golf Course and Recreation Utility Improvements	16-19	119,177.00			2,657.42	\$ 116,519.58
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		251,733.43	1,266.57	
Replacement of Irrigation System at the Knoll West Golf Course	20-04	400,000.00		399,038.12	961.88	
Golf Course and Recreation Utility Improvements	20-23	1,300,000.00		1,294,180.99	5,819.01	
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
Various Equipment Purchases	23-15		\$ 216,000.00			216,000.00
		<u>\$ 9,581,460.00</u>	<u>\$ 216,000.00</u>	<u>\$ 7,810,479.39</u>	<u>\$ 16,761.03</u>	<u>\$ 1,970,219.58</u>

Ref.

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TOWNSHIP OF PARSIPPANY-TROY HILLS
GOLF AND RECREATION UTILITY OPERATING FUND
SCHEDULE OF 2022 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2023

	Balance Dec. 31, 2022	Balance After Modification	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	\$ 44,905.85	\$ 44,905.85		\$ 44,905.85
Other Expenses	219,050.59	219,050.59	\$ 98,139.25	120,911.34
Statutory Expenditures:				
Contribution to:				
Public Employees' Retirement System	9,458.68	9,458.68		9,458.68
	\$ 273,415.12	\$ 273,415.12	\$ 98,139.25	\$ 175,275.87

Analysis of Balance December 31, 2022

	<u>Ref.</u>		
Encumbered	F	\$	91,065.70
Unencumbered	F		182,349.42
		\$	273,415.12

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

	<u>Ref.</u>	
Balance December 31, 2022	F	\$ 161,593.05
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>10,290.00</u>
Balance December 31, 2023	F	<u>\$ 151,303.05</u>

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

	<u>Ref.</u>	
Balance December 31, 2022	F	\$ 28,327,841.61
Increased by:		
Golf and Recreation Operating Budget:		
Serial Bonds		\$ 515,000.00
Open Space Trust Budget:		
Serial Bonds		205,000.00
Completed Ordinances Funded by Reserve to Pay Debt Service		984.00
Transfer from Deferred Reserve for Amortization		<u>150,320.00</u>
		<u>871,304.00</u>
		<u>29,199,145.61</u>
Decreased by:		
Improvement Authorizations Canceled		<u>16,761.03</u>
Balance December 31, 2023	F	<u><u>\$ 29,182,384.58</u></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		2023 Authorizations	Funded by Reserve to Pay Debt Service	Transferred to Reserve for Amortization	Balance Dec. 31, 2023
			Dec. 31, 2022					
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
21-19	Golf Course and Recreation Utility Improvements	09/07/21				\$ 520,700.00		520,700.00
23-15	Various Equipment Purchases	09/19/23			\$ 10,290.00			10,290.00
			\$ 156,279.00		\$ 10,290.00	\$ 520,700.00	\$ 150,320.00	\$ 536,949.00

Ref. F

F

TOWNSHIP OF PARSIPPANY-TROY HILLS
GOLF AND RECREATION UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2023

Ord. No.	Improvement Description	Date of			Interest Rate	Balance Dec. 31, 2022	Matured
		Original Issue	Issue	Maturity			
21-19	Golf Course and Recreation Utility Improvements	11/10/21	11/08/22	11/03/23	5.00%	\$ 520,700.00	\$ 520,700.00
					<u>Ref.</u>	\$ 520,700.00	\$ 520,700.00
					F		
						Reserve to Pay Debt Service	\$ 520,700.00
							\$ 520,700.00

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

Ord. No.	Improvement Description	Balance	2023	Bond	Funded by	Balance
		Dec.31, 2022	Authorizations	Anticipation Notes Redeemed	Reserve to Pay Debt Service	Dec.31, 2023
<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
22-08	Various Improvements and Equipment		\$ 205,710.00			205,710.00
		<u>\$ 1,117,984.00</u>	<u>\$ 205,710.00</u>	<u>\$ 520,700.00</u>	<u>\$ 521,684.00</u>	<u>\$ 1,322,710.00</u>

TOWNSHIP OF PARSIPPANY-TROY HILLS
COUNTY OF MORRIS
2023
PUBLIC ASSISTANCE FUND

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

	<u>Ref.</u>		
Balance December 31, 2022	G	\$	4,297.93
Increased by Receipts:			
Interest on Investments			<u>199.51</u>
Balance December 31, 2023	G	\$	<u><u>4,497.44</u></u>

TOWNSHIP OF PARSIPPANY-TROY HILLS

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2023

TOWNSHIP OF PARSHIPPANY-TROY HILLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2023

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	B19-MC34-0113	07/01/19	06/30/23	\$ 223,600.00	\$ 10,154.43	\$ 10,154.43	\$ 223,600.00	
	Housing Rehabilitation	14.218	B20-MC34-0114	07/01/20	06/30/24	216,090.00	9,330.41	9,330.41	100,974.12	
	COVID-19 Housing Rehabilitation	14.218	B20-MC34-0114	07/01/20	06/30/24	550,782.00	37,590.30	37,590.30	59,416.95	
	Housing Rehabilitation	14.218	B21-MC34-0114	07/01/21	06/30/24	240,006.00	79,976.08	79,976.08	146,703.97	
	Housing Rehabilitation	14.218	B22-MC34-0114	07/01/22	06/30/24	228,014.00	49.99	49.99	219,601.99	
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	01/01/23	12/31/24	5,294.80	5,294.80		2,116.80	
				01/01/23	12/31/24	16,977.70				
Total U.S. Department of Justice										
U.S. Department of Homeland Security:	Emergency Management Performance Grants	97.042	100-066-1200-726-062600	01/01/23	12/31/24	10,000.00	10,000.00			
	Disaster Grants - Public Assistance - F.E.M.A. Winter Storm Orlena	97.036	100-066-1200-C80-066290	02/01/21	12/31/21	366,870.79	74.50	74.50 *	366,870.79	
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		430.00	6,000.00	
				01/01/22	12/31/24	5,250.00		4,260.00	4,260.00	
	Distracted Driving Crackdown	20.616	100-066-1160-158-031030	01/01/21	12/31/24	9,000.00	2,580.00		8,880.00	
				01/01/22	12/31/24	10,500.00	4,140.00			
U.S. Department of Transportation/Highway Safety Cluster										
TOTAL FEDERAL AWARDS							\$ 159,190.51	\$ 141,865.71	\$ 1,147,897.82	\$ -0-

N/A - Not Applicable/Available

* - Expended in prior years.

TOWNSHIP OF PARSIPPANY-TROY HILLS
 SCHEDULE OF EXPENDITURES OF STATE AWARDS
 YEAR ENDED DECEMBER 31, 2023

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		\$ 164.74	\$ 9,229.19
				01/01/21	12/31/24	10,939.91		7,616.46	7,616.46
				01/01/23	12/31/24	6,898.81	\$ 6,898.81		
	Total Department of Law and Public Safety					22,400.00	6,898.81	7,781.20	16,845.65
Department of Community Affairs	Lead Grant Assistance Program	Lead Grant Assistance Program	100-022-8020-304-023110	01/01/23	12/31/24	22,400.00	22,400.00		
	Total Department of Community Affairs					22,400.00			
Department of Environmental Protection	Clean Communities Program	Clean Communities Program	765-042-4900-004-178910	01/01/22	12/31/23	113,932.96		3,077.30	113,932.96
				01/01/23	12/31/24	127,789.66	127,789.66	54,903.57	54,903.57
							127,789.66	57,980.87	168,836.53
	Recycling Tonnage Grant	Recycling Tonnage Grant	100-042-4910-224-238490	01/01/22	12/31/24	120,394.53	122,176.78	65,555.96	119,522.60
	Stormwater Assistance Grant	Stormwater Assistance Grant	100-042-4850-099-290400	01/01/23	12/31/24	25,000.00	122,176.78	65,555.96	119,522.60
	NJ Infrastructure Bank Loan - Sewer	Pump Station No. 4 Sanitary Sewer Redirection Project	S340886-05	01/01/22	12/31/24	7,507,568.00	3,353,641.00	3,339,826.73	7,507,568.00
	Total Department of Environmental Protection					7,507,568.00	3,603,607.44	3,463,363.56	7,795,927.13
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	361,480.00	96,149.00	53,891.48	361,480.00
							96,149.00	53,891.48	361,480.00
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	07/01/23	06/30/24	9,408.00		9,408.00	9,408.00
								9,408.00	
	Total Department of the Treasury					9,408.00		9,408.00	9,408.00
TOTAL STATE AWARDS							\$ 3,744,055.25	\$ 3,534,444.24	\$ 8,194,248.28

SEE ACCOMPANYING NOTES TO SCHEDULES OF FEDERAL AND STATE AWARDS

TOWNSHIP OF PARSIPPANY-TROY HILLS
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2023

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, 2023. 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, 2023:

NJ Environmental Infrastructure Loans and NJ Infrastructure Bank Loan Payable:	
Sewer Utility Capital Fund	<u>\$ 11,799,380</u>

Currently, the Township is in the process of repaying the loan balances. Current year loan receipts and disbursements on the NJ Infrastructure Bank 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, 2023 and 2022, and the related notes to the financial statements and have issued our report thereon dated May 31, 2024. 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 Questioned Costs as Finding 2023-001, 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 Questioned Costs. 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, NJ
May 31, 2024

Nisivoccia LLP
NISIVOCCIA LLP

Valerie A. Dolan

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

Report on Compliance For Each Major State Program: Report on Internal Control
Over Compliance Required by New Jersey's OMB Circular 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 State Program

Opinion on Each Major State Program

We have audited the Township of Parsippany-Troy Hills' (the "Township's") compliance with the types of compliance requirements described in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on the Township's major state program for the year ended December 31, 2023. The Township's major state program is 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 state program for the year ended December 31, 2023.

Basis for Opinion on Each Major 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 the major 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 the major 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
May 31, 2024

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, 2023

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 state program disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major State Program; Report on Internal Control Over Compliance Required by the New Jersey's OMB Circular 15-08*.
- The auditor's report on compliance for its major state program for the Township expresses an unmodified opinion on its major state program.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The Township was not subject to the single audit provisions of the Uniform Guidance for fiscal year end December 31, 2023 as federal grant expenditures were less than the single audit threshold of \$750,000 identified in the Uniform Guidance.
- 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 state programs.
- The Township's program tested as a major state program for the current fiscal year consisted of the following award:

<u>State</u>	<u>Grant I.D. No.</u>	<u>Grant Expenditures</u>
New Jersey Department of Environmental Protection:		
New Jersey Infrastructure Bank Loan -		
Sewer - Pump Station No. 4		
Sanitary Sewer Redirection Project	S340886-05	\$ 3,339,827

TOWNSHIP OF PARSIPPANY-TROY HILLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2023

(Continued)

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 2023-001

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 and the preparation of the general ledger for the various funds 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.

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.

TOWNSHIP OF PARSIPPANY-TROY HILLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

Findings and Questioned Costs for Federal Awards:

- Not applicable since federal expenditures were below the single audit threshold.

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 and New Jersey's OMB Circular 15-08.

TOWNSHIP OF PARSIPPANY-TROY HILLS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2023

Status of Prior Year Findings:

The prior year finding 2022-001 regarding the segregation of duties has not been resolved due to budgetary constraints and is included in the current year report as finding 2023-001.

TOWNSHIP OF PARSIPPANY-TROY HILLS

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2023

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 4, 2023, 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 8, 2023. 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
2023	29
2022	23
2021	23

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 2023 Taxes	20
Payment of 2024 Taxes	20
Delinquent Taxes	15
Tax Title Liens	2
Payment of 2023 and 2024 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 properly tagged in all cases.

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

Management's Response

The Township will ensure assets are properly 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, 2023.

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

	Balance Dec. 31, 2022	Receipts	Disbursements	Balance Dec. 31, 2023
Municipal Treasurer:				
Fines and Costs	\$ 12,843.14	\$ 228,578.59	\$ 218,312.55	\$ 23,109.18
POAA FTA	6.00	270.00	254.00	22.00
Public Defender	1,330.50	7,718.00	8,462.00	586.50
Weights and Measures	9,500.00	114,400.00	113,800.00	10,100.00
County:				
Fines	2,831.25	71,619.05	65,184.80	9,265.50
State:				
Fines and Costs	18,217.35	255,900.55	257,247.21	16,870.69
Conditional Discharge		150.00	150.00	
Conditional Dismissal		470.00	470.00	
Collections	132.28	936.78	1,014.06	55.00
Bail	3,728.00	25,481.00	26,636.00	2,573.00
TOTAL	<u>\$ 48,588.52</u>	<u>\$ 705,523.97</u>	<u>\$ 691,530.62</u>	<u>\$ 62,581.87</u>

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.

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

Management Suggestions

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

There are several ordinances, which are more than five years old with a deficit cash balance at December 31, 2023. This situation arises when expenditures are made from an ordinance without funding. It is suggested that all capital ordinances be reviewed in 2024 and either be canceled and/or funded.

Federal and State Grant Fund

During our review of the federal and state grants, we noted that, although some grants were cancelled, there remain grants receivable and reserve balances that are several years old and a continued review be performed to ensure that only active receivables and reserve balances are being carried forward.

Garden State Municipal Joint Insurance Fund

The Township is a member of the Garden State Municipal Joint Insurance Fund (the "Fund") and the financial position and results of the operations of the Fund could affect the Township's financial position. As a member of the Fund, the Township could be subject to supplemental assessments in the event of deficiencies. Our review of the most recent financial statements of the Fund reflects a \$4,763,931 deficit in Net Position of the Fund. We suggest that the Township continue to monitor the Funds operations and evaluate the possibility of any supplemental assessments that might be assessed to the Township.

Governmental Accounting Standards Board (GASB) Statements

GASB Statement No. 101, *Compensated Absences*, is effective for the year ended December 31, 2024. This statement requires that the liability for compensated absences to be calculated for 1 – leave that has not been used and 2 – leave that has been used but not yet paid. The liability should be recognized for leave that has not been used if (a) – the leave is attributable to services already rendered, (b) the leave accumulates and (c) the leave is more likely than not to be used for time off or otherwise paid. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. Leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in the liability for compensated absences. The Statement directs that for leave that has not been used the calculation should generally use an employee's pay rate as of the date of the financial statements.

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.

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

Management Suggestions (Cont'd)

COVID-19 Federal Funding (Cont'd)

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.

The American Rescue Plan funding must be obligated by December 31, 2024 and the liquidation of the obligation must be completed by December 31, 2026.

Status of Prior Year Recommendations

The Township initiated a corrective action plan to resolve the comments and recommendations from the 2022 audit report. The recommendation regarding escrow trust deposits were resolved in the current year. The recommendation regarding federal and state grants receivable and appropriated grant reserves was partially resolved and is included as a management suggestion in the current year audit report. The recommendations regarding segregation of duties, tagging of fixed assets, Self Insurance Committee meetings and obtaining a dedication by rider for all Other Trust Fund 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. 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.