



TOWNSHIP OF MORRIS
MORRIS COUNTY, NEW JERSEY
REPORT OF AUDIT
YEARS ENDED DECEMBER 31, 2020 and 2019

**TOWNSHIP OF MORRIS
MORRIS COUNTY, NEW JERSEY**

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TOWNSHIP OF MORRIS
MORRIS COUNTY, NEW JERSEY

PART I

REPORT ON AUDIT OF FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 and 2019



Independent Auditors' Report

**The Honorable Mayor and Members
of the Township Committee
Township of Morris
Morris, New Jersey**

Report on the Regulatory-Basis Financial Statements

We have audited the accompanying regulatory-basis financial statements of the various funds and the governmental fixed assets of the Township of Morris, Morris County, New Jersey (the "Township") which comprise the balance sheets as of December 31, 2020 and 2019, and the related statements of operations and changes in fund balance for the years then ended, the statements of changes in fund balance, the statements of revenues and statements of expenditures for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") as described in Note 1. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

PKF O'CONNOR DAVIES, LLP
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Basis for Adverse Opinions on U.S Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared by the Township on the basis of the financial reporting provisions of the Division to demonstrate compliance with Division's regulatory-basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

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

Adverse Opinions on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinions on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2020 and 2019, the changes in its financial position, and, where applicable, its cash flows for the years then ended.

Unmodified Opinions on Regulatory-Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the various funds and the governmental fixed assets of the Township of Morris, County of Morris, New Jersey, as of December 31, 2020 and 2019, and the respective results of its operations and changes in fund balance for the years then ended and statements of change in fund balance, the statements of revenue and statements of expenditures of the various funds for the year ended December 31, 2020 and the related notes to the financial statements in accordance with the financial reporting provisions of the Division, as described in Note 1 to the financial statements.

Report on Supplementary Information as Required by the Division in Accordance with the Regulatory-Basis

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Township's basic financial statements. The information included in Part II – Supplementary Data and Part III – General Comments (collectively, the "Supplementary Information"), as listed in the table of contents, is presented for purposes of additional analysis as required by the Division and is not a required part of the 2020 financial statements of the Township. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 information is fairly stated, in all material respects, in relation to the basic 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 August 23, 2021 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 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.

PKF O'Connor Davies, LLP

Cranford, New Jersey
August 23, 2021

David J. Gannon

David J. Gannon, CPA
Registered Municipal Accountant, No. 520



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 Committee
Township of Morris
Morris, New Jersey**

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), the regulatory-basis financial statements of the various funds and the governmental fixed assets of the Township of Morris, Morris County, New Jersey (the "Township"), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated August 23, 2021, in which we expressed an adverse opinion on the conformity of the statements with accounting principles generally accepted in the United States of America due to the differences between those principles and the financial reporting provisions of the Division.

Internal Control Over Financial Reporting

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

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

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

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**The Honorable Mayor and Members
of the Township Committee
Township of Morris**
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Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results 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.

PKF O'Connor Davies, LLP

Cranford, New Jersey
August 23, 2021

David J. Gannon

David J. Gannon, CPA
Licensed Registered Municipal Accountant, No. 520

TOWNSHIP OF MORRIS
CURRENT AND GRANT FUNDS

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2020 AND 2019

A
Sheet # 1

ASSETS	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
CURRENT FUND			
Cash and Cash Equivalents	A-4	\$ 19,156,386.20	\$ 20,300,871.45
Change Funds	A	<u>700.00</u>	<u>700.00</u>
		<u>19,157,086.20</u>	<u>20,301,571.45</u>
Receivables and Other Assets with Full Reserves			
Delinquent Property Taxes	A-7	630,361.28	597,702.38
Tax Title Liens Receivable	A-8	72,743.48	60,119.69
Property Acquired for Taxes - Assessed Valuation	A-9	36,475.00	36,475.00
Revenue Accounts Receivable	A-12	10,497.57	17,909.78
Other Accounts Receivable	A-24	15,650.00	
Due from Animal Control Fund	A-16	6,676.18	
Due from Trust Other Fund	A-16	760.36	143.49
Due from General Capital Fund	A-16	19,230.97	30,849.83
Due from Trust Assessment Fund	A-16	1.94	6.41
Due from Sewer Operating Fund			17,938.49
Due from Pool Operating Fund			<u>3,194.10</u>
		<u>792,396.78</u>	<u>764,339.17</u>
Total Current Fund		<u>19,949,482.98</u>	<u>21,065,910.62</u>
GRANT FUND			
Due from Current Fund	A-27	184,224.90	194,120.01
Grants Receivable	A-26	<u>44,717.53</u>	<u>11,621.78</u>
Total Grant Fund		<u>228,942.43</u>	<u>205,741.79</u>
Total		<u>\$ 20,178,425.41</u>	<u>\$ 21,271,652.41</u>

See accompanying notes to financial statements.

TOWNSHIP OF MORRIS
CURRENT AND GRANT FUNDS

COMPARTIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2020 AND 2019

A
Sheet # 2

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
LIABILITIES, RESERVES AND FUND BALANCE			
CURRENT FUND			
Liabilities			
Appropriation Reserves	A-3, A-13	\$ 1,375,857.27	\$ 1,000,266.56
Encumbrances Payable	A-3, A-13	1,097,772.95	1,065,607.61
Accounts Payable	A-10	1,680,228.39	1,565,700.00
Prepaid Taxes	A-20	905,936.65	804,356.31
Tax Overpayments			2,201.73
Reserve for Pending Tax Appeals	A-21	1,381,917.88	2,126,395.41
County Taxes Payable	A-18	78,939.54	166,222.79
Due to County- Pilots	A-14	6,627.12	
Special Deposits	A-25	56,600.00	56,600.00
Due to State of N.J. Senior Citizen and Veterans	A-6	5,085.18	3,996.90
Due to Grant Fund	A-23	184,224.90	194,120.01
Due to Other Trust Fund	A-22	961,822.00	326,400.00
		<u>7,735,011.88</u>	<u>7,311,867.32</u>
Reserve for Receivables and Other Assets		792,396.78	764,339.17
Fund Balance	A-1	<u>11,422,074.32</u>	<u>12,989,704.13</u>
 Total Current Fund		 <u>19,949,482.98</u>	 <u>21,065,910.62</u>
GRANT FUND			
Accounts Payable	A-28	10,753.62	4,412.94
Reserve for Appropriated Grants	A-29	214,188.81	172,498.53
Reserve for Unappropriated Grants	A-15	4,000.00	28,830.32
 Total Grant Fund		 <u>228,942.43</u>	 <u>205,741.79</u>
 Total		 <u>\$ 20,178,425.41</u>	 <u>\$ 21,271,652.41</u>

See accompanying notes to financial statements.

TOWNSHIP OF MORRIS
CURRENT FUND

COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2020 AND 2019

A-1

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Revenue and Other Income Realized			
Fund Balance Utilized	A-2	\$ 7,500,000.00	\$ 6,250,000.00
Miscellaneous Revenue Anticipated	A-2	6,182,055.41	7,579,748.46
Delinquent Taxes	A-2	598,549.24	575,434.41
Current Taxes	A-2	100,290,401.07	97,934,450.87
Non-Budget Revenue	A-2	760,702.69	1,092,719.42
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-13	965,680.17	1,215,574.16
Cancellation of Grant Balances, Net	A-26, A-29	3,901.16	2,292.07
Cancellation of Accounts Payable	A-10	57,947.20	70,268.98
Voided Checks	A-4	2,320.30	3,326.23
Cancellation of School Tax Levy			0.13
Interfund Returned	A-16	52,132.32	45,844.94
Cancellation of Tax Appeals	A-21	700,000.00	
Prior Year Other Accounts Receivable Returned			4,148.50
Total Revenues		<u>117,113,689.56</u>	<u>114,773,808.17</u>
Expenditures:			
Budget and Emergency Appropriations			
Operations			
Salaries and Wages	A-3	14,183,923.65	13,881,287.05
Other Expenses	A-3	11,730,318.24	11,187,236.19
Capital Improvements	A-3	1,076,850.00	999,500.00
Municipal Debt Service	A-3	4,077,090.89	3,314,728.17
Deferred Charges and Statutory Expenditures	A-3	4,101,766.07	4,008,095.67
County Taxes	A-18	15,027,250.56	14,503,045.90
Municipal Open Space Taxes	A-17	108,465.04	107,013.82
Regional School Taxes	A-19	60,836,793.00	58,816,122.00
Prior Year Senior Citizens' and Veterans' Deductions			
Disallowed	A-6	3,000.00	2,866.43
Establish Other Accounts Receivable	A-24	15,650.00	
Return of Prior Year Revenue	A-4	218.65	4,852.04
Interfund Advanced	A-16	19,993.27	34,643.83
Total Expenditures		<u>111,181,319.37</u>	<u>106,859,391.10</u>
Statutory Excess in Fund Balance		5,932,370.19	7,914,417.07
Fund Balance, Beginning of Year	A	<u>12,989,704.13</u>	<u>11,325,287.06</u>
		18,922,074.32	19,239,704.13
Decreased by:			
Utilization as Anticipated Revenue	A-1, A-2	<u>7,500,000.00</u>	<u>6,250,000.00</u>
Fund Balance, End of Year	A	<u>\$ 11,422,074.32</u>	<u>\$ 12,989,704.13</u>

See accompanying notes to financial statements.

TOWNSHIP OF MORRIS
CURRENT FUND

STATEMENT OF REVENUES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

A-2
Sheet # 1

	Anticipated	Added by		Excess
Ref.	Budget	N.J.S.A. 40A:4-87	Realized	(Deficit)
Fund Balance Anticipated	A-1 \$ 7,500,000.00		\$ 7,500,000.00	
Miscellaneous Revenues				
Licenses:				
Alcoholic Beverages	14,000.00		22,500.00	\$ 8,500.00
Other	17,000.00		15,465.00	(1,535.00)
Fees and Permits	676,650.00		458,663.45	(217,986.55)
Municipal Court - Fines and Costs	225,000.00		116,646.38	(108,353.62)
Interest and Costs on Taxes	125,000.00		166,142.81	41,142.81
Interest on Investments and Deposits	140,000.00		270,430.05	130,430.05
Consolidated Municipal Property Tax Relief Aid	263,758.00		173,943.01	(89,814.99)
Energy Receipts Tax	3,016,183.00		3,105,998.01	89,815.01
Uniform Construction Code Fees	700,000.00		1,186,853.00	486,853.00
Recycling Tonnage Grant	24,830.32		24,830.32	
Municipal Alliance on Alcoholism and Drug Abuse	32,243.50		32,243.50	
Municipal Alcohol Education/Rehabilitation Program		\$ 3,250.80	3,250.80	
Drive Sober or Get Pulled Over	3,212.35		3,212.35	
Body Armor Fund		2,453.55	2,453.55	
Bulletproof Vest Partnership Grant		3,796.65	3,796.65	
Assistance to Firefighters Grant Program		15,000.00	15,000.00	
Operating Surplus of Prior Year - Parking	50,000.00		50,000.00	
Operating Surplus of Prior Year - Sewer	250,000.00		250,000.00	
General Capital Fund Balance Anticipated	40,000.00		40,000.00	
Reimbursement for Expenses - Off Duty Police	75,000.00		75,000.00	
Recreation Trust Fund Reimbursement for Expenses	115,900.00		115,900.00	
NJDEP Clean Communities Program		49,726.53	49,726.53	
Total Miscellaneous Revenues	A-1 \$ 5,768,777.17	\$ 74,227.53	\$ 6,182,055.41	\$ 339,050.71

See accompanying notes to financial statements.

TOWNSHIP OF MORRIS
CURRENT FUND

STATEMENT OF REVENUES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

A-2
Sheet # 2

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess</u>
<u>General Revenue</u>				
Fund Balance Anticipated	A-1	\$ 7,500,000.00	\$ 7,500,000.00	
Miscellaneous Revenue	A-1, A-2	5,843,004.70	6,182,055.41	\$ 339,050.71
Receipts from Delinquent Taxes	A-1	<u>490,000.00</u>	<u>598,549.24</u>	<u>108,549.24</u>
		13,833,004.70	14,280,604.65	447,599.95
Amount to be Raised by Taxes for Support of Municipal Budget	A-2	<u>24,537,228.00</u>	<u>27,518,176.32</u>	<u>2,980,948.32</u>
Budget Totals	A-3	38,370,232.70	41,798,780.97	3,428,548.27
Non-Budget Revenues	A-1	<u>-</u>	<u>760,702.69</u>	<u>760,702.69</u>
Total Revenue		<u>\$ 38,370,232.70</u>	<u>\$ 42,559,483.66</u>	<u>\$ 4,189,250.96</u>

See accompanying notes to financial statements.

TOWNSHIP OF MORRIS
CURRENT FUND

STATEMENT OF REVENUES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

A-2
Sheet # 3

	<u>Ref.</u>	
ANALYSIS OF REALIZED REVENUES		
Allocation of Current Tax Collection		
Revenue from Collection	A-1, A-7	\$ 100,290,401.07
Allocated to Regional School, County, and Open Space Taxes	A-1	<u>75,972,508.60</u>
		<u>24,317,892.47</u>
 Add: Appropriation "Reserve for Uncollected Taxes"	 A-3	 <u>3,200,283.85</u>
 Amount for Support of Municipal Budget Appropriations	 A-2	 <u>\$ 27,518,176.32</u>
 ANALYSIS OF REALIZED DELINQUENT TAXES		
Delinquent Taxes	A-7	\$ 598,549.24
	A-1	<u>\$ 598,549.24</u>
 Miscellaneous Revenue Not Anticipated:		
Cable TV Franchise Fee		\$ 362,321.86
PILOT		125,915.34
Cell Towers		57,016.08
2019 Reimbursement from Morris School District		28,475.58
Verizon Credit Balance Refund		7,593.74
Miscellaneous Reimbursements		5,525.57
CCOs		67,750.00
Tax Sale Premium		30,000.00
Construction Code Penalties and Variances		9,500.00
Urban Renewal Minimum Payment		6,006.77
Health Department		4,525.65
State of New Jersey		2,285.23
FEMA		1,760.35
UFS - State of New Jersey		51,616.34
Miscellaneous		<u>410.18</u>
	A-1, A-4	<u>\$ 760,702.69</u>

See accompanying notes to financial statements.

TOWNSHIP OF MORRIS
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

A-3
Sheet # 1

Appropriation	Appropriations		Expended		
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved
GENERAL APPROPRIATIONS					
OPERATIONS WITHIN "CAPS"					
General Administration					
Salaries and Wages	\$ 307,451.35	\$ 317,451.35	\$ 316,431.14		\$ 1,020.21
Other Expenses	157,700.00	147,700.00	111,267.12	\$ 28,056.33	8,376.55
Mayor and Township Committee					
Salaries and Wages	34,024.75	34,024.75	34,022.45		2.30
Other Expenses	500.00	500.00	392.00	85.00	23.00
Municipal Clerk					
Salaries and Wages	144,196.39	144,196.39	140,621.13		3,575.26
Other Expenses	38,190.00	38,190.00	11,709.09	15,674.88	10,806.03
Financial Administration					
Salaries and Wages	182,735.14	182,735.14	182,219.99		515.15
Other Expenses	86,150.00	86,150.00	40,715.27	17,120.11	28,314.62
Audit Services					
Other Expenses	32,900.00	32,900.00	2,137.50	30,762.50	
Computer Information Technology					
Salaries and Wages	98,733.52	98,733.52	98,733.52		
Other Expenses	216,700.00	216,700.00	183,441.29	17,292.19	15,966.52
Collection of Taxes					
Salaries and Wages	87,433.52	87,433.52	85,765.21		1,668.31
Other Expenses	14,000.00	14,000.00	12,026.06	748.70	1,225.24
Assessment of Taxes					
Salaries and Wages	147,090.29	147,090.29	127,339.41		19,750.88
Other Expenses	20,650.00	20,650.00	9,300.00	6,879.29	4,470.71
Legal Services and Costs					
Other Expenses	335,000.00	335,000.00	141,680.05	107,365.39	85,954.56
Joint Municipal Court					
Other Expenses	296,000.00	296,000.00	283,122.55	1,500.00	11,377.45
Engineering Services and Costs					
Salaries and Wages	412,703.70	412,703.70	402,154.24		10,549.46
Other Expenses	33,600.00	33,600.00	17,679.46	2,629.06	13,291.48
Historical Preservation Commission					
Other Expenses	2,500.00	2,500.00			2,500.00

See accompanying notes to financial statements.

TOWNSHIP OF MORRIS
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

A-3
Sheet # 2

Appropriation	Appropriations		Expended		
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved
GENERAL APPROPRIATIONS (Continued)					
OPERATIONS WITHIN "CAPS" (Continued)					
Planning Board					
Salaries and Wages	\$ 50,121.32	\$ 51,121.32	\$ 50,937.09		\$ 184.23
Other Expenses	50,950.00	47,950.00	22,695.48	\$ 5,266.99	19,987.53
Board of Adjustment					
Salaries and Wages	27,790.83	27,790.83	27,790.83		
Other Expenses	7,350.00	9,350.00	7,199.52	2,076.60	73.88
Insurance					
General Liability	440,000.00	440,000.00	387,313.49	50,675.00	2,011.51
Workers' Compensation	630,000.00	630,000.00	512,416.00	100,000.00	17,584.00
Group Insurances - Hospital and Medical	2,682,500.00	2,682,500.00	2,527,724.00		154,776.00
Police					
Salaries and Wages	4,712,053.16	4,700,053.16	4,577,660.01		122,393.15
Other Expenses	207,750.00	219,750.00	157,303.89	61,048.91	1,397.20
Purchase of Police Vehicles	142,000.00	142,000.00	131,476.65	10,521.97	1.38
Emergency Management Services					
Other Expenses	13,900.00	13,900.00	8,524.96	2,270.73	3,104.31
County Communications					
Other Expenses	327,223.66	327,223.66	327,223.66		
Traffic Lights Maintenance					
Other Expenses	35,000.00	35,000.00	24,781.36	5,521.25	4,697.39
Aid to Volunteer Ambulance Companies					
Other Expenses	55,000.00	55,000.00		55,000.00	
Fire					
Salaries and Wages	2,125,435.56	2,142,435.56	2,142,435.56		
Other Expenses	264,200.00	247,200.00	211,007.72	33,125.34	3,066.94
Fire Hydrant Service	20,000.00	20,000.00	17,646.24		2,353.76
Municipal Prosecutor					
Other Expenses	15,000.00	15,000.00	9,000.00		6,000.00
Road, Repair and Maintenance					
Salaries and Wages	2,325,982.50	2,203,982.50	2,188,690.83		15,291.67
Other Expenses	442,850.00	262,850.00	150,090.02	94,363.49	18,396.49
Garbage and Trash Removal					
Salaries and Wages	940,292.09	940,292.09	928,806.05		11,486.04
Other Expenses	1,083,750.00	1,370,750.00	1,110,941.24	188,910.52	70,898.24
Public Building and Grounds					
Salaries and Wages	79,896.48	79,896.48	75,121.43		4,775.05
Other Expenses	46,700.00	46,700.00	38,884.11	7,671.57	144.32
Vehicle Maintenance					
Salaries and Wages	737,969.20	737,969.20	734,622.89		3,346.31
Other Expenses	343,000.00	358,000.00	278,978.20	67,873.78	11,148.02
Community Services Act-Condo Costs					
Other Expenses	67,000.00	67,000.00	6,471.17		60,528.83
Board of Health					
Salaries and Wages	263,391.25	263,391.25	251,786.99		11,604.26
Other Expenses	77,650.00	77,650.00	53,768.86	12,383.41	11,497.73

See accompanying notes to financial statements.

TOWNSHIP OF MORRIS
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

A-3
Sheet # 3

Appropriation	Appropriations		Expended		
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved
GENERAL APPROPRIATIONS (Continued)					
OPERATIONS WITHIN "CAPS" (Continued)					
Environmental Commission					
Salaries and Wages	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00		
Other Expenses	6,000.00	6,000.00	692.00		\$ 5,308.00
Animal Control Regulations					
Other Expenses	24,500.00	24,500.00	24,500.00		
Cooperative Transportation					
Other Expenses	9,200.00	9,200.00	5,472.20		3,727.80
Recreation Services and Programs					
Salaries and Wages	306,293.61	306,293.61	265,106.48		41,187.13
Other Expenses	112,325.00	112,325.00	68,550.57	\$ 9,659.31	34,115.12
Handicapped Person's Recreational Opportunity Act- Twp. of Morris Share	3,259.00	3,259.00	3,259.00		
Maintenance of Parks					
Salaries and Wages	302,137.16	302,137.16	279,823.91		22,313.25
Other Expenses	192,685.00	192,685.00	154,289.06	32,308.76	6,087.18
Accumulated Leave Compensation					
Salaries and Wages	200,000.00	200,000.00	200,000.00		
Utility Expense and Bulk Purchases					
Electricity	175,050.00	175,050.00	115,544.29	151.05	59,354.66
Street Lighting	160,000.00	160,000.00	130,536.24		29,463.76
Telephone	125,000.00	125,000.00	72,920.99	10,529.45	41,549.56
Water	15,700.00	15,700.00	11,133.99		4,566.01
Natural Gas	88,000.00	88,000.00	53,709.24		34,290.76
Gasoline, Diesel Fuel	351,000.00	351,000.00	170,702.21		180,297.79
Project Pride					
Other Expenses	55,000.00	55,000.00	55,000.00		
State Uniform Construction Code					
Salaries and Wages	799,191.83	799,191.83	754,436.99		44,754.84
Other Expenses	76,150.00	76,150.00	52,680.94	11,542.40	11,926.66
Total Operation Within "CAPS"	23,869,506.31	23,869,506.31	21,585,413.84	989,013.98	1,295,078.49
Total Operation Including Contingent Within "CAPS"	23,869,506.31	23,869,506.31	21,585,413.84	989,013.98	1,295,078.49
Detail:					
Salaries and Wages	14,289,923.65	14,183,923.65	13,869,506.15		314,417.50
Other Expenses	9,579,582.66	9,685,582.66	7,715,907.69	989,013.98	980,660.99

See accompanying notes to financial statements.

TOWNSHIP OF MORRIS
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

A-3
Sheet # 4

Appropriation	Appropriations		Expended		
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved
GENERAL APPROPRIATIONS (Continued)					
DEFERRED CHARGES & STATUTORY EXPENDITURES					
Statutory Expenditures - Contributions to:					
Anticipated Deficit - Pool Utility	\$ 541,382.07	\$ 541,382.07	\$ 541,382.07		
Social Security System (O.A.S.I.)	1,085,000.00	1,085,000.00	1,044,254.46		\$ 40,745.54
Public Employees Retirement System	832,753.00	832,753.00	830,753.00		2,000.00
Police and Firemen's Retirement System of N.J.	1,642,631.00	1,642,631.00	1,642,631.00		
Total Deferred Charges and Statutory Expenditures	4,101,766.07	4,101,766.07	4,059,020.53	-	42,745.54
Total General Appropriations for Municipal Purposes Within "CAPS"	27,971,272.38	27,971,272.38	25,644,434.37	\$ 989,013.98	1,337,824.03
OPERATIONS - EXCLUDED FROM "CAPS"					
Maintenance of Joint Free Public Library - Proportionate Share (R.S. 40:54-29.17)	1,877,161.00	1,877,161.00	1,877,160.14		0.86
Recycling Tax (P/L/ 2007, c.311)	26,000.00	26,000.00	13,926.63	2,100.00	9,973.37
Recycling Tonnage Grant	24,830.32	24,830.32	24,830.32		
Alcohol and Rehab Fund		3,250.80	3,250.80		
Municipal Alliance on Alcoholism and Drug Abuse	28,243.50	28,243.50	28,243.50		
Municipal Alliance on Alcoholism and Drug Abuse-Match	7,060.88	7,060.88	7,060.88		
Municipal Alliance on Alcoholism and Drug Abuse-Supplemental	4,000.00	4,000.00	4,000.00		
Body Armor Replacement Fund		2,453.55	2,453.55		
Bullet Proof Vest		3,796.65	3,796.65		
Drive Sober or Get Pulled Over-Year End Holiday	3,212.35	3,212.35	3,212.35		
Assistance to FF - COVID-19 Supplemental		15,000.00	15,000.00		
Clean Communities		49,726.53	49,726.53		
Total Operations - Excluded from "CAPS"	1,970,508.05	2,044,735.58	2,032,661.35	2,100.00	9,974.23
Detail:					
Salaries and Wages	3,212.35	3,212.35	3,212.35		
Other Expenses	1,967,295.70	2,041,523.23	2,029,449.00	2,100.00	9,974.23

See accompanying notes to financial statements.

TOWNSHIP OF MORRIS
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

A-3
Sheet # 5

Appropriation	Appropriations		Expended		
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved
CAPITAL IMPROVEMENTS					
Capital Improvement Fund	\$ 799,750.00	\$ 799,750.00	\$ 799,750.00		
Police Equipment	17,000.00	17,000.00	16,611.00		\$ 389.00
Fire Department Equipment	9,000.00	9,000.00	9,000.00		
Firehouse Improvements	50,000.00	50,000.00	29,363.14	\$ 18,810.75	1,826.11
Office of Emergency Management - Light Tower	10,000.00	10,000.00	9,909.00		91.00
Purchase of Parks Equipment	6,000.00	6,000.00		6,000.00	
DPW Major Equipment and Vehicles	140,100.00	140,100.00	51,816.81	68,048.22	20,234.97
Improvements to Parks and Playgrounds	20,000.00	20,000.00	4,950.00	13,800.00	1,250.00
Improvements to DPW	25,000.00	25,000.00	20,732.07		4,267.93
Total Capital Improvements	<u>1,076,850.00</u>	<u>1,076,850.00</u>	<u>942,132.02</u>	<u>106,658.97</u>	<u>28,059.01</u>
MUNICIPAL DEBT SERVICE					
Payment of Bond Principal	3,483,000.00	3,483,000.00	3,483,000.00		
Interest on Bonds	594,090.89	594,090.89	594,090.89		
Total Municipal Debt Service	<u>4,077,090.89</u>	<u>4,077,090.89</u>	<u>4,077,090.89</u>		
Total Appropriations Excluded from "CAPS"	<u>7,124,448.94</u>	<u>7,198,676.47</u>	<u>7,051,884.26</u>	<u>108,758.97</u>	<u>38,033.24</u>
Sub-Total General Appropriations	35,095,721.32	35,169,948.85	32,696,318.63	1,097,772.95	1,375,857.27
RESERVE FOR UNCOLLECTED TAXES	<u>3,200,283.85</u>	<u>3,200,283.85</u>	<u>3,200,283.85</u>		
Total General Appropriations	<u>\$ 38,296,005.17</u>	<u>\$ 38,370,232.70</u>	<u>\$ 35,896,602.48</u>	<u>\$ 1,097,772.95</u>	<u>\$ 1,375,857.27</u>
	<u>Ref.</u>	A-2		A, A-13	A
Budget	A-2	\$ 38,296,005.17			
Appropriation by 40A:4-87	A-2	<u>74,227.53</u>			
Above		<u>\$ 38,370,232.70</u>			
Cash Disbursed	A-4		\$ 32,554,744.05		
Reserve for Uncollected Taxes	A-2		3,200,283.85		
Due to Grant Fund	A-29		<u>141,574.58</u>		
Above			<u>\$ 35,896,602.48</u>		

See accompanying notes to financial statements.

TOWNSHIP OF MORRIS
TRUST FUND

B

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2020 AND 2019

<u>ASSETS</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
<u>Trust Assessment Fund</u>			
Cash and Cash Equivalents	B-1	\$ 1.94	\$ 6.41
Assessments Receivable	B-7	18,239.46	17,364.20
		<u>18,241.40</u>	<u>17,370.61</u>
<u>Animal Control Trust Fund</u>			
Cash and Cash Equivalents	B-1	42,938.18	35,527.86
Due from State of New Jersey	B-10	2.40	3.60
		<u>42,940.58</u>	<u>35,531.46</u>
<u>Trust Other Fund</u>			
Cash and Cash Equivalents	B-1	6,631,784.69	7,425,402.16
Due from Current Fund	B-8	961,822.00	326,400.00
		<u>7,593,606.69</u>	<u>7,751,802.16</u>
		<u>\$ 7,654,788.67</u>	<u>\$ 7,804,704.23</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
<u>Assessment Trust Fund</u>			
Due to Current Fund	B-4	\$ 1.94	\$ 6.41
Due to General Capital Fund	B-4	18,239.46	17,364.20
		<u>18,241.40</u>	<u>17,370.61</u>
<u>Animal Control Trust Fund</u>			
Interfunds Payable	B-8	6,676.18	
Reserve for Expenditures	B-9	36,264.40	35,531.46
		<u>42,940.58</u>	<u>35,531.46</u>
<u>Trust Other Fund</u>			
Interfunds Payable	B-8	760.36	143.49
Due to State of New Jersey			
Department of Community Affairs State Training Fees	B-2	18,583.00	19,953.00
Special Deposits	B-5	5,389,681.66	5,074,013.89
Unemployment Compensation Insurance			
Fund	B-6	305,711.18	299,550.66
Reserve for Open Space	B-3	1,878,870.49	2,358,141.12
		<u>7,593,606.69</u>	<u>7,751,802.16</u>
		<u>\$ 7,654,788.67</u>	<u>\$ 7,804,704.23</u>

See accompanying notes to financial statements.

TOWNSHIP OF MORRIS
GENERAL CAPITAL FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2020 AND 2019

C

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
ASSETS			
Cash and Cash Equivalents	C-2	\$ 6,817,652.83	\$ 9,725,217.42
Grants Receivable	C-4	799,000.00	137,500.00
Due from Assessment Trust Fund	C-15	18,239.46	17,364.20
Deferred Charges to Future Taxation:			
Funded	C-5	19,791,000.00	23,274,000.00
Unfunded	C-6	<u>2,532,455.56</u>	<u>705.56</u>
 Total Assets		 <u>\$ 29,958,347.85</u>	 <u>\$ 33,154,787.18</u>
 LIABILITIES AND FUND BALANCE			
General Serial Bonds	C-10	\$ 19,791,000.00	\$ 23,274,000.00
Capital Improvement Fund	C-8	327,799.37	318,763.71
Improvement Authorizations:			
Funded	C-7	7,476,660.05	8,660,171.49
Unfunded	C-7	1,936,671.53	705.56
Reserve for Curbing	C-9	2,970.00	
Reserve for Trees	C-11	1,590.00	3,870.00
Reserve for Sidewalks	C-13	21,794.44	21,794.44
Reserve for Preliminary Engineering - Western Ave. Reservoir			3,000.66
Due to Current Fund	C-14	19,230.97	30,849.83
Fund Balance	C-1	<u>380,631.49</u>	<u>841,631.49</u>
 Total Liabilities and Fund Balance		 <u>\$ 29,958,347.85</u>	 <u>\$ 33,154,787.18</u>
 Bonds and Notes Authorized But Not Issued	 C-16	 <u>\$ 2,532,455.56</u>	 <u>\$ 705.56</u>

See accompanying notes to financial statements.

TOWNSHIP OF MORRIS
GENERAL CAPITAL FUND

CHANGES IN FUND BALANCE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

C-1

	<u>Ref.</u>		
Balance, December 31, 2019	C		\$ 841,631.49
Decreased by:			
Anticipated Revenue	C-2	\$ 40,000.00	
Appropriated to Finance Authorizations	C-7	<u>421,000.00</u>	<u>461,000.00</u>
Balance, December 31, 2020	C		<u>\$ 380,631.49</u>

See accompanying notes to financial statements.

TOWNSHIP OF MORRIS
PAYROLL FUND

D

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2020 AND 2019

<u>ASSETS</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Cash - Checking Account	D-2	<u>\$ 175,267.99</u>	<u>\$ 168,434.92</u>
		<u>\$ 175,267.99</u>	<u>\$ 168,434.92</u>
 <u>LIABILITIES AND RESERVES</u>			
Reserve for Payroll Taxes and Deductions	D-1	<u>\$ 175,267.99</u>	<u>\$ 168,434.92</u>
		<u>\$ 175,267.99</u>	<u>\$ 168,434.92</u>

TOWNSHIP OF MORRIS
SEWER UTILITY FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2020 AND 2019

E
Sheet # 1

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
ASSETS			
OPERATING FUND			
Cash	E-4	\$ 6,072,004.35	\$ 7,048,120.94
Receivables with Full Reserves:			
Consumer Accounts Receivable	E-6	5,136,699.67	5,025,214.86
Due from Sewer Capital Fund	E-19	<u>40,695.21</u>	<u>24,212.70</u>
Total Operating Fund		<u>11,249,399.23</u>	<u>12,097,548.50</u>
CAPITAL FUND			
Cash	E-4	10,537,367.49	11,327,860.13
Fixed Capital	E-7	89,856,804.84	89,856,804.84
Fixed Capital Authorized and Uncompleted	E-8	<u>14,464,637.74</u>	<u>11,104,637.74</u>
Total Capital Fund		<u>114,858,810.07</u>	<u>112,289,302.71</u>
		<u>\$ 126,108,209.30</u>	<u>\$ 124,386,851.21</u>

See accompanying notes to financial statements.

TOWNSHIP OF MORRIS
SEWER UTILITY FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2020 AND 2019

E
Sheet # 2

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
LIABILITIES, RESERVES AND FUND BALANCE			
OPERATING FUND			
Liabilities			
Appropriation Reserves	E-3, E-9	\$ 377,270.59	\$ 346,632.55
Encumbrances Payable	E-3, E-9	208,708.81	333,441.04
Accounts Payable - Vendors	E-17	128,643.50	128,643.50
Accrued Interest on Bonds	E-14	54,724.61	61,205.27
Accrued Interest on Loans	E-14	14,020.83	15,104.17
Reserve for Engineering Inspection Fees			4,242.23
Interfund Payable			17,938.49
		<u>783,368.34</u>	<u>907,207.25</u>
 Reserve for Receivables	 E	 5,136,699.67	 5,025,214.86
Fund Balance	E-1	<u>5,329,331.22</u>	<u>6,165,126.39</u>
 Total Operating Fund		 <u>11,249,399.23</u>	 <u>12,097,548.50</u>
 CAPITAL FUND			
Serial Bonds	E-15	6,660,000.00	7,397,000.00
NJ Environmental Infrastructure Trust Loans Payable	E-16	3,616,856.69	3,901,594.73
Improvement Authorizations			
Funded	E-10	9,198,101.50	10,005,076.65
Capital Improvement Fund	E-11	238,817.47	238,747.66
Reserve for Preliminary Expenses -			
Upgrades to Butterworth Sand Filters			69.81
Reserve for Amortization	E-12	80,367,371.13	79,345,633.09
Deferred Reserve for Amortization	E-13	13,595,021.29	10,235,021.29
Due to Sewer Operating Fund	E-19	40,695.21	24,212.70
Fund Balance	E-1A	<u>1,141,946.78</u>	<u>1,141,946.78</u>
 Total Capital Fund		 <u>114,858,810.07</u>	 <u>112,289,302.71</u>
		 <u>\$ 126,108,209.30</u>	 <u>\$ 124,386,851.21</u>
 Bonds and Notes Authorized But Not Issued	 E-20	 <u>\$ 82,193.47</u>	 <u>\$ 82,193.47</u>

See accompanying notes to financial statements.

TOWNSHIP OF MORRIS
SEWER UTILITY FUND

COMPARATIVE STATEMENTS OF OPERATIONS AND
CHANGES IN OPERATING FUND BALANCE
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2020 AND 2019

E-1

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
REVENUES AND OTHER INCOME REALIZED			
Fund Balance Utilized	E-2	\$ 1,902,407.44	\$ 767,000.00
Sewer Use Charges	E-2	6,630,458.37	6,582,211.59
Miscellaneous Revenue Anticipated	E-2	555,117.45	544,631.71
Sewer User Charges - Borough of Morris Plains Contract	E-2	1,570,576.79	1,596,474.34
Township of Randolph- Annual Sewer User Charges	E-2	680,701.28	632,827.27
Other Credits to Income:			
Cancellation of Reserve for Engineering Inspection Fees	E-18	4,242.23	
Cancellation of Accounts Payable			14,180.75
Unexpended Balance of Appropriation Reserves	E-9	387,835.73	375,671.95
Total Income		<u>11,731,339.29</u>	<u>10,512,997.61</u>
EXPENDITURES			
Operating	E-3	5,398,132.15	5,430,986.00
Capital Improvements	E-3	3,360,000.00	2,190,250.00
Debt Service	E-3	1,274,743.87	1,284,444.78
Deferred Charges and Statutory Expenditures	E-3	381,569.00	373,559.70
Other Credits to Income:			
Refund of Prior Year Revenue	E-4	282.00	300.00
Adjustment to Prior Year Accounts Payable			139,466.00
Total Expenditures		<u>10,414,727.02</u>	<u>9,419,006.48</u>
Statutory Excess to Fund Balance		1,316,612.27	1,093,991.13
Fund Balance, Beginning of Year	E	<u>6,165,126.39</u>	<u>6,088,135.26</u>
		7,481,738.66	7,182,126.39
Decreased by:			
Utilized as Anticipated Revenue:			
Sewer Operating Budget	E-1	1,902,407.44	767,000.00
Current Fund Budget	E-4	250,000.00	250,000.00
Fund Balance, End of Year	E	<u>\$ 5,329,331.22</u>	<u>\$ 6,165,126.39</u>

See accompanying notes to financial statements.

TOWNSHIP OF MORRIS
SEWER UTILITY FUND

STATEMENT OF CHANGES IN FUND BALANCE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

E-1A

	<u>Ref.</u>	
Balance, December 31, 2020 and 2019	E	<u>\$ 1,141,946.78</u>

STATEMENT OF REVENUES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

E-2

	<u>Ref.</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess</u>
Surplus Anticipated	E-1	\$ 1,902,407.44	\$ 1,902,407.44	
Sewer User Charges	E-1, E-6	6,450,000.00	6,630,458.37	\$ 180,458.37
Miscellaneous	E-1, Below	170,000.00	555,117.45	385,117.45
Sewer User Charges:				
Borough of Morris Plains Contract	E-1, E-6	1,400,000.00	1,570,576.79	170,576.79
Township of Randolph:				
Annual Sewer User Charges	E-1, E-6	<u>500,000.00</u>	<u>680,701.28</u>	<u>180,701.28</u>
		<u>\$ 10,422,407.44</u>	<u>\$ 11,339,261.33</u>	<u>\$ 916,853.89</u>
Analysis of Miscellaneous Revenue				
Connection Fees and Permits			\$ 318,917.60	
Industrial Pretreatment Program			64,000.00	
Interest on Investments and Deposits			<u>131,504.64</u>	
Total Cash Received	E-4		514,422.24	
Due from Sewer Capital Fund	E-19		<u>40,695.21</u>	
			<u>\$ 555,117.45</u>	

TOWNSHIP OF MORRIS
SEWER UTILITY FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

E-3

	Appropriated		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
OPERATING						
Salaries and Wages	\$ 1,965,513.15	\$ 1,965,513.15	\$ 1,959,682.49		\$ 5,830.66	
Other Expenses	3,432,619.00	3,432,619.00	2,857,584.81	\$ 208,708.81	366,325.38	
Total Operating	5,398,132.15	5,398,132.15	4,817,267.30	208,708.81	372,156.04	
CAPITAL IMPROVEMENTS						
Capital Improvement Fund	3,360,000.00	3,360,000.00	3,360,000.00			
DEBT SERVICE						
Payment of Bond Principal	737,000.00	737,000.00	737,000.00			
Payment of Loan Principal	284,738.04	284,738.04	284,738.04			
Interest on Bonds	224,718.25	224,718.25	218,237.59			\$ 6,480.66
Interest on Loans	36,250.00	36,250.00	34,768.24			1,481.76
Total Debt Service	1,282,706.29	1,282,706.29	1,274,743.87			7,962.42
STATUTORY EXPENDITURES						
Public Employees' Retirement System	226,569.00	226,569.00	226,569.00			
Social Security System (O.A.S.I.)	155,000.00	155,000.00	149,885.45		5,114.55	
Total Statutory Expenditures	381,569.00	381,569.00	376,454.45		5,114.55	
	<u>\$ 10,422,407.44</u>	<u>\$ 10,422,407.44</u>	<u>\$ 9,828,465.62</u>	<u>\$ 208,708.81</u>	<u>\$ 377,270.59</u>	<u>\$ 7,962.42</u>
<u>Ref.</u>	E-2		Below	E	E	E-1
Cash Disbursements	E-4		\$ 9,575,459.79			
Accrued Interest on Bonds and Loans	E-14		253,005.83			
			<u>\$ 9,828,465.62</u>			

TOWNSHIP OF MORRIS
POOL UTILITY FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2020 AND 2019

F
Sheet # 1

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
ASSETS			
OPERATING FUND			
Cash	F-5	\$ 5,227.24	\$ 43,118.08
Deferred Charge - Special Emergency	F-14	<u>435,995.85</u>	<u>-</u>
Total Operating Fund		<u>441,223.09</u>	<u>43,118.08</u>
CAPITAL FUND			
Cash	F-5	281,121.92	586,133.72
Fixed Capital	F-7	7,494,523.77	7,494,523.77
Fixed Capital Authorized and Uncompleted	F-8	931,757.38	809,257.38
Due from Pool Operating Fund	F-10	<u>275,000.00</u>	<u>-</u>
Total Capital Fund		<u>8,982,403.07</u>	<u>8,889,914.87</u>
		<u><u>\$ 9,423,626.16</u></u>	<u><u>\$ 8,933,032.95</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MORRIS
POOL UTILITY FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2020 AND 2019

F
Sheet # 2

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
LIABILITIES, RESERVES AND FUND BALANCE			
OPERATING FUND			
Liabilities			
Appropriation Reserves	F-4, F-9	\$ 99,571.83	\$ 3,493.48
Encumbrances Payable	F-4, F-9	51,528.75	19,806.09
Due to Current Fund	F-10		3,194.10
Due to Pool Capital	F-10	275,000.00	
Accrued Interest on Bonds	F-12	10,407.17	11,909.07
		<u>436,507.75</u>	<u>38,402.74</u>
 Fund Balance	 F-1	 <u>4,715.34</u>	 <u>4,715.34</u>
 Total Operating Fund		 <u>441,223.09</u>	 <u>43,118.08</u>
 CAPITAL FUND			
Serial Bonds	F-15	2,350,000.00	2,696,000.00
Improvements Authorizations			
Funded	F-16	503,478.20	533,490.00
Unfunded	F-16	116,675.00	300.00
Reserve for Amortization	F-17	5,810,281.15	5,464,281.15
Deferred Reserve for Amortization	F-13	149,325.00	143,200.00
Capital Improvement Fund	F-11	34,419.68	34,419.68
Fund Balance	F-2	18,224.04	18,224.04
		<u>8,982,403.07</u>	<u>8,889,914.87</u>
 Total Capital Fund		 <u>8,982,403.07</u>	 <u>8,889,914.87</u>
		<u>\$ 9,423,626.16</u>	<u>\$ 8,933,032.95</u>
 Bonds and Notes Authorized But Not Issued	 F-18	 <u>\$ 116,675.00</u>	 <u>\$ 300.00</u>

See accompanying notes to financial statements.

TOWNSHIP OF MORRIS
POOL UTILITY FUND

COMPARATIVE STATEMENTS OF OPERATIONS AND
CHANGES IN OPERATING FUND BALANCE
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2020 AND 2019

F-1

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
REVENUES AND OTHER INCOME REALIZED			
Swimming Pool Rents	F-3	\$ 263,040.00	\$ 708,837.20
Miscellaneous Revenue Anticipated	F-3	22,059.54	65,232.49
Deficit - General Budget	F-3	541,382.07	276,268.77
Other Credits to Income:			
Voided Checks	F-5	590.22	
Unexpended Balance of Appropriation Reserves	F-9	2,127.49	54,271.40
Total Income		<u>829,199.32</u>	<u>1,104,609.86</u>
EXPENDITURES			
Operating	F-4	809,546.13	673,341.30
Capital Improvements	F-4	6,125.00	4,325.00
Debt Service	F-4	401,420.04	384,297.86
Deferred Charges and Statutory Expenditures	F-4	47,789.00	42,645.70
Refund of Prior Year's Revenue	F-5	315.00	-
Total Expenditures		<u>1,265,195.17</u>	<u>1,104,609.86</u>
(Deficit) in Revenue		(435,995.85)	-
Adjustments to Income Before Fund Balance:			
Special Emergency to be Raised in Subsequent Years' Budgets	F-14	<u>435,995.85</u>	<u> </u>
Statutory Excess to Fund Balance		-	-
Fund Balance, Beginning of Year	F	<u>4,715.34</u>	<u>4,715.34</u>
Fund Balance, End of Year	F	<u>\$ 4,715.34</u>	<u>\$ 4,715.34</u>

See accompanying notes to financial statements.

TOWNSHIP OF MORRIS
POOL UTILITY FUND

STATEMENT OF CHANGES IN FUND BALANCE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

F-2

	<u>Ref.</u>	
Balance, December 31, 2019 and 2020	F	\$ 18,224.04

STATEMENT OF REVENUES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

F-3

	<u>Ref.</u>	<u>Anticipated</u>	<u>Realized</u>	<u>(Deficit)</u>
Swimming Pool Fees	F-1, F-5	\$ 675,000.00	\$ 263,040.00	\$ (411,960.00)
Miscellaneous Revenues	F-1, F-5	50,000.00	22,059.54	(27,940.46)
Deficit - General Budget	F-1, F-5	541,382.07	541,382.07	
	F-4	\$ 1,266,382.07	\$ 826,481.61	\$ (439,900.46)

Analysis of Swimming Pool Fees:

Memberships	\$ 254,462.00
Guest Book	3,450.00
Babysitter	5,128.00
Above	\$ 263,040.00

Analysis of Miscellaneous Revenue:

Interest on Investments	\$ 5,112.54
Swim Team/Lease/Rentals	8,964.00
Swimming Lessons	2,691.00
Concession/Vending	3,852.00
Lost Cards	1,440.00
Above	\$ 22,059.54

TOWNSHIP OF MORRIS
POOL UTILITY FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

F-4

	Appropriated		Expended		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
OPERATING					
Salaries and Wages	\$ 477,296.13	\$ 477,296.13	\$ 440,789.17	\$ 36,506.96	
Other Expenses	332,250.00	332,250.00	272,464.77	59,785.23	
Total Operating	809,546.13	809,546.13	713,253.94	96,292.19	
CAPITAL IMPROVEMENTS					
Capital Improvement Fund	6,125.00	6,125.00	6,125.00		
DEBT SERVICE					
Payment of Bond Principal	346,000.00	346,000.00	346,000.00		
Interest on Bonds	56,921.94	56,921.94	55,420.04		\$ 1,501.90
Total Debt Service	402,921.94	402,921.94	401,420.04	-	1,501.90
STATUTORY EXPENDITURES					
Public Employees Retirement	10,789.00	10,789.00	10,789.00		
Social Security System (O.A.S.I)	37,000.00	37,000.00	33,720.36	3,279.64	
	47,789.00	47,789.00	44,509.36	3,279.64	
	<u>\$ 1,266,382.07</u>	<u>\$ 1,266,382.07</u>	<u>\$ 1,165,308.34</u>	<u>\$ 99,571.83</u>	<u>\$ 1,501.90</u>
	<u>Ref.</u>	<u>F-3</u>	<u>Below</u>	<u>F</u>	<u>F-1</u>
Cash Disbursements	F-5		\$ 1,058,359.55		
Encumbrances Payable	F		51,528.75		
Accrued Interest on Bonds and Notes	F-12		55,420.04		
	Above		<u>\$ 1,165,308.34</u>		

See accompanying notes to financial statements.

TOWNSHIP OF MORRIS
PARKING UTILITY

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2020 AND 2019

G

<u>ASSETS</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
<u>Operating Fund</u>			
Cash - Checking	G-4	\$ 559,654.96	\$ 826,806.61
Deferred Charge - Special Emergency	G-16	193,962.74	
		<u>753,617.70</u>	<u>826,806.61</u>
 <u>Capital Fund</u>			
Cash	G-4	277,668.65	190,943.65
Fixed Capital	G-7	1,587,635.77	1,587,635.77
Fixed Capital Authorized and Uncompleted	G-8	286,709.65	156,709.65
		<u>2,152,014.07</u>	<u>1,935,289.07</u>
		<u>\$ 2,905,631.77</u>	<u>\$ 2,762,095.68</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
<u>Operating Fund</u>			
Accrued Interest on Bonds	G-14	\$ 793.50	\$ 1,153.00
Accounts Payable	G-6	916.00	916.00
Appropriation Reserves - Committed	G-3, G-9	4,781.76	6,169.20
Appropriation Reserves - Reserved	G-3, G-9	44,759.29	13,631.96
Fund Balance	G-1	702,367.15	804,936.45
		<u>753,617.70</u>	<u>826,806.61</u>
 <u>Capital Fund</u>			
Serial Bonds	G-15	159,000.00	213,000.00
Capital Improvement Fund	G-11	9,550.00	9,550.00
Improvement Authorization - Funded	G-10	243,434.65	156,709.65
Reserve for Amortization	G-12	1,380,345.42	1,326,345.42
Deferred Reserve for Amortization	G-13	335,000.00	205,000.00
Fund Balance	G-1a	24,684.00	24,684.00
		<u>2,152,014.07</u>	<u>1,935,289.07</u>
		<u>\$ 2,905,631.77</u>	<u>\$ 2,762,095.68</u>

See accompanying notes to financial statements.

TOWNSHIP OF MORRIS
PARKING UTILITY

COMPARATIVE STATEMENTS OF OPERATIONS
AND CHANGES IN FUND BALANCE
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2020 AND 2019

G-1

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
<u>Revenues and Other Income Realized</u>			
Surplus Anticipated	G-2	\$ 52,569.30	
Parking Lot Fees and Permit Fees	G-2	163,321.10	\$ 483,743.60
Miscellaneous Revenue	G-2	8,378.52	13,956.84
Appropriation Reserves Lapsed	G-9	13,493.14	21,961.82
Other Credits to Income:			
Voided Checks	G-4	485.00	
		238,247.06	519,662.26
 <u>Expenditures</u>			
Budget Appropriations:			
Operating	G-3	226,384.30	222,654.30
Capital Improvement Fund	G-3	130,000.00	25,000.00
Debt Service	G-3	58,536.50	90,040.50
Statutory Expenditures	G-3	17,289.00	16,645.70
		432,209.80	354,340.50
 (Deficit) Excess in Revenue		 (193,962.74)	 165,321.76
 Adjustments to Income Before Fund Balance:			
Special Emergency to be Raised in Subsequent Years' Budgets	G-16	193,962.74	
		-	165,321.76
 <u>Fund Balance</u>			
Balance, Beginning of Year	G	804,936.45	689,614.69
		804,936.45	854,936.45
 Decreased by:			
Surplus Anticipated	G-2	52,569.30	
Utilized as Anticipated Revenue - Current Fund	G-4	50,000.00	50,000.00
		-	50,000.00
Balance, End of Year	G	\$ 702,367.15	\$ 804,936.45

See accompanying notes to financial statements.

TOWNSHIP OF MORRIS
PARKING UTILITY

STATEMENT OF PARKING CAPITAL FUND BALANCE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

G-1a

	<u>Ref.</u>	
Balance, December 31, 2019 and 2020	G	<u>\$ 24,684.00</u>

TOWNSHIP OF MORRIS
PARKING UTILITY

STATEMENT OF REVENUE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

G-2

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>(Deficit) Excess</u>
<u>Source:</u>				
Surplus Anticipated	G-1	\$ 52,569.30	\$ 52,569.30	
Parking Lot Fees and Permit Fees	G-1, G-4	380,000.00	163,321.10	\$ (216,678.90)
Miscellaneous Revenue	G-1, G-4	<u>8,378.52</u>	<u>8,378.52</u>	<u>8,378.52</u>
	G-3	<u>\$ 432,569.30</u>	<u>\$ 224,268.92</u>	<u>\$ (208,300.38)</u>

See accompanying notes to financial statements.

TOWNSHIP OF MORRIS
PARKING UTILITY

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

G-3

<u>Appropriation</u>	<u>Budget</u>	<u>Modified Budget</u>	<u>Paid</u>	<u>Expended</u>		<u>Balance Canceled</u>
				<u>Encumbered</u>	<u>Unencumbered</u>	
				<u>Reserved</u>		
<u>Operating</u>						
Salaries and Wages	\$ 81,804.30	\$ 81,804.30	\$ 56,684.25		\$ 25,120.05	
Other Expenses	144,580.00	144,580.00	122,320.52	\$ 4,781.76	17,477.72	
	<u>226,384.30</u>	<u>226,384.30</u>	<u>179,004.77</u>	<u>4,781.76</u>	<u>42,597.77</u>	
<u>Capital Improvements</u>						
Capital Improvement Fund	130,000.00	130,000.00	130,000.00			
	<u>130,000.00</u>	<u>130,000.00</u>	<u>130,000.00</u>			
<u>Debt Service</u>						
Payment on Bond Principal	54,000.00	54,000.00	54,000.00			
Interest on Bonds	4,896.00	4,896.00	4,536.50			\$ 359.50
	<u>58,896.00</u>	<u>58,896.00</u>	<u>58,536.50</u>			<u>359.50</u>
<u>Statutory Expenditures</u>						
Contribution to:						
Public Employees' Retirement System	10,789.00	10,789.00	10,789.00			
Social Security System	6,500.00	6,500.00	4,338.48		2,161.52	
	<u>17,289.00</u>	<u>17,289.00</u>	<u>15,127.48</u>	<u>-</u>	<u>2,161.52</u>	<u>-</u>
	<u>\$ 432,569.30</u>	<u>\$ 432,569.30</u>	<u>\$ 382,668.75</u>	<u>\$ 4,781.76</u>	<u>\$ 44,759.29</u>	<u>\$ 359.50</u>
<u>Ref.</u>	G-2		Below	G	G	G-1
		Ref.				
		Cash Disbursements	G-4	\$ 378,132.25		
		Accrued Interest on Bonds	G-14	4,536.50		
				<u>\$ 382,668.75</u>		

TOWNSHIP OF MORRIS
PUBLIC ASSISTANCE FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2020 AND 2019

H

	Ref	December 31,	
		2020	2019
<u>ASSETS</u>			
Cash and Cash Equivalents:			
Treasurer	H-1	\$ 55,815.79	\$ 55,815.79
TOTAL ASSETS		\$ 55,815.79	\$ 55,815.79
<u>RESERVES</u>			
Reserve for Public Assistance Expenditures	H	\$ 55,815.79	\$ 55,815.79
TOTAL RESERVES		\$ 55,815.79	\$ 55,815.79

TOWNSHIP OF MORRIS
GENERAL FIXED ASSETS ACCOUNT GROUP

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
December 31, 2020 and 2019

↓

	<u>2020</u>	<u>2019</u>
Land	\$ 17,025,241.00	\$ 17,025,241.00
Land Improvements	2,747,140.00	2,747,140.00
Buildings and Building Improvements	23,656,978.00	23,656,978.00
Equipment	<u>6,230,139.00</u>	<u>5,280,655.00</u>
	<u>\$ 49,659,498.00</u>	<u>\$ 48,710,014.00</u>
 Investment in Fixed Assets	 <u>\$ 49,659,498.00</u>	 <u>\$ 48,710,014.00</u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF MORRIS

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 and 2019

1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Township of Morris, Morris County, New Jersey (the "Township") was incorporated in 1798 and operates under the Township form of government. The Township's major operations include public safety, road repair and maintenance, sanitation, recreation and parks, health services, and general administrative services.

The Governmental Accounting Standards Board and subsequent Codification (collectively, "GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB statement No. 14 as amended by GASB Statement No. 61 establishes certain standards for defining and reporting on the financial reporting entity. In accordance with these standards, the reporting entity should include the primary government and those component units which are fiscally accountable to the primary government. The municipalities in the State of New Jersey do not prepare financial statements in accordance with accounting principles generally accepted in the United States of America ("US GAAP") and thus do not comply with all of the GASB pronouncements.

The financial statements of the Township have been prepared on a basis of accounting in conformity with accounting principles and practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), which is a regulatory basis of accounting other than US GAAP. Such principles and 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 accounts for its financial transactions through separate funds, which differ from the fund structure required by US GAAP.

GASB requires the financial reporting entity to include both the primary government and component units. Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Township is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Township in that the Township approves the budget, the issuance of debt or the levying of taxes. The Township is not includable in any other reporting entity as a component unit.

The financial statements contained herein include only those boards, bodies, officers or commissions as required by N.J.S.A. 40A:5-5.

TOWNSHIP OF MORRIS

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 and 2019

1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurements Focus, Basis of Accounting and Basis of Presentation

The Township has the following funds and account group:

Current Fund – This fund is used to account for the revenues and expenditures for governmental operations of a general nature and the assets and liabilities related to such activities, including Federal and State grants not accounted for in another fund.

Trust Funds – Trust funds are used to account for assets held by the government in a trustee capacity. Funds held by the Township as an agent for individuals, private organizations, or other governments are recorded in Trust Funds.

Assessment Trust Fund – Resources and expenditures for payment of Assessment Trust Fund debt

Animal Control Fund – This fund is used to account for fees collected from dog and cat licenses and expenditures which are regulated by N.J.S.A. 4:19-15.11.

Other Trust Fund – This fund is established to account for the assets and resources, which are held by the Township as a trustee or agent for individuals, private organizations, other governments and/or other funds. These funds include dedicated fees/proceeds collected, Equitable Sharing, developer deposits, payroll related deposits and funds deposited with the Township as collateral.

Payroll Fund – Net salaries, payroll deductions and social security contributions of municipal and utility operations are deposited into the bank account of the Payroll Fund. A Payroll Fund does not exist under GAAP.

Public Assistance Fund – This fund is used to account for the receipts and disbursements of funds that provide assistance to certain residents of the Township pursuant to Title 44 of New Jersey Statutes.

General Capital Fund – This fund is used to account for the receipt and disbursement of funds used and related financial transactions related to the acquisition or improvement of general capital facilities and other capital assets, other than those acquired in the Current Fund.

Sewer Utility Fund – This fund is used to account for the revenues and expenditures for operation of the Township's sanitary sewerage system and the assets and liabilities related to such activities. Acquisition or improvement of capital facilities and other capital assets for the sewer utility is accounted for in the capital section of the fund.

Pool Utility Fund – This fund is used to account for the revenues and expenditures for operation of the Township's swimming pool and the assets and liabilities related to such activities. Acquisition or improvement of capital facilities and other capital assets for the swimming pool utility is accounted for in the capital section of the fund.

Parking Utility Fund – This fund is used for the revenues and expenditures for the operation of the Convent Train Station parking lot.

General Fixed Assets Account Group – This account group is used to account for all general fixed assets of the Township, other than those accounted for in the Sewer, Swim and Parking Utility Funds. The Township's infrastructure is not reported in the account group.

TOWNSHIP OF MORRIS

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 and 2019

1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting

The Township follows the regulatory basis of accounting. Under this method of accounting, revenues, except for Federal and State Aid, are recognized when received and expenditures are recorded when incurred. The accounting principles and practices prescribed or permitted for municipalities by the Division ("regulatory basis of accounting") differ in certain respects from US GAAP applicable to local government units.

The more significant differences are as follows:

Property Tax Revenues - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one-quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The School levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30 of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Township. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April 1 in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing the property on a standard tax sale. The Township also has the option when unpaid taxes or any municipal lien, or part thereof, on real property remains in arrears on the 11th day of the 11th month in the fiscal year when the taxes or lien became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing property on an accelerated tax sale, provided that the sale is conducted and completed no earlier than in the last month of the fiscal year. The Township may institute annual in rem tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the tax receivable and tax title liens that are uncollectible. US GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both levied and available), reduced by an allowance for doubtful accounts.

Miscellaneous Revenues - Miscellaneous revenues are recognized on a cash basis. Receivables for miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Township's Current Fund. US GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both measurable and available).

Sewer Utility Rents - Utility charges are levied semiannually based upon a consumption or usage charge. Revenues from these sources are recognized on a cash basis. Receivables that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Township's Sewer Utility Operating Fund. US GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual (i.e. when they are both levied and available).

TOWNSHIP OF MORRIS

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 and 2019

1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Grant and Similar Award Revenues - Federal and State grants, entitlements or shared revenues received, for purposes normally financed through the Current Fund, are recognized when anticipated in the Township's budget. US GAAP requires such revenues to be recognized as soon as all eligibility requirements imposed by the grantor or provider have been met.

Budgets and Budgetary Accounting - An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Township and approved by the Division per N.J.S.A. 40A:4 et seq.

The Township is not required to adopt budgets for the following funds:

- Trust Funds
- General Capital Fund
- Sewer Utility Capital Fund
- Pool Utility Capital Fund
- Parking Utility Capital Fund

The governing body is required to introduce and approve the annual budget no later than the last day in February of the fiscal year. The budget is required to be adopted no later than April 20, and prior to adoption, must be certified by the Division. The Director of the Division, with the approval of the Local Finance Board, may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the governing body. Expenditures may not legally exceed budgeted appropriations at the line item level. In addition, the governing body approved several budget transfers during 2020.

Expenditures - Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations at December 31 are reported as expenditures through the establishment of appropriation reserves, unless cancelled by the governing body. US GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, as well as expenditures related to compensated absences and claims and judgments, which are recognized when due.

Encumbrances - Contractual orders outstanding at December 31 are reported as expenditures and liabilities through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures or liabilities under US GAAP.

Appropriation Reserves - Appropriation reserves are recorded as liabilities and are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under US GAAP.

TOWNSHIP OF MORRIS

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 and 2019

1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Operating Deficits - Deficits resulting from expenditures and other debits which exceed cash revenues, other realized revenues and credits to income in such fiscal year, are recorded as deferred charges on the balance sheet of the respective operating fund at year-end and are required to be funded in the succeeding year's budget. US GAAP does not permit the deferral of operating deficits at year-end.

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to N.J.S.A. 40A:4-39 for the future payment of compensated absences. US GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations are recorded as a long-term obligation in the government-wide financial statements.

Property Acquired for Taxes - Property acquired for taxes is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. US GAAP requires such property to be recorded as a capital asset in the government-wide financial statements at fair value on the date of acquisition.

Interfund Receivables - 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. US GAAP does not require the establishment of an offsetting reserve for interfunds and, therefore, does not recognize income in the year liquidated.

Inventories - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets. US GAAP requires inventories to be recorded as assets in proprietary-type funds.

Cash and Investments - Cash includes amounts in demand deposits, as well as short-term investments with a maturity date within three months of the date acquired by the government. Investments are reported at cost and are limited by N.J.S.A. 40A:5-15.1 et seq. US GAAP requires that all investments be reported at fair value.

Tax Appeals and Other Contingent Losses - Losses arising from tax appeals and other contingent losses are recognized at the time a decision is rendered by an administrative or judicial body; however, municipalities may establish reserves transferred from tax collections or by budget appropriation for future payments of tax appeal losses. US GAAP requires such amounts to be recorded when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.

General Fixed Assets - In accordance with N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets, the Township has developed a fixed assets accounting and reporting system. Fixed assets are defined by the Township as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years.

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks are not capitalized.

Fixed Assets purchased after December 31, 1999 are stated at cost. Donated fixed assets are recorded at acquisition value at the date of acquisition.

TOWNSHIP OF MORRIS

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 and 2019

1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fixed Assets purchased after December 31, 1999 are stated at cost. Donated fixed assets are recorded at acquisition value at the date of acquisition.

Fixed Assets purchased prior to December 31, 1999 are stated as follows:

- Land and Buildings
- Assessed Value
- Machinery and Equipment
- Replacement Costs

No depreciation has been provided for in the financial statements.

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

Accounting for Utility Fund "fixed capital" remains unchanged under N.J.A.C. 5:30-5.6.

Property and equipment purchased by the utility funds are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent replacement cost or current value. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the Utility Capital Funds represents charges to operations for the costs of acquisitions of property, equipment and improvements. The utility capital funds do not record depreciation on fixed assets.

US GAAP requires that capital assets be recorded in proprietary-type funds, as well as the government-wide financial statement at historical or estimated historical cost if actual historical cost is not available. In addition, US GAAP requires depreciation on capital assets to be recorded in proprietary-type funds as well as in the government-wide financial statements.

Long-term debt - The Township's long-term debt is stated at face value. The debt is not traded and it is not practicable to determine its fair value without incurring excessive cost. Additional information pertinent to the Township's long-term debt is provided in Note 3 to the financial statements.

Net Pension Liability and Pension Related Deferred Outflows of Resources and Deferred Inflows of Resources and Pension Expense - the requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68* require governmental entities to record their distributive shares of net pension liability, deferred outflows of resources, deferred inflows of resources and total pension related expense. Accounting principles applicable to municipalities, which have been prescribed by the Division, do not require the recording of these liabilities, deferrals and expenses, but do require the disclosure of these amounts. The audited financial information related to pensions is released annually by the State's Division of Pensions and Benefits and is required to be included as note disclosures in the financial statements. Due to delays in the availability of the information needed for disclosure, the Division issued Local Finance Notice 2021-10 on May 26, 2021. To ensure the timely filing of county and municipal audits, Local Finance Board regulations allow the Division discretion to permit the most recent available audited GASB 68 financial information to be incorporated into the audited financial statements and only requires one year to be disclosed. Refer to Note 8 for these disclosures.

Other Post-Employment Benefits Other Than Pensions - The requirements of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)* that is provided by other entities require governmental entities to record in their financial statements a share of the other governments net OPEB liability, deferred outflows of resources, deferred inflows of resources and total OPEB expense. Accounting principles applicable to municipalities, which have been prescribed by the Division, do not require the recording of these liabilities, deferrals and expenses, but do require the disclosure of the amounts. Since the Township

TOWNSHIP OF MORRIS

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 and 2019

1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

does not follow generally accepted accounting principles, the GASB did not result in a change in the Township's assets, liabilities and contribution requirements. However, it did result in additional note disclosures as required by the GASBs. The audited financial information related to OPEBs is released annually by the State's Division of Pensions and Benefits and is required to be included as note disclosures in the financial statements. Due to delays in the availability of the information needed for disclosure, the Division issued Local Finance Notice 2021-10 on May 26, 2021. To ensure the timely filing of county and municipal audits, Local Finance Board regulations allow the Division discretion to permit the most recent available audited GASB 75 financial information to be incorporated into the audited financial statements and only requires one year to be disclosed. As a result, the latest available audited information is presented in Note 9.

Use of Estimates

The preparation of financial statements requires management of the Township to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of accrued revenues and expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

Comparative Data

Comparative data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the Township's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

Basic Financial Statements

GASB also requires the financial statements of a governmental unit to be presented in the basic financial statements in accordance with US GAAP. The Township presents the financial statements listed in the table of contents, which are required by the Division, to be referenced to the supplementary schedules. This practice differs from reporting requirements under US GAAP.

2. DEPOSITS AND INVESTMENTS

The Township considers petty cash, change funds, cash in banks, certificates of deposit and deposits with the New Jersey Cash Management Fund as cash and cash equivalents.

Deposits

The Township's deposits are insured through either the Federal Deposit Insurance Corporation ("FDIC") or New Jersey's Governmental Unit Deposit Protection Act ("GUDPA"). The Township is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. GUDPA requires all banks doing business in the State of New Jersey to maintain additional collateral in the amount of 5% of the average public deposits and to deposit these amounts with the Federal Reserve Bank for all deposits not covered by the FDIC.

Custodial Credit Risk – the custodial credit risk for deposits is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. Although the Township does not have a formal deposit policy for custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings,

TOWNSHIP OF MORRIS

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 and 2019**

2. DEPOSITS AND INVESTMENTS (continued)

bail funds, or funds that may pass to the municipality relative to the happening of a future condition.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank for periods ending December 31, 2020 and 2019. At December 31, 2020 and 2019, the book value of the Township's deposits was \$50,613,592.23 and \$57,734,959.14, respectively.

The Township's deposits, which are displayed on the various fund Balance Sheet as "cash and cash equivalents", are categorized as:

	Book Balance	
	December 31, 2020	December 31, 2019
Cash (Demand Accounts)	\$ 50,612,892.23	\$ 57,734,259.14
Change Funds (On-Hand)	700.00	700.00
	\$ 50,613,592.23	\$ 57,734,959.14

	Bank Balance	
	December 31, 2020	December 31, 2019
FDIC Insured	\$ 500,000.00	\$ 500,000.00
GUDPA Insured	50,574,925.77	57,571,538.70
Uninsured	229,332.19	216,892.13
	\$ 51,304,257.96	\$ 58,288,430.83

\$229,332.19 and \$216,892.13 was held in the Township's agency account and are not covered by GUDPA at December 31, 2020 and 2019, respectively.

Investments

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

- a. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- b. Government money market mutual funds;
- c. 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;
- d. 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;
- e. Bonds or other obligations, having a maturity date 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;
- f. Local government investment pools;
- g. 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

TOWNSHIP OF MORRIS

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 and 2019**

2. DEPOSITS AND INVESTMENTS (continued)

Investments (continued)

- h. Agreements for the repurchase of fully collateralized securities if:
 - i. 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.);
 - ii. The custody of collateral is transferred to a third party;
 - iii. The maturity of the agreement is not more than 30 days;
 - iv. 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
 - v. A master repurchase agreement providing for the custody and security of collateral is executed.

The Township did not have any investments as of December 31, 2020 and 2019.

3. MUNICIPAL DEBT

The Local Bond Law governs the issuance of bonds and notes used to finance capital expenditures. General obligation bonds have been issued for both General Capital and Utility Funds. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within ten years and four months or retired by the issuance of bonds.

The Township's debt as of December 31, is summarized as follows:

	December 31,	
	2020	2019
<u>Issued:</u>		
General:		
Bonds and Notes	\$ 19,791,000.00	\$ 23,274,000.00
Sewer Utility:		
Bonds, Notes and Loans	10,276,856.69	11,298,594.73
Pool Utility:		
Bonds and Notes	2,350,000.00	2,696,000.00
Parking Utility:		
Bonds and Notes	159,000.00	213,000.00
Total Issued	32,576,856.69	37,481,594.73
<u>Authorized but not Issued:</u>		
General:		
Bonds and Notes	2,532,455.56	705.56
Sewer Utility:		
Bonds, Notes and Loans	82,193.47	82,193.47
Pool Utility:		
Bonds and Notes	116,675.00	300.00
Total Authorized but not Issued	2,731,324.03	83,199.03
 Total Bonds, Notes and Loans Issued and Authorized but not Issued	 \$ 35,308,180.72	 \$ 37,564,793.76

TOWNSHIP OF MORRIS

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 and 2019**

3. MUNICIPAL DEBT (continued)

The statement of debt condition that follows is extracted from the Township's Annual Debt Statement and indicates a statutory net debt of 0.444% at December 31, 2020.

	<u>Gross Debt</u>		<u>Deductions</u>		<u>Net Debt</u>
Sewer Utility Debt	\$ 10,359,050.16	\$	10,359,050.16		
Pool Utility Debt	2,466,675.00			\$	2,466,675.00
Parking Utility Debt	159,000.00				159,000.00
General Debt	22,323,455.56				22,323,455.56
Total General Debt	\$ 35,308,180.72	\$	10,359,050.16	\$	24,949,130.56

Net debt, \$24,949,130.56 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$5,616,707,616.67 equals 0.444%

The Township's remaining borrowing power under N.J.S.A. 40A:2-6, as amended, at December 31, 2020 as follows:

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 196,584,766.58
Net Debt	(24,949,130.56)
Remaining Statutory Borrowing Power	\$ 171,635,636.02

Calculation of "Self-Liquidating Purposes" Sewer Utility per N.J.S.A. 40A:2-45

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

Cash Receipts from Fees, Rents or Other Charges for Year	\$ 11,339,261.33
Deductions:	
Operating and Maintenance Costs	\$ 5,779,701.15
Debt Service	1,274,743.87
Total Deductions	7,054,445.02
Excess in Revenue	\$ 4,284,816.31

As there is an excess in revenue, all Sewer Utility Debt is deductible for Debt Statement purposes.

TOWNSHIP OF MORRIS

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 and 2019**

3. MUNICIPAL DEBT (continued)

Calculation of "Self-Liquidating Purposes" Pool Utility per N.J.S.A. 40A:2-45

Calculation of "Self-Liquidating Purpose", Pool Utility

Per N.J.S. 40A:2-45

Cash Receipts from Fees, Rents or Other Charges for Year	\$	285,099.54
Deductions:		
Operating and Maintenance Costs	\$	857,335.13
Debt Service		401,420.04
Total Deductions		1,258,755.17
Deficit in Revenue	\$	(973,655.63)

As there is a deficit in revenue and twenty times this amount exceeds the outstanding debt, Pool Utility Debt is not deductible for Debt Statement purposes.

Calculation of "Self-Liquidating Purposes" Parking Utility per N.J.S.A. 40A:2-45

Calculation of "Self-Liquidating Purpose", Parking Utility

Per N.J.S. 40A:2-45

Cash Receipts from Fees, Rents or Other Charges for Year	\$	224,268.92
Deductions:		
Operating and Maintenance Costs	\$	243,673.30
Debt Service		58,536.50
Total Deductions		302,209.80
Deficit in Revenue	\$	(77,940.88)

As there is a deficit in revenue and twenty times this amount exceeds the outstanding debt, Parking Utility Debt is not deductible for Debt Statement purposes.

The foregoing debt information is in agreement with the annual debt statement filed by the chief financial officer.

TOWNSHIP OF MORRIS

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 and 2019**

3. MUNICIPAL DEBT (continued)

General Obligation Bonds

The Township levies ad valorem taxes to pay debt service on general obligation bonds. General obligation bonds outstanding at December 31, 2020 and 2019 are as follows:

	2020	2019
<u>General Obligation Bonds</u>		
\$6,390,000, 2009 General Improvement Bonds, due in an annual installments of \$549,000 to \$550,000 in September 2022, interest at 3.13% to 3.25%	\$ 1,099,000.00	\$ 1,649,000.00
\$4,261,000, 2014 Refunding Bonds, due in one final installment of \$713,000 in September 2021, interest at 4.00%	713,000.00	1,443,000.00
\$13,339,000, 2014 General Improvement Bonds, due in installments of \$1,589,000 to \$1,600,000 on October 2024, interest at 2.00%	6,389,000.00	7,839,000.00
\$12,543,000, 2019 General Improvement Bonds; due in annual installments of \$750,000 to \$1,455,000 through 2029, interest at 2.00% to 3.00%	11,590,000.00	12,343,000.00
	\$ 19,791,000.00	\$ 23,274,000.00
	2020	2019
<u>Parking Utility</u>		
\$140,000, 2014 Parking Refunding Bonds, due in one final installment of \$24,000 in September 2021, interest at 4.00%	\$ 24,000.00	\$ 48,000.00
\$285,000, 2014 Parking Bonds, due in an annual installments of \$30,000 to \$35,000 in October 2024, interest at 2.00%	135,000.00	165,000.00
	\$ 159,000.00	\$ 213,000.00

TOWNSHIP OF MORRIS

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 and 2019**

3. MUNICIPAL DEBT (continued)

	2020	2019
<u>Sewer Utility</u>		
\$4,655,000, 2009 Sewer Utility Bonds due in a installments of \$275,000 to \$300,000 in September 2029, interest at 3.13% to 3.75%	\$ 2,675,000.00	\$ 2,950,000.00
\$1,420,000, 2014 Sewer Utility Refunding Bonds, due in one final installment of \$243,000 in September 2021, interest at 4.00%	243,000.00	485,000.00
\$4,807,000, 2014 Sewer Utility Bonds, due in an annual installments of \$230,000 to \$280,000 through October 2034, interest at 2.00% to 3.00%	3,742,000.00	3,962,000.00
	\$ 6,660,000.00	\$ 7,397,000.00
	2020	2019
<u>Pool Utility</u>		
\$54,000, 2014 Pool Refunding Bonds, due in annual installments of \$10,000 through September 2021, interest at 4.00%	\$ 10,000.00	\$ 19,000.00
\$3,855,000, 2014 Pool Bonds, due in annual installments of \$350,000 to \$420,000 through October 2026, interest at 2.000% to 2.375%	2,340,000.00	2,660,000.00
\$17,000, 2019 Pool Bonds, due in final installment of \$17,000 in November 2020, interest at 2.00%		17,000.00
	\$ 2,350,000.00	\$ 2,696,000.00

TOWNSHIP OF MORRIS

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 and 2019**

3. MUNICIPAL DEBT (continued)

The Township's principal and interest for long-term debt issued and outstanding as of December 31, 2020 is as follows:

Year	General Capital		Sewer Utility Capital		Grand Total
	Principal	Interest	Principal	Interest	
2021	\$ 3,613,000.00	\$ 520,418.00	\$ 748,000.00	\$ 202,420.00	
2022	3,299,000.00	427,322.50	540,000.00	179,723.00	
2023	2,800,000.00	354,480.00	550,000.00	165,173.00	
2024	2,839,000.00	286,480.00	560,000.00	149,673.00	
2025	1,450,000.00	217,200.00	560,000.00	133,973.00	
2026-2030	5,790,000.00	434,700.00	2,590,000.00	402,188.00	
2031-2034			1,112,000.00	83,040.00	
	<u>\$ 19,791,000.00</u>	<u>\$ 2,240,600.50</u>	<u>\$ 6,660,000.00</u>	<u>\$ 1,316,190.00</u>	

Year	Pool Capital		Parking Capital		Grand Total
	Principal	Interest	Principal	Interest	
2021	\$ 360,000.00	\$ 49,598.00	\$ 54,000.00	\$ 3,492.00	\$ 5,550,928.00
2022	370,000.00	42,400.00	35,000.00	2,100.00	4,895,545.50
2023	390,000.00	35,000.00	35,000.00	1,400.00	4,331,053.00
2024	400,000.00	27,200.00	35,000.00	700.00	4,298,053.00
2025	410,000.00	19,200.00			2,790,373.00
2026-2030	420,000.00	9,975.00			9,646,863.00
2031-2034					1,195,040.00
	<u>\$ 2,350,000.00</u>	<u>\$ 183,373.00</u>	<u>\$ 159,000.00</u>	<u>\$ 7,692.00</u>	<u>\$ 32,707,855.50</u>

Changes in Long-Term and Short-Term Municipal Debt

The Township's long-term capital debt activity for 2020 and 2019 is as follows:

	Balance 12/31/2019	Additions	Matured	Balance 12/31/2020	Due Within One Year
Serial Bonds:					
General Capital Fund	\$ 23,274,000.00		\$ 3,483,000.00	\$ 19,791,000.00	\$ 3,613,000.00
Sewer Utility	7,397,000.00		737,000.00	6,660,000.00	748,000.00
Pool Utility	2,696,000.00		346,000.00	2,350,000.00	360,000.00
Parking Utility	213,000.00		54,000.00	159,000.00	54,000.00
Loans Payable:					
Sewer Utility - NJEIT	3,901,594.73		284,738.04	3,616,856.69	284,738.04
Total	<u>\$ 37,481,594.73</u>	<u>\$ -</u>	<u>\$ 4,904,738.04</u>	<u>\$ 32,576,856.69</u>	<u>\$ 5,059,738.04</u>

TOWNSHIP OF MORRIS

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 and 2019**

3. MUNICIPAL DEBT (continued)

	Balance 12/31/2018	Additions	Matured	Balance 12/31/2019	Due Within One Year
Serial Bonds:					
General Capital Fund	\$ 13,561,000.00	\$ 12,343,000.00	\$ 2,630,000.00	\$ 23,274,000.00	\$ 3,483,000.00
Sewer Utility	8,124,000.00		727,000.00	7,397,000.00	737,000.00
Pool Utility	2,978,500.00	17,000.00	299,500.00	2,696,000.00	346,000.00
Parking Utility	296,500.00		83,500.00	213,000.00	54,000.00
Bond Anticipation Notes:					
General Capital Fund	9,986,425.00	13,317,000.00	23,303,425.00		
Pool Utility	679,250.00		679,250.00		
Loans Payable:					
Sewer Utility - NJEIT	4,181,332.77		279,738.04	3,901,594.73	284,738.04
Total	\$ 39,807,007.77	\$ 25,677,000.00	\$ 28,002,413.04	\$ 37,481,594.73	\$ 4,904,738.04

NJ Environmental Infrastructure Trust (NJEIT) Loans:

On January 16, 2013, the Township of Morris entered into NJ Environmental Infrastructure Financing Program loan agreements with the State of New Jersey, acting by and through the NJ Department of Environmental Protection. The Fund loan portion is \$4,321,515 and the Trust loan portion is \$1,440,505. The aggregate amount of \$5,762,020 represents direct obligations of the Township. The loan proceeds were obtained to finance a portion of the cost of the Woodland Sewer Treatment Plant upgrades project. At December 31, 2018, the Township had borrowed or "drawn down" the required amount for the project. Principal payments to the Fund are on a semiannual basis over 20 years at zero interest. Principal payments to the Trust are on a semiannual basis over 20 years at 3.00%-5.00% interest. It is expected that interest will be paid from trust bond proceeds on deposit in the capitalized interest account (as defined in the bond resolution), and earnings on the debt service reserve fund (as defined in the bond resolution) will be transferred to such capitalized interest account. The Township will nonetheless be responsible for all such interest payments to the extent such trust bond proceeds and interest earnings are not available from the capitalized interest account. Also, an annual administrative fee of up to one percent (1.0%) of the initial principal amount of the loan or such lesser amount, if any, as may be authorized by any act of the NJ State Legislature and as the State may approve from time to time is payable on this loan.

Year	NJEIT Loan		Total
	Principal	Interest	
2021	\$ 284,738.04	\$ 33,650.00	\$ 318,388.04
2022	289,738.04	31,050.00	320,788.04
2023	289,738.04	28,250.00	317,988.04
2024	294,738.04	24,750.00	319,488.04
2025	299,738.04	21,000.00	320,738.04
2026-2030	1,528,690.20	67,950.00	1,596,640.20
2031-2032	629,476.29	8,550.00	638,026.29
	\$ 3,616,856.69	\$ 215,200.00	\$ 3,832,056.69

TOWNSHIP OF MORRIS

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 and 2019**

4. FIXED ASSETS

General Fixed Assets

The following is a summary of changes in the General Fixed Assets account group as of December 31, 2020 and 2019:

	Balance December 31, 2019	Additions	Disposals	Balance December 31, 2020
Land	\$ 17,025,241.00			\$ 17,025,241.00
Land Improvements	2,747,140.00			2,747,140.00
Buildings and Improvements	23,656,978.00			23,656,978.00
Equipment	5,280,655.00	\$ 949,484.00		6,230,139.00
	<u>\$ 48,710,014.00</u>	<u>\$ 949,484.00</u>	<u>\$ -</u>	<u>\$ 49,659,498.00</u>

	Balance December 31, 2018	Additions	Disposals	Balance December 31, 2019
Land	\$ 24,052,455.00		\$ 7,027,214.00	\$ 17,025,241.00
Land Improvements	2,747,140.00			2,747,140.00
Buildings and Improvements	23,656,978.00			23,656,978.00
Equipment	4,667,927.00	\$ 612,728.00		5,280,655.00
	<u>\$ 55,124,500.00</u>	<u>\$ 612,728.00</u>	<u>\$ 7,027,214.00</u>	<u>\$ 48,710,014.00</u>

The Township underwent a process to re-inventory fixed assets, resulting in some adjustments.

5. DUE TO/FROM OTHER FUNDS

As of December 31, 2020 and 2019, interfund receivables and payables that resulted from various interfund transactions are as follows:

	2020		2019	
	Interfund Receivable	Interfund Payable	Interfund Receivable	Interfund Payable
Current Fund:				
Regular	\$ 26,669.45	\$ 1,146,046.90	\$ 52,132.32	\$ 520,520.01
Grants	184,224.90		194,120.01	
Assessment Trust Fund		18,241.40		17,370.61
Animal Control Fund		6,676.18		
Other Trust	961,822.00	760.36	326,400.00	143.49
General Capital Fund	18,239.46	19,230.97	17,364.20	30,849.83
Pool Utility Operating		275,000.00		3,194.10
Pool Utility Capital	275,000.00			
Sewer Operating	40,695.21		24,212.70	17,938.49
Sewer Capital		40,695.21		24,212.70
	<u>\$ 1,506,651.02</u>	<u>\$ 1,506,651.02</u>	<u>\$ 614,229.23</u>	<u>\$ 614,229.23</u>

The above balances are the result of expenditures being paid by multiple funds on behalf of another, except for the animal control trust which represents the statutory excess due to the Current Fund. The Township expects all interfund balances to be liquidated within one year.

TOWNSHIP OF MORRIS

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 and 2019**

6. FUND BALANCES APPROPRIATED

Under the regulatory basis of accounting, fund balances in the Current Fund and Utility Operating Funds are comprised of cash surplus (fund balance) and non-cash surplus (fund balance). All or part of cash surplus as of December 31 may be anticipated in the subsequent year's budget. The non-cash surplus portion of fund balance may be utilized in the subsequent year's budget with the prior written consent of the Director of Local Government Services, if certain guidelines are met as to its availability. Fund balances at December 31, which were appropriated and included as anticipated revenue in their own respective fund's budget for the succeeding year, were as follows:

Year	Current Fund		Pool Utility Operating Fund		Sewer Utility Operating Fund		Parking Utility Operating Fund	
	Balance December 31st	Utilized In Budget of Succeeding Year	Balance December 31st	Utilized In Budget of Succeeding Year	Balance December 31st	Utilized In Budget of Succeeding Year	Balance December 31st	Utilized In Budget of Succeeding Year
2020	\$ 11,422,074.32	\$ 6,400,000.00	\$ 4,715.34	\$ -	\$ 5,329,331.22	\$ 1,036,192.70	\$ 702,367.15	\$ 125,971.52
2019	12,989,704.13	7,500,000.00	4,715.34	-	6,165,126.39	1,902,407.44	804,936.45	52,569.30
2018	11,325,287.06	6,250,000.00	4,715.34	-	6,088,135.26	767,000.00	689,614.69	-

7. COMPENSATED ABSENCES

Municipal employees are permitted to accrue unused sick time of which 40%, up to a maximum 100 days, may be taken as time off or paid upon retirement or separation at the employee's current rate of compensation upon such termination. It is estimated that the current cost of such unpaid compensation would approximate \$1,380,907.78 and \$1,279,745 to employees and officials of the Township as of December 31, 2020 and 2019, respectively upon their retirements or other separations. This amount was not verified by audit.

As of December 31, 2020 and 2019, the Township has reserved \$204,142.49 and \$68,736.74, respectively to fund compensated absences in accordance with N.J.S.A. 40A:4-39.

8. EMPLOYEE RETIREMENT SYSTEMS

Public Employees' Retirement System

The Public Employees' Retirement System is a cost-sharing, multiple employer defined benefit pension plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the PERS Plan are as follows:

Plan Membership and Contributing Employers- Substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency are enrolled in PERS, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or other jurisdiction's pension fund. Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2020:

TOWNSHIP OF MORRIS

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 and 2019

8. EMPLOYEE RETIREMENT SYSTEMS (continued)

Public Employees' Retirement System (continued)

	<u>2020</u>
Inactive plan members or beneficiaries currently receiving benefits	182,492
Inactive plan members entitled to but not yet receiving benefits	942
Active plan members	<u>249,045</u>
Total	<u><u>432,479</u></u>
Contributing Employers – 1,691	

Significant Legislation – For State of New Jersey contributions to PERS, Chapter 1, P.L. 2010, effective May 21, 2010, required the State to resume making actuarially recommended contributions to the pension plan on a phased-in basis over a seven-year period beginning in the fiscal year ended June 30, 2012.

Pursuant to the provision of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of PERS.

For the year ended December 31, 2020, the Township's total payroll for all employees was \$17,607,756. For the year ended December 31, 2020, total PERS covered payroll was \$8,493,280. Due to payroll system limitations, covered payroll refers to pensionable compensation, rather than total compensation, paid by the Township to active employees covered by the Plan.

Specific Contribution Requirements and benefit provisions – The contribution policy is set by N.J.S.A 43:15 and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contributions are based on an amortization of the unfunded accrued liability. Funding or noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

Employers' contribution amounts are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. Township contributions are due and payable on April 1st in the second fiscal period subsequent to plan year for which the contributions requirements were calculated.

TOWNSHIP OF MORRIS

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 and 2019

8. EMPLOYEE RETIREMENT SYSTEMS (continued)

Public Employee Retirement System (continued)

In accordance with Chapter 98, P.L. 2017, PERS receives 21.02% of the proceeds of the Lottery Enterprise for a period of 30 years. Revenues received from lottery proceeds are assumed to be contributed to the System on a monthly basis.

Township payments to PERS for the year ending December 31, 2020 consisted of the following:

	<u>2020</u>
Total Regular Billing	\$ 1,078,900

The Township recognizes liabilities to PERS and records expenditures for same in the fiscal period that bills become due.

The vesting and benefit provisions are set by N.J.S.A. 43:15. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007.
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible 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

A service retirement benefit of 1/55th of final average salary for each year of service credit is available to tier 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 tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, to tier 3 and 4 members with 25 years or more of service credit before age 62 and tier 5 members 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 retirement age of his/her 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.

At June 30, 2020, the PERS reported a net pension liability of \$16,435,616,426 for its Non-State Employer Member Group. The Township's proportionate share of the net pension liability for the Non-State Employer Member Group that is attributable to the Township was \$18,330,614 or 0.1124068277%, which was an increase of 0.0017808396% from its proportion measured as of June 30, 2019.

TOWNSHIP OF MORRIS

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 and 2019**

8. EMPLOYEE RETIREMENT SYSTEMS (continued)

Public Employee Retirement System (continued)

At December 31, 2020 the Township had deferred outflows of resources and deferred inflows of resources related to PERS from the following sources, if GASB #68 was recognized:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expended and actual experience	\$ 333,770	\$ 64,825
Changes of assumptions	594,666	7,675,202
Net difference between projected and actual investment earnings on pension plan investments	626,555	
Changes in proportion	1,163,268	158,118
Township contributions subsequent to the measurement date	1,229,675	
	<u>\$ 3,947,934</u>	<u>\$ 7,898,145</u>

\$1,229,675 shown as deferred outflows of resources related to PERS resulting from Township contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS should have been recognized in pension expense as follows, if GASB #68 was recognized:

<u>Year ended December 31,</u>	<u>Amount</u>
2021	\$ (1,840,957)
2022	(1,813,873)
2023	(1,026,858)
2024	(402,258)
2025	(95,940)
Total	<u>\$ (5,179,886)</u>

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

Inflation rate:	2020
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00% - 6.00%
	based on years of service
Therafter	3.00% - 7.00%
	based on years of service

TOWNSHIP OF MORRIS

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 and 2019**

8. EMPLOYEE RETIREMENT SYSTEMS (continued)

Public Employees' Retirement System (continued)

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 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

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

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment 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 rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 in the following table:

	2020	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
	100.00%	

TOWNSHIP OF MORRIS

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 and 2019**

8. EMPLOYEE RETIREMENT SYSTEMS (continued)

Public Employees' Retirement System (continued)

Discount Rate – The discount rate used to measure the total pension liability as of June 30, 2020 was 7.00%. 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 will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments to determine the total pension liability.

Sensitivity of Net Pension Liability – the following presents the net pension liability of PERS calculated using the discount rates as disclosed below as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage rate higher than the current rate:

	At 1% Decrease 6.00%	At Current Discount Rate 7%	At 1% Increase 8.00%
PERS	\$ 23,075,185	\$ 18,330,614	\$ 14,304,716

Plan Fiduciary Net Position – The plan fiduciary net position for PERS, including the State of New Jersey, at June 30, 2020 was \$29,045,369,302. The portion of the Plan Fiduciary Net Position that was allocable to the Local (Non-State) Group at June 30, 2020 was \$22,997,176,445.

Additional information

Collective Local Group balances at June 30, 2020 are as follows:

Collective deferred outflows of resources	\$	2,347,583,337
Collective deferred inflows of resources		7,849,949,467
Collective net pension liability		16,435,616,426
 Township's Proportion		 0.1124068277%

Collective pension expense for the Local Group for the measurement period ended June 30, 2020 was \$407,705,399. The average of the expected remaining service lives of all plan members is 5.16, 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years for 2020, 2019, 2018, 2017, 2016, 2015 and 2014, respectively.

TOWNSHIP OF MORRIS

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 and 2019

8. EMPLOYEE RETIREMENT SYSTEMS (continued)

Public Employees' Retirement System (continued)

State Contribution Payable Dates

Chapter 83, P.L. 2016 requires the State to make pension contributions on a quarterly basis: at least 25% by September 30, at least 50% by December 31, at least 75% by March 31, and at least 100% by June 30. As such, contributions are assumed to be made on a quarterly basis with the first contribution 15 months after the associated valuation date.

Local employer's contributions are expected to be paid on April 1st, 21 months after the associated valuation date.

Receivable Contributions

The Fiduciary Net Position (FNP), includes Local employers' contributions receivable as reported in the financial statements provided by the Division of Pensions and Benefits. In determining the discount rate, the FNP at the beginning of each year does not reflect receivable contributions as those amounts are not available at the beginning of the year to pay benefits. The receivable contributions for the year ended June 30, 2020 are \$1,144,889,253.

Police and Firemen's Retirement System

The Police and Firemen's Retirement System is a cost-sharing, multiple employer defined benefit pension plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the PFRS Plan are as follows:

Plan Membership and Contributing Employers- Substantially all full-time county and municipal police and firemen and state firemen or officer employees with police powers appointed after June 30, 1944 are enrolled in PFRS Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2020:

	<u>2020</u>
Inactive plan members or beneficiaries currently receiving benefits	45,537
Inactive plan members entitled to but not yet receiving benefits	65
Active plan members	<u>42,520</u>
Total	<u>88,122</u>

Contributing Employers – 582

Significant Legislation – For State of New Jersey contributions to PFRS, Chapter 1, P.L. 2010, effective May 21, 2010, required the State to resume making actuarially recommended contributions to the pension plan on a phased-in basis over a seven-year period beginning in the fiscal year ended June 30, 2012.

TOWNSHIP OF MORRIS

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 and 2019

8. EMPLOYEE RETIREMENT SYSTEMS (continued)

Police and Firemen's Retirement System (continued)

In accordance with Chapter 98, P.L. 2017, PFRS receives 1.2% of the proceeds of the Lottery Enterprise for a period of 30 years. Revenues received from the lottery proceeds are assumed to be contributed to the System on a monthly basis.

Consistent with Chapter 83, P.L. 2016, it is assumed that the State will make pension contributions in equal amounts at the end of each quarter. It is assumed the Local employers' contributions are expected to be received on April 1st, 21 months after the associated valuation date.

Pursuant to the provision of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of PFRS.

For the year ended December 31, 2020, the Township's total payroll for all employees was \$17,607,756. For the year ended December 31, 2020, total PFRS covered payroll was \$5,800,015. Due to payroll system limitations, covered payroll refers to pensionable compensation, rather than total compensation, paid by the Township to active employees covered by the Plan.

Specific Contribution Requirements and benefit provisions – The contribution policy is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contributions rate increased from 8.5% of annual compensation to 10.0% in October 2011. Employer contribution amounts are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits.

Township payments to PFRS for the year ending December 31, 2020 consisted of the following:

	<u>2020</u>
Total Regular Billing	\$ 1,642,631

The Township recognizes liabilities to PFRS and records expenditures for same in the fiscal period that bills become due.

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

The following represents the membership tiers for PFRS:

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

TOWNSHIP OF MORRIS

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 and 2019**

8. EMPLOYEE RETIREMENT SYSTEMS (continued)

Police and Firemen's Retirement System (continued)

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

At June 30, 2020, the PFRS reported a net pension liability of \$14,926,648,722 for its Non-State, Non-Special Funding Situation Employer Member Group. The Township's proportionate share of the net pension liability for the Non-State Non-Special Funding Situation Employer Member Group was \$21,309,745, or 0.1649192685% which was an increase of 0.0023003428% from its proportion, measured as of June 30, 2019.

At December 31, 2020 the Township would have reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources, if GASB #68 was recognized:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 214,838	\$ 76,478
Changes of assumptions	53,626	5,713,015
Net difference between projected and actual investment earnings on pension plan investments	1,249,490	
Changes in proportion	569,196	1,546,437
Township contributions subsequent to the measurement date	1,842,430	
	\$ 3,929,580	\$ 7,335,930

TOWNSHIP OF MORRIS

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 and 2019**

8. EMPLOYEE RETIREMENT SYSTEMS (continued)

Police and Firemen's' Retirement System (continued)

\$1,842,430 is reflected above as deferred outflows of resources related to pensions resulting from Township contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense on the GAAP basis as follows:

Year ended December 31,	Amount
2021	\$ (2,406,172)
2022	(1,602,646)
2023	(703,753)
2024	(401,313)
2025	(134,896)
Total	\$ (5,248,780)

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

	2020
Inflation rate:	
Prices	2.75%
Wage	3.25%
Salary Increases:	3.25% - 15.25%
	based on years of service
Investment rate of return	7.00%

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

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

TOWNSHIP OF MORRIS

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 and 2019**

8. EMPLOYEE RETIREMENT SYSTEMS (continued)

Police and Firemen's' Retirement System (continued)

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment 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 the pension plans' target asset allocation as of June 30, 2020 are summarized in the following table:

	2020	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
	100.00%	

Discount Rate – The discount rate used to measure the total pension liability as of June 30, 2020 was 7.00%. 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 on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments was applied to projected benefit payments after that date in determining the total pension liability.

TOWNSHIP OF MORRIS

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 and 2019**

8. EMPLOYEE RETIREMENT SYSTEMS (continued)

Police and Firemen's' Retirement System (continued)

Sensitivity of Net Pension Liability – the following presents the net pension liability of PFRS calculated using the discount rates as disclosed above as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage rate higher than the current rate:

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
PFRS	\$ 28,337,575	\$ 21,309,745	\$ 15,472,596

Plan Fiduciary Net Position – The plan fiduciary net position for PFRS at June 30, 2020 was \$27,412,127,845.

Additional information

Collective Local Group balances at June 30, 2020 are as follows:

Collective deferred outflows of resources	\$ 1,601,195,680
Collective deferred inflows of resources	4,191,274,402
Collective net pension liability	14,926,648,722
Township's Proportion	0.1649192685%

Collective pension expense for the Local Group for the measurement period ended June 30, 2020 was \$949,220,570. The average of the expected remaining service lives of all plan members is 5.90, 5.92, 5.73, 5.59, 5.58, 5.53 and 6.17 years for 2020, 2019, 2018, 2017, 2016, 2015 and 2014, respectively.

State Contribution Payable Dates

Chapter 83, P.L. 2016 requires the State to make pension contributions on a quarterly basis: at least 25% by September 30, at least 50% by December 31, at least 75% by March 31, and at least 100% by June 30. As such, contributions are assumed to be made on a quarterly basis.

Local employer's contributions are expected to be paid on April 1st, 21 months after the associated valuation date.

Receivable Contributions

The Fiduciary Net Position (FNP) includes Local employers' contributions receivable as reported in the financial statements provided by the Division of Pensions and Benefits. In determining the discount rate, the FNP at the beginning of each year does not reflect receivable contributions as those amounts are not available at the beginning of the year to pay benefits. The receivable contributions for the year ended June 30, 2020 are \$1,194,176,430.

TOWNSHIP OF MORRIS

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 and 2019

8. EMPLOYEE RETIREMENT SYSTEMS (continued)

Police and Firemen's' Retirement System (continued)

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 amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation and state is treated as a non-employer entity. The non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the Township as of June 30, 2020 for police and fire is 0.1649192685%. The non-employer contributing entities' contribution for the year ended June 30, 2020 was \$254,485. The state's proportionate share of net pension liability attributable to the Township as of June 30, 2020 was \$3,307,175.

Defined Contribution Retirement Plan

DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. Prudential is acting on behalf of the NJ Division of Pensions and Benefits as the record keeper and investment funds manager. Chapter 1, P.L. 2010 increased the minimum annual salary required for eligibility in the DCRP. An employee must earn an annual salary of at least \$5,000 to be eligible or to continue participation. The Defined Contribution Retirement Plan (DCRP) is a multiple employer defined contribution plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the DCRP are as follows:

Plan Membership and Contributing Employers - Enrollment in the DCRP is required for state or local officials, elected or appointed on or after July 1, 2007; employees enrolled in PFRS or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PFRS or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000 annually; and employees otherwise eligible to enroll in PFRS or PERS after May 21, 2010, who do not work the minimum number of hours per week required for tier 4 or tier 5 enrollment, but who earn salary of at least \$5,000 annually. At June 30, 2020, the membership in the DCRP, based on the information within the Division's database, was 60,336.

Contribution Requirement and Benefit Provisions - State and local government employers contribute 3% of the employee's base salary. Active members contribute 5.5% of base salary.

Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non-forfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non-forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

TOWNSHIP OF MORRIS

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 and 2019

8. EMPLOYEE RETIREMENT SYSTEMS (continued)

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions based on 7.50% for PERS, 10% for PFRS and 5.5% for DCRP of employees' base wages.

9. POST-RETIREMENT HEALTH COVERAGE

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. The plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*; therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

Benefits Provided

The Plan provides medical and prescription drug coverage to retirees and their dependents of the 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 MORRIS

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 and 2019**

9. POST-RETIREMENT HEALTH COVERAGE (continued)

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.

Plan Membership and Contributing Employers

Plan membership and contributing employers/nonemployers consisted of the following at June 30, 2019:

	June 30, 2019
Inactive plan members or beneficiaries currently receiving benefits	29,812
Active plan members	66,213
Total	96,025
Contributing employers	590
Contributing nonemployers	1

Nonspecial Funding Situation - The State of New Jersey's Total OPEB Liability for nonspecial funding situation was \$8,020,352,361 at June 30, 2019.

Components of Net OPEB Liability - The components of the collective net OPEB liability for Local Government Retired Employees Plan, including the State of New Jersey, is as follows:

	June 30, 2019
Total OPEB Liability	\$ 13,819,244,582
Plan Fiduciary Net Position	273,173,482
Net OPEB Liability	\$ 13,546,071,100
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.98%

Actuarial Assumptions and Other Inputs - The total OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The total OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. These actuarial valuations used the following actuarial assumptions, applied to all periods (2019) in the measurement:

	June 30, 2019
Inflation	2.50%
Salary Increases*:	
Public Employees' Retirement System (PERS)	
Rate through 2026	2.00% to 6.00%
Rate thereafter	3.00% to 7.00%
Police and Firemen's Retirement System (PFRS)	
Rate for all future years	3.25% to 15.25%

TOWNSHIP OF MORRIS

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 and 2019**

9. POST-RETIREMENT HEALTH COVERAGE (continued)

Preretirement and postretirement mortality rates were based on the Pub-2010 Safety Headcount-Weighted mortality table with fully generational mortality improvement projections from the central year using the MP-2019 scale.

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

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

Healthcare Trend 2019 Assumptions - For pre-Medicare medical benefits, the trend is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years.

Discount Rate - The discount rate for June 30, 2019 and 2018 was 3.50% and 3.87%, respectively. This represents the municipal bond return 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.

Sensitivity of the State's Net OPEB Liability to Changes in the Discount Rate - The following presents the collective net OPEB liability of the participating employers as of June 30, 2019, calculated using the discount rate as disclosed above as well as what the collective net OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	1% Decrease	At Discount Rate	1% Increase
Total Net OPEB Liability - 2019	\$ 15,662,704,137	\$ 13,546,071,100	\$ 11,826,026,995

Sensitivity of the State's Net OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the net OPEB liability as of June 30, 2019, calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total Net OPEB Liability - 2019	\$ 11,431,214,644	\$ 13,546,071,100	\$ 16,243,926,531

Special Funding Situation - The State of New Jersey's Total OPEB Liability for special funding situation was \$5,525,718,739 at June 30, 2019.

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.

TOWNSHIP OF MORRIS

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 and 2019

9. POST-RETIREMENT HEALTH COVERAGE (continued)

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. 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.

The amounts of the State's Non-employer OPEB Liability that are attributable to employees and retirees of the Township of Morris was \$20,759,462 (112 members) at June 30, 2019. These allocated liabilities represent 0.375688% of the State's Total Non-employer OPEB Liability for June 30, 2019. The OPEB expense attributed to the Township was \$275,172 at June 30, 2019.

10. 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. Health benefits are provided to employees through the State of New Jersey Health Benefits Plan.

Property and Liability

The Township is a member of the Garden State Municipal Joint Insurance Fund (the "Fund"). The Fund is both an insured and self-administered group of municipalities established for the purpose of providing insurance for general liability, property and worker's compensation.

As a member of the Fund, the Township could be subjected 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 liability.

The Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. The members may either receive payment or offset their subsequent year assessments with their respective share of the distribution. Selected financial information for the Fund as of December 31, 2020 is as follows:

Total Assets	<u><u>\$ 63,089,500.00</u></u>
Net Position	<u><u>\$ 350,912.00</u></u>
Total Operating Revenue	<u><u>\$ 35,643,020.00</u></u>
Total Non-Operating Revenue	<u><u>\$ 1,092,696.00</u></u>
Total Expenses	<u><u>\$ 35,814,224.00</u></u>
Members Dividends	<u><u>\$ -</u></u>
Change in Net Position	<u><u>\$ 921,492.00</u></u>

* Net gain was \$921,492 in 2020 versus net loss of \$(1,197,837) in 2019.

TOWNSHIP OF MORRIS

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 and 2019

11. CONTINGENT LIABILITIES

The Township is involved in various claims and lawsuits incidental to its operations. In the opinion of management and legal counsel the ultimate resolution of these matters will not have a material effect on the financial position of the Township.

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 material.

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, which it feels is sufficient, for this contingency in the amount of \$1,381,917.88 and \$2,126,395.41 as of December 31, 2020 and 2019, respectively.

12. OPEN SPACE TRUST FUND

The Township created an Open Space Trust Fund with a tax levy of \$.02 per \$100 of assessed valuation in 1993. The funds collected are used to acquire and maintain open space property in the Township. To date, \$8,408,029 has been collected in taxes and the balances in the Open Space Trust Fund at December 31, 2020 and 2019 were \$1,878,870.49 and \$2,358,141.12, respectively.

13. 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.

14. TAX ABATEMENTS

The Township has entered into five property tax abatement agreements in order to provide incentives to redevelop areas that are in need for improvement or to create economic growth. The agreements are authorized under various New Jersey state statutes. These tax abatement agreements are not material and therefore individual disclosures will not be presented.

15. DEFERRED COMPENSATION PLAN

The Township offers its employees a deferred compensation plan (the "plan") created in accordance with Section 457 of the Internal Revenue Code. The plan, which is administered by VALIC, is available to all Township employees and permits 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 MORRIS

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 and 2019**

16. SELECTED TAX INFORMATION

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and the imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the prior year may be placed in lien at a tax sale held after April 1 and through December 31. Unpaid taxes of the current year may be placed in lien at a tax sale held after December 10.

Comparative Schedule of Tax Rate Information

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>Tax Rate</u>	<u>\$ 1.862</u>	<u>\$ 1.833</u>	<u>\$ 1.813</u>
<u>Appointment of Tax Rate</u>			
Municipal	.454	.454	.453
Municipal Open Space	.002	.002	.002
County	.278	.270	.263
Regional School District	1.128	1.107	1.095

Assessed Valuations

2020	<u>\$ 5,395,254,038</u>		
2019	<u>\$ 5,316,122,838</u>		
2018		<u>\$ 5,268,836,538</u>	

Comparison of Tax Levies and Collections

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>Cash Collections</u>	<u>Percentage of Collections</u>
2020	\$ 100,959,576	\$100,290,401	99.34%
2019	98,577,812	97,934,451	99.35%
2018	95,889,541	95,329,593	99.41%

TOWNSHIP OF MORRIS

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 and 2019**

16. SELECTED TAX INFORMATION (continued)

Delinquent Taxes and Tax Title Liens

This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens, in relation to the tax levies of the last three years.

<u>December 31 Year</u>	<u>Amount of Delinquent Taxes</u>	<u>Amount of Tax Title Liens</u>	<u>Total</u>	<u>Percentage of Levy</u>
2020	\$ 630,361	\$ 72,743	\$ 703,104	0.70%
2019	597,702	60,120	657,822	0.67%
2018	515,743	111,207	626,950	0.65%

Property Acquired by Tax Title Lien Liquidation

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties, was as follows:

<u>Year</u>	<u>Amount</u>
2020	\$ 36,475
2019	36,475
2018	36,475

17. CONSUMER ACCOUNTS RECEIVABLE

The Township maintains a utility fund for the billing and collection of sewer rents. A comparison of sewer billings and collections for the past three years are as follows:

<u>Year</u>	<u>Billing</u>	<u>Collections</u>	<u>Percentage of Collection*</u>
2020	\$8,993,221	\$8,881,736	98.76%
2019	8,830,629	8,811,513	99.78%
2018	8,670,232	8,731,181	100.01%

* Collections of prior year balances are included in the above sum amounts.

18. SWIMMING POOL FEES

A comparison of swimming pool fees for the past three years are as follows:

<u>Year</u>	<u>Collections</u>
2020	\$ 263,040
2019	708,837
2018	674,245

TOWNSHIP OF MORRIS

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 and 2019**

19. PARKING FEES AND PERMITS

A comparison of parking lot fees and permits for the past three years are as follows:

<u>Year</u>	<u>Collections</u>
2020	\$ 163,321
2019	483,744
2018	443,285

20. DEFERRED CHARGES

During 2020, the Township adopted special emergency ordinances in its Pool Utility and Parking Utility due to the effects of the COVID-19 pandemic in the amounts of \$435,995.85 and \$193,962.74, respectively. The deferred charges associated with the special emergencies are required to be raised in the Township's annual budget over five years starting with the 2022 budget. If any future federal funds are received, these funds must be pledged against these deferred charges.

21. SUBSEQUENT EVENTS

The Township has evaluated subsequent events occurring after December 31, 2020 through the date of August 23, 2021, which is the date the financial statements were available to be issued. Based on this evaluation, the Township has determined no subsequent events have occurred which require disclosure in the financial statements.

**TOWNSHIP OF MORRIS
MORRIS COUNTY, NEW JERSEY**

**PART II
SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2020**

TOWNSHIP OF MORRIS
CURRENT FUND

A-4

CASH AND INVESTMENTS
YEAR ENDED DECEMBER 31, 2020

	<u>Ref.</u>			<u>Current Fund</u>
Balance, December 31, 2019	A		\$	20,300,871.45
Increased by Receipts:				
Non-Budget Revenue	A-2	\$ 760,702.69		
NJ Senior Citizens' and Veterans' Deductions	A-6	114,261.64		
Taxes Collector	A-5	102,045,986.73		
Revenue Accounts Receivable	A-12	6,027,548.44		
Voided Checks	A-1	2,320.30		
Interfunds	A-16	575,220.94		
Unappropriated Grant	A-15	4,000.00		
Pilot Payable	A-14	6,627.12		
Grant Receivables	A-26	72,528.79		
				109,609,196.65
				129,910,068.10
Decreased by Disbursements:				
2020 Budget Appropriations	A-3	32,554,744.05		
2019 Appropriation Reserves	A-13	920,194.00		
Regional School Taxes Payable	A-19	60,836,793.00		
County Tax Payable	A-18	15,114,533.81		
Municipal Open Space Tax	A-17	108,465.04		
Tax Overpayments	A-11	203,477.68		
Tax Sale Premiums	A-22	376,000.00		
Current Fund Accounts Payable	A-10	7,524.41		
Grant Fund Accounts Payable	A-28	4,412.94		
Return of Prior Year Revenue	A-1	218.65		
Grant Appropriation Reserves	A-29	85,170.68		
Other Accounts Receivable	A-1	15,650.00		
Pending Tax Appeals	A-21	3,409.02		
Interfunds	A-16	523,088.62		
				110,753,681.90
Balance, December 31, 2020	A		\$	19,156,386.20

See Independent Auditors' Report.

TOWNSHIP OF MORRIS
CURRENT FUND

SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2020

A-5

Increased by Receipts:	<u>Ref.</u>		
Taxes Receivable	A-7	\$ 99,968,420.64	
2020 Prepaid Taxes	A-20	905,936.65	
Tax Overpayments	A-11	160,207.44	
Premium on Tax Sale Certificates - Due to Other Trust	A-22	1,011,422.00	
	A-4	<u>1,011,422.00</u>	\$ 102,045,986.73
Decreased by:			
Payments to Treasurer			<u>\$ 102,045,986.73</u>

DUE TO STATE OF NEW JERSEY-SENIOR
CITIZENS AND VETERANS' DEDUCTIONS
YEAR ENDED DECEMBER 31, 2020

A-6

	<u>Ref.</u>		
Balance, December 31, 2019 (Due To)	A		\$ (3,996.90)
Increased by:			
Tax Deductions:			
Per Tax Duplicate:			
Senior Citizens		\$ 9,750.00	
Veterans		103,750.00	
Allowed by Tax Collector:			
Senior Citizens		3,250.00	
	A-7	<u>3,250.00</u>	<u>116,750.00</u>
			112,753.10
Decreased by:			
Prior Year Tax Deduction Disallowed:			
Current Year	A-7	576.64	
Prior Year	A-1, A-7	3,000.00	
Collections	A-4	114,261.64	
		<u>117,838.28</u>	<u>117,838.28</u>
Balance, December 31, 2020 (Due To)	A		<u>\$ (5,085.18)</u>

TOWNSHIP OF MORRIS
CURRENT FUND

TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
YEAR ENDED DECEMBER 31, 2020

A-7

Year	Balance December 31, 2019	Levy	Added Taxes	Senior Citizens' and Veterans' Deductions	Collections		Transferred To Tax Title Liens	Cancellations	Balance December 31, 2020
					2019	2020			
2018	\$ 250.00					\$ 250.00			
2019	597,452.38		\$ 3,289.72			598,299.24	\$ 2,192.86		\$ 250.00
	597,702.38		3,289.72			598,549.24	2,192.86		250.00
2020		\$ 100,959,575.82		\$ 116,173.36	\$ 804,356.31	99,369,871.40	10,430.93	\$ 28,632.54	630,111.28
	\$ 597,702.38	\$ 100,959,575.82	\$ 3,289.72	\$ 116,173.36	\$ 804,356.31	\$ 99,968,420.64	\$ 12,623.79	\$ 28,632.54	\$ 630,361.28
<u>Ref.</u>	A	Below		A-6	A-20	A-5	A-8	Reserve	A

Analysis of 2020 Property Tax Levy

Tax Yield				
General Purpose Tax			\$ 100,430,227.63	
Added Taxes (RS 54:4-36.1 et seq.)			529,348.19	
				\$ 100,959,575.82
Tax Levy				
Regional School Tax	A-19	\$ 60,836,793.00		
County Taxes				
County Tax - General	A-18	14,516,948.56		
Open Space Tax	A-18	431,362.46		
Due County for Added Tax	A-18	78,939.54		
			75,864,043.56	
Local Tax for Municipal Purposes	A-2	22,660,067.00		
Minimum Library Tax Levied	A-2	1,877,161.00		
Municipal Open Space	A-2	107,895.61		
Add: Additional Tax Levied	A-2	450,408.65		
			25,095,532.26	
				\$ 100,959,575.82

TOWNSHIP OF MORRIS
CURRENT FUND

A-8

TAX TITLE LIENS RECEIVABLE
YEAR ENDED DECEMBER 31, 2020

	<u>Ref.</u>		
Balance, December 31, 2019	A		\$ 60,119.69
Increased by:			
Transfers from Current Year Taxes Receivable	A-7	\$ 10,430.93	
Transfers from Delinquent Taxes Receivable	A-7	<u>2,192.86</u>	
			<u>12,623.79</u>
Balance, December 31, 2020	A		<u><u>\$ 72,743.48</u></u>

PROPERTY ACQUIRED FOR TAXES - AT ASSESSED VALUATIONS
YEAR ENDED DECEMBER 31, 2020

A-9

	<u>Ref.</u>		
Balance, December 31, 2019 and 2020	A		<u><u>\$ 36,475.00</u></u>

TOWNSHIP OF MORRIS
CURRENT FUND

ACCOUNTS PAYABLE
YEAR ENDED DECEMBER 31, 2020

A-10

	<u>Ref.</u>		
Balance, December 31, 2019	A		\$ 1,565,700.00
Increased by:			
Transfer from Appropriation Reserves	A-13		180,000.00
			<u>1,745,700.00</u>
Decreased by			
Cash Disbursements	A-4	\$ 7,524.41	
Cancellations	A-1	<u>57,947.20</u>	
			<u>65,471.61</u>
Balance, December 31, 2020	A		<u>\$ 1,680,228.39</u>

TOWNSHIP OF MORRIS
CURRENT FUND

TAX OVERPAYMENTS
YEAR ENDED DECEMBER 31, 2020

	<u>Ref.</u>		<u>A-11</u>
Balance, December 31, 2019	A		\$ 2,201.73
Increased by:			
Transfer from Tax Appeals	A-21	\$ 41,068.51	
Cash Receipts	A-5	<u>160,207.44</u>	
			<u>201,275.95</u>
			<u>203,477.68</u>
Decreased by			
Refunds	A-4		<u>203,477.68</u>
Balance, December 31, 2020	A		<u><u>\$ -</u></u>

TOWNSHIP OF MORRIS
CURRENT FUND

REVENUE ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2020

A-12

	Balance 2019	Accrued	Cash Receipts	Balance Dec. 31, 2020
Licenses:				
Alcoholic Beverages		\$ 22,500.00	\$ 22,500.00	
Other		15,465.00	15,465.00	
Fees and Permits	\$ 1,448.00	458,865.45	458,663.45	\$ 1,650.00
Municipal Court - Fines and Costs	16,461.78	109,032.17	116,646.38	8,847.57
Interest and Costs on Taxes		166,142.81	166,142.81	
Interest on Investments and Deposits		270,430.05	270,430.05	
Consolidated Municipal Property Tax Relief Aid		173,943.01	173,943.01	
Energy Receipts Tax		3,105,998.01	3,105,998.01	
Uniform Construction Code Fees		1,186,853.00	1,186,853.00	
Operating Surplus of Prior Year - Parking Lot		50,000.00	50,000.00	
Operating Surplus of Prior Year - Sewer		250,000.00	250,000.00	
General Capital Fund Anticipated		40,000.00	40,000.00	
Reimbursement for Expenses - Off Duty Police		75,000.00	75,000.00	
Recreation Trust Fund Reimbursement for Expenses		115,900.00	115,900.00	
	<u>\$ 17,909.78</u>	<u>\$ 6,040,129.50</u>	<u>\$ 6,047,541.71</u>	<u>\$ 10,497.57</u>
Ref.	A	A-2	Below	A
Cash Received		A-4	\$ 6,027,548.44	
Due from General Capital Fund		A-16	19,230.97	
Due from Other Trust Fund		A-16	760.36	
Due from Trust Assessment Fund		A-16	1.94	
			<u>\$ 6,047,541.71</u>	

TOWNSHIP OF MORRIS
CURRENT FUND

2019 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2020

A-13
Sheet # 1

<u>Appropriation</u>	<u>Committed</u>	<u>Uncommitted</u>	<u>Balance After Modification</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
GENERAL GOVERNMENT:					
General Administration:					
Salaries and Wages		\$ 8,690.51	\$ 8,690.51		\$ 8,690.51
Other Expenses	\$ 7,454.31	30,839.64	38,293.95	\$ 11,635.96	26,657.99
Mayor and Council:					
Other Expenses		500.00	500.00		500.00
Municipal Clerk:					
Salaries and Wages		3,348.89	3,348.89		3,348.89
Other Expenses	3,792.54	3,158.84	6,951.38	2,873.30	4,078.08
Financial Administration:					
Salaries and Wages		43.84	43.84		43.84
Other Expenses	5,260.26	35,789.09	41,049.35	20,214.68	20,834.67
Annual Audit	26,323.94		26,323.94	26,323.94	
Computer Information Technology:					
Salaries and Wages		1,478.41	1,478.41		1,478.41
Other Expenses	13,717.29	22,886.57	36,603.86	19,607.29	16,996.57
Revenue Administration (Tax Collection):					
Other Expenses	475.77	5,274.23	5,750.00	475.77	5,274.23
Tax Assessment Administration:					
Salaries and Wages		625.85	625.85		625.85
Other Expenses	4,657.60	2,275.90	6,933.50	4,533.44	2,400.06
Legal Services and Costs:					
Other Expenses	100,178.21	17,747.43	117,925.64	44,543.15	73,382.49
Joint Municipal Court:					
Other Expenses	3,177.00	5,147.50	8,324.50	1,344.00	6,980.50
Engineering Services and Costs:					
Salaries and Wages		17,991.77	17,991.77		17,991.77
Other Expenses	13,350.22	1,936.56	15,286.78	13,008.60	2,278.18
Historic Preservation Commission:					
Other Expenses		1,593.90	1,593.90		1,593.90
Municipal Land Use Law (NJSA 40:55D-I):					
Planning Board:					
Salaries and Wages		4,123.89	4,123.89		4,123.89
Other Expenses	6,501.00	2,613.91	9,114.91	2,966.41	6,148.50
Board of Adjustment:					
Salaries and Wages		340.89	340.89		340.89
Other Expenses	712.45	1,284.64	1,997.09		1,997.09
Insurance:					
General Liability	25,675.00	2,695.61	28,370.61	25,656.40	2,714.21
Workers Compensation	105,422.60	8,138.40	113,561.00	100,497.60	13,063.40
Group Insurance - Hospital and Medical		114,327.26	114,327.26		114,327.26
PUBLIC SAFETY:					
Traffic Lights Maintenance Expense	2,280.00	27,068.90	29,348.90	6,730.77	22,618.13
Aid to Volunteer Ambulance Company	55,000.00		55,000.00	55,000.00	
Fire:					
Other Expenses	26,787.69	7,760.14	34,547.83	29,331.45	5,216.38
Fire Hydrant Services		3,090.50	3,090.50	3,090.50	

TOWNSHIP OF MORRIS
CURRENT FUND

2019 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2020

A-13
Sheet # 2

<u>Appropriation</u>	<u>Committed</u>	<u>Uncommitted</u>	<u>Balance After Modification</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
GENERAL GOVERNMENT (Cont'd):					
Municipal Prosecutor:					
Other Expenses	\$ 1,000.00		\$ 1,000.00	\$ 1,000.00	
Police:					
Salaries and Wages		\$ 272,887.60	272,887.60		\$ 272,887.60
Other Expenses	41,486.50	2,966.44	44,452.94	35,834.23	8,618.71
Emergency Management Services:					
Other Expenses	1,053.70	4,151.32	5,205.02	947.90	4,257.12
PUBLIC WORKS:					
Road Repair and Maintenance:					
Salaries and Wages		10,183.27	10,183.27		10,183.27
Other Expenses	135,174.34	2,962.91	138,137.25	132,976.52	5,160.73
Garbage and Trash Removal:					
Salaries and Wages		43,513.20	43,513.20		43,513.20
Other Expenses	190,494.68	23,657.65	214,152.33	172,475.11	41,677.22
Public Buildings and Grounds:					
Salaries and Wages		1,202.72	1,202.72		1,202.72
Other Expenses	5,245.02	10,873.86	16,118.88	5,245.02	10,873.86
Vehicle Maintenance:					
Salaries and Wages		7,249.32	7,249.32		7,249.32
Other Expenses	80,396.81	23,148.10	103,544.91	93,978.50	9,566.41
Community Services Act-Condo Costs:					
Other Expenses		63,500.00	63,500.00	38,691.01	24,808.99
HEALTH AND HUMAN SERVICES:					
Board of Health:					
Salaries and Wages		9,058.21	9,058.21		9,058.21
Other Expenses	32,632.43	10,219.65	42,852.08	26,542.22	16,309.86
Environmental Commission:					
Salaries and Wages		529.79	529.79		529.79
Other Expenses		1,786.91	1,786.91		1,786.91
Cooperative Transportation:					
Other Expenses		183.80	183.80		183.80
RECREATION AND EDUCATION:					
Recreation Services and Programs:					
Salaries and Wages		50.10	50.10		50.10
Other Expenses	6,608.90	7,273.60	13,882.50	6,088.74	7,793.76
Maintenance of Parks:					
Other Expenses	39,033.17	3,927.70	42,960.87	35,143.37	7,817.50

TOWNSHIP OF MORRIS
CURRENT FUND

2019 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2020

A-13
Sheet # 3

<u>Appropriation</u>	<u>Committed</u>	<u>Uncommitted</u>	<u>Balance After Modification</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
UTILITIES:					
Electricity		\$ 24,708.31	\$ 24,708.31	\$ 10,243.98	\$ 14,464.33
Street Lighting		26,091.44	26,091.44	1,715.85	24,375.59
Telephone	\$ 26,663.32	10,707.59	37,370.91	27,579.83	9,791.08
Water		4,432.33	4,432.33	2,097.60	2,334.73
Natural Gas		25,584.01	25,584.01	12,062.16	13,521.85
Gasoline, Diesel Fuel		28,345.84	28,345.84	24,142.42	4,203.42
Construction Official:					
Other Expenses	8,271.56	9,364.91	17,636.47	9,286.31	8,350.16
Total Operations Within "CAPS"	968,826.31	959,333.65	1,928,159.96	1,003,884.03	924,275.93
Deferred Charges & Statutory Expenditures					
- Municipal Within "CAPS":					
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)		1,135.19	1,135.19	324.87	810.32
Police and Firemen's Retirement System of N.J.		163.36	163.36		163.36
Operations Excluded from "CAPS":					
Maintenance of Free Public Library - Proportionate Share (R.S. 40:54-29.17)					
Recycling Tax (PL 2007, c.311)	2,500.00	0.53	0.53	2,095.80	0.53
		3,119.13	5,619.13	2,095.80	3,523.33
Capital Improvements - Excluded from "CAPS":					
Police Equipment		796.00	796.00		796.00
Fire Department Equipment	27,863.00	2,137.00	30,000.00	27,863.00	2,137.00
Firehouse Improvements	13,982.80	26,017.20	40,000.00	13,982.80	26,017.20
Park Improvements and Equipment	32,435.50	7,564.50	40,000.00	32,043.50	7,956.50
Improvements to DPW	15,000.00		15,000.00	15,000.00	
Improvements to Police Headquarters	5,000.00		5,000.00	5,000.00	
Total General Appropriations	\$ 1,065,607.61	\$ 1,000,266.56	\$ 2,065,874.17	\$ 1,100,194.00	\$ 965,680.17
Ref.	A	A		Below	A-1
Cash Disbursed	A-4			\$ 920,194.00	
Accounts Payable	A-10			180,000.00	
Above				\$ 1,100,194.00	

TOWNSHIP OF MORRIS
CURRENT FUND

COUNTY PILOT PAYABLE
YEAR ENDED DECEMBER 31, 2020

A-14

	<u>Ref.</u>	
Balance, December 31, 2019	A	\$ -
Increased by:		
Cash Receipts	A-4	<u>6,627.12</u>
Balance, December 31, 2020	A	<u><u>\$ 6,627.12</u></u>

GRANT FUND
UNAPPROPRIATED GRANTS
YEAR ENDED DECEMBER 31, 2020

A-15

	<u>Ref.</u>	
Balance, December 31, 2019	A	\$ 28,830.32
Increased by:		
Cash Receipts	A-4	<u>4,000.00</u>
		32,830.32
Decreased by:		
Grants Appropriated	A-26	<u>28,830.32</u>
Balance, December 31, 2020	A	<u><u>\$ 4,000.00</u></u>

Analysis of Balance

Municipal Alliance on Alcoholism & Drug Abuse:
Supplemental

	\$ 4,000.00
	<u>\$ 4,000.00</u>

TOWNSHIP OF MORRIS
CURRENT FUND
INTERFUNDS RECEIVABLE
YEAR ENDED DECEMBER 31, 2020

	Ref.	Total	Sewer Operating	Pool Operating	Animal Control	Assessment Trust	Other Trust Funds	General Capital
Balance December 31, 2019	A	\$ 52,132.32	\$ 17,938.49	\$ 3,194.10	\$ -	\$ 6.41	\$ 143.49	\$ 30,849.83
Increased by:								
Cash Disbursements	A-4	523,088.62	522,845.72	210.93			31.97	
Statutory Excess In Animal Control Fund	A-1	6,676.18			6,676.18			
Interest Earned	A-12	19,993.27				1.94	760.36	19,230.97
		<u>601,890.39</u>	<u>540,784.21</u>	<u>3,405.03</u>	<u>6,676.18</u>	<u>8.35</u>	<u>935.82</u>	<u>50,080.80</u>
Decreased by:								
Cash Receipts	A-4	575,220.94	540,784.21	3,405.03		6.41	175.46	30,849.83
		<u>575,220.94</u>	<u>540,784.21</u>	<u>3,405.03</u>	<u>-</u>	<u>6.41</u>	<u>175.46</u>	<u>30,849.83</u>
Balance December 31, 2020								
From	A	<u>\$ 26,669.45</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,676.18</u>	<u>\$ 1.94</u>	<u>\$ 760.36</u>	<u>\$ 19,230.97</u>

See Independent Auditors' Report.

TOWNSHIP OF MORRIS
CURRENT FUND

MUNICIPAL OPEN SPACE TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2020

A-17

	<u>Ref.</u>		
Balance, December 31, 2019	A		\$ -
Increased by:			
Municipal Open Space Amount Levied		\$ 107,895.61	
Added/Omitted Taxes		<u>569.43</u>	
	A-1		<u>108,465.04</u>
Decreased by:			
Disbursed to Trust Fund	A-4		<u>108,465.04</u>
Balance, December 31, 2020	A		<u>\$ -</u>

COUNTY TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2020

A-18

	<u>Ref.</u>		
Balance, December 31, 2019	A		\$ 166,222.79
Increased by:			
Levy-Calendar Year 2020		\$ 14,516,948.56	
2020 Open Space Tax Levy		431,362.46	
Due County for Added Taxes		<u>78,939.54</u>	
	A-1, A-2, A-7		<u>15,027,250.56</u>
			15,193,473.35
Decreased by:			
Cash Disbursements	A-4		<u>15,114,533.81</u>
Balance, December 31, 2020	A		<u>\$ 78,939.54</u>

REGIONAL SCHOOL TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2020

A-19

	<u>Ref.</u>		
Balance, December 31, 2019	A		\$ -
Increased by:			
Levy - Calendar Year 2020	A-1, A-2, A-7		<u>60,836,793.00</u>
			60,836,793.00
Decreased by:			
Cash Disbursements	A-4	<u>\$ 60,836,793.00</u>	
			<u>60,836,793.00</u>
Balance, December 31, 2020	A		<u>\$ -</u>

See Independent Auditors' Report.

TOWNSHIP OF MORRIS
CURRENT FUND

PREPAID TAXES
YEAR ENDED DECEMBER 31, 2020

A-20

	<u>Ref.</u>	
Balance, December 31, 2019	A	\$ 804,356.31
Increased by:		
Collection of 2021 Taxes	A-5	905,936.65
		1,710,292.96
Decreased by:		
Applied to 2020 Taxes	A-7	804,356.31
		804,356.31
Balance, December 31, 2020	A	\$ 905,936.65

RESERVE FOR PENDING TAX APPEALS
YEAR ENDED DECEMBER 31, 2020

A-21

	<u>Ref.</u>	
Balance, December 31, 2019	A	\$ 2,126,395.41
Decreased by:		
Transferred to Tax Overpayments	A-11	\$ 41,068.51
Cash Disbursements	A-4	3,409.02
Cancelled Tax Appeals	A-1	700,000.00
		744,477.53
Balance, December 31, 2020	A	\$ 1,381,917.88

TOWNSHIP OF MORRIS
CURRENT FUND

DUE TO OTHER TRUST
YEAR ENDED DECEMBER 31, 2020

A-22

	<u>Ref.</u>	
Balance, December 31, 2019	A	\$ 326,400.00
Increased by:		
Cash Receipts	A-5	<u>1,011,422.00</u>
		1,337,822.00
Decreased by:		
Cash Disbursed	A-4	<u>376,000.00</u>
Balance, December 31, 2020	A	<u><u>\$ 961,822.00</u></u>

DUE TO GRANT FUND
YEAR ENDED DECEMBER 31, 2020

A-23

	<u>Ref.</u>	
Balance, December 31, 2019	A	\$ 194,120.01
Decreased by:		
Due to Grant Fund	A-27	<u>9,895.11</u>
Balance, December 31, 2020	A	<u><u>\$ 184,224.90</u></u>

TOWNSHIP OF MORRIS
CURRENT FUND

OTHER ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2020

A-24

	<u>Ref.</u>	
Balance, December 31, 2019	A	\$ -
Increased by:		
Restitution Payments	A-1, A-4	<u>15,650.00</u>
Balance, December 31, 2020	A	<u>\$ 15,650.00</u>

SPECIAL DEPOSITS
YEAR ENDED DECEMBER 31, 2020

A-25

	<u>Ref.</u>	
Balance, December 31, 2019 and 2020	A	<u>\$ 56,600.00</u>

TOWNSHIP OF MORRIS
GRANT FUND

GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2020

A-26

	Balance, December 31, 2019	2020 Anticipated Revenue	Received	Canceled	Balance, December 31, 2020
Clean Communities Program		\$ 49,726.53	\$ 49,726.53		
Alcohol Ed., Rehab. & Enforcement Fund		3,250.80	3,250.80		
Municipal Alliance on Alcoholism & Drug Abuse	\$ 58.84	32,243.50	9,979.73	\$ 58.84	\$ 22,263.77
Body Armor Replacement Fund	4,109.18	2,453.55	6,562.73		
Bulletproof Vest Partnership	7,453.76	3,796.65	3,796.65		7,453.76
Recycling Tonnage Grant		24,830.32	24,830.32		
Drive Sober or Get Pulled Over		3,212.35	3,212.35		
Assistance to Firefighters COVID-19 Supplemental		15,000.00			15,000.00
	<u>\$ 11,621.78</u>	<u>\$ 134,513.70</u>	<u>\$ 101,359.11</u>	<u>\$ 58.84</u>	<u>\$ 44,717.53</u>
Ref.	A	A-2	Below	A-1	A
Cash Received	A-4		\$ 72,528.79		
Transferred from Unappropriated	A-15		28,830.32		
			<u>\$ 101,359.11</u>		

TOWNSHIP OF MORRIS
GRANT FUND

A-27

DUE FROM CURRENT FUND
YEAR ENDED DECEMBER 31, 2020

	<u>Ref.</u>	
Balance, December 31, 2019	A	\$ 194,120.01
Decreased by:		
Due to Current Fund	A-23	<u>9,895.11</u>
Balance, December 31, 2020	A	<u>\$ 184,224.90</u>

GRANT FUND

ACCOUNTS PAYABLE
YEAR ENDED DECEMBER 31, 2020

A-28

	<u>Ref.</u>	
Balance, December 31, 2019	A	\$ 4,412.94
Increased by:		
Budget Appropriations	A-29	<u>10,753.62</u>
		15,166.56
Decreased by:		
Cash Disbursements	A-4	<u>4,412.94</u>
Balance, December 31, 2020	A	<u>\$ 10,753.62</u>

TOWNSHIP OF MORRIS
GRANT FUND

RESERVE FOR APPROPRIATED GRANTS
YEAR ENDED DECEMBER 31, 2020

A-29

	Balance, December 31 2019	Transferred from Budget Appropriations	Paid or Charged	Canceled	Balance, December 31, 2020
Recycling Tonnage Grant	\$ 12,832.83	\$ 24,830.32	\$ 37,204.32		\$ 458.83
Drunk Driving Enforcement Fund	17,236.63		5,736.05		11,500.58
Clean Communities Program	85,677.73	49,726.53	22,806.83		112,597.43
Alcohol Ed., Rehab. & Enforcement Fund	4,413.47	3,250.80			7,664.27
Municipal Alliance on Alcoholism & Drug Abuse:					
Grant Funds	29,633.73	32,243.50			61,877.23
Matching Funds	7,181.20	7,060.88	9,238.90		5,003.18
Body Armor Replacement Fund	4,109.18	2,453.55	1,152.12		5,410.61
Bulletproof Vest Partnership	7,453.76	3,796.65	1,753.23		9,497.18
Cops In Shops	3,960.00			\$ 3,960.00	
Drive Sober or Get Pulled Over		3,212.35	3,212.35		
Assistance to Firefighters - COVID-19 Supplement		15,000.00	14,820.50		179.50
	\$ 172,498.53	\$ 141,574.58	\$ 95,924.30	\$ 3,960.00	\$ 214,188.81
Ref.	A	A-3	Below	A-1	A
Cash Disbursed	A-4		\$ 85,170.68		
Grants Accounts Payable	A-28		10,753.62		
Above			\$ 95,924.30		

TOWNSHIP OF MORRIS
TRUST FUND

CASH RECEIPTS AND DISBURSEMENTS COLLECTOR - TREASURER
YEAR ENDED DECEMBER 31, 2020

B-1

	<u>Ref.</u>	<u>Assessment Trust Fund</u>	<u>Animal Control Trust Fund</u>	<u>Trust Other Fund</u>
Balance, December 31, 2019	B	\$ 6.41	\$ 35,527.86	\$ 7,425,402.16
Increased by Receipts:				
Due to Assessment Trust Fund	B-4	\$ 29.66		
Assessments Receivable	B-7	5,159.74		
Special Deposits	B-5			\$ 1,351,438.15
State Unemployment Compensation	B-6			22,010.13
Open Space	B-3			125,959.09
State Fees Collected	B-10		\$ 1,896.60	
Interfunds	B-8			18,365.09
Dog and Cat License Fees	B-9		70,312.72	
Department of Community Affairs State Training Fees	B-2			89,781.00
		<u>5,189.40</u>	<u>72,209.32</u>	<u>1,607,553.46</u>
			<u>107,737.18</u>	<u>9,032,955.62</u>
Decreased by Disbursements:				
Due to Assessment Trust Fund	B-4	5,193.87		
Paid to State of New Jersey	B-10		1,895.40	
Open Space	B-3			605,229.72
Special Deposits	B-5			1,671,192.38
State Unemployment Compensation	B-6			15,849.61
Expenditures Under R.S. 41:19-15.11	B-9		62,903.60	
Interfunds	B-8			17,748.22
Department of Community Affairs State Training Fees	B-2			91,151.00
		<u>5,193.87</u>	<u>64,799.00</u>	<u>2,401,170.93</u>
Balance, December 31, 2020	B	<u>\$ 1.94</u>	<u>\$ 42,938.18</u>	<u>\$ 6,631,784.69</u>

TOWNSHIP OF MORRIS
TRUST OTHER FUND

B-2

DUE TO STATE OF NEW JERSEY
DEPARTMENT OF COMMUNITY AFFAIRS STATE TRAINING FEES
YEAR ENDED DECEMBER 31, 2020

	<u>Ref.</u>	
Balance, December 31, 2019	B	\$ 19,953.00
Increased by:		
Cash Receipts	B-1	<u>89,781.00</u>
		109,734.00
Decreased by:		
Cash Disbursements	B-1	<u>91,151.00</u>
Balance, December 31, 2020	B	<u>\$ 18,583.00</u>

See accompanying notes to financial statements.

TOWNSHIP OF MORRIS
TRUST OTHER FUND

B-3

RESERVE FOR OPEN SPACE
YEAR ENDED DECEMBER 31, 2020

	<u>Ref.</u>	
Balance, December 31, 2019	B	\$ 2,358,141.12
Increased by:		
Open Space Levy Received from Current Fund		\$ 107,895.61
Added/Omitted Taxes Received from Current Fund		569.43
Interest Earned		<u>17,494.05</u>
	B-1	<u>125,959.09</u>
		<u>2,484,100.21</u>
Decreased by:		
Cash Disbursements	B-1	<u>605,229.72</u>
Balance, December 31, 2020	B	<u><u>\$ 1,878,870.49</u></u>

TOWNSHIP OF MORRIS
ASSESSMENT TRUST FUNDS

INTERFUNDS PAYABLE
YEAR ENDED DECEMBER 31, 2020

B-4

	<u>Ref.</u>	<u>Total</u>	<u>Current Fund</u>	<u>Capital Fund</u>
Balance, December 31, 2019	B	\$ (17,370.61)	\$ (6.41)	\$ (17,364.20)
Increased by:				
Cash Disbursements	B-1	5,193.87	34.13	5,159.74
		<u>5,193.87</u>	<u>34.13</u>	<u>(12,204.46)</u>
Decreased by:				
Cash Receipts	B-1	29.66	29.66	
Due from General Capital	B-7	6,035.00		6,035.00
Balance, December 31, 2020	B	<u>\$ (18,241.40)</u>	<u>\$ (1.94)</u>	<u>\$ (18,239.46)</u>

TOWNSHIP OF MORRIS
TRUST OTHER FUND

SPECIAL DEPOSITS
YEAR ENDED DECEMBER 31, 2020

B-5

	Balance <u>Dec. 31, 2019</u>	Increase	Decrease	Balance <u>Dec. 31, 2020</u>
Developers' Escrow Deposits	\$ 522,096.04	\$ 109,928.26	\$ 101,849.55	\$ 530,174.75
Clients' Escrow Deposits	657,965.36	258,538.75	187,741.86	728,762.25
Municipal Drug Alliance	109,059.60	3,119.25	10,115.00	102,063.85
Premiums on Tax Sale Certificates	326,400.00	759,900.00	376,000.00	710,300.00
Parking Offense Adjudication Act	13,992.51	194.00		14,186.51
Public Defender	2,004.85			2,004.85
Police & Fire Off-Duty Services	161,012.97	648,381.00	601,268.53	208,125.44
Recycling	9,893.94	5,447.34	7,470.00	7,871.28
Police Forfeited Assets	28,504.39	869.48	1,547.39	27,826.48
Other Deposits	147,639.99	4,000.00	2,150.00	149,489.99
Sick Leave Compensation	68,736.74	135,405.75		204,142.49
Snow Removal	1,360,870.87	310,422.00	350,744.81	1,320,548.06
Uniform Fire Safety	1,320.37	1,500.00		2,820.37
Recreation	185,035.99	85,190.30	190,902.54	79,323.75
COAH	1,479,480.27	39,964.02	217,402.70	1,302,041.59
	<u>\$ 5,074,013.89</u>	<u>\$ 2,362,860.15</u>	<u>\$ 2,047,192.38</u>	<u>\$ 5,389,681.66</u>
	B	Below	Below	B
		<u>Ref.</u>		
Due to/from Current Fund	B-8	\$ 1,011,422.00	\$ 376,000.00	
Cash Received	B-1	1,351,438.15		
Cash Disbursements	B-1		<u>1,671,192.38</u>	
	Above	<u>\$ 2,362,860.15</u>	<u>\$ 2,047,192.38</u>	

TOWNSHIP OF MORRIS
TRUST OTHER FUND

UNEMPLOYMENT COMPENSATION INSURANCE FUND
YEAR ENDED DECEMBER 31, 2020

B-6

	<u>Ref.</u>	
Balance, December 31, 2019	B	\$ 299,550.66
Increased by:		
Employee Deductions	B-1	22,010.13
		321,560.79
Decreased by:		
Payments:		
Quarterly Premiums and Claims	B-1	15,849.61
		15,849.61
Balance, December 31, 2020	B	\$ 305,711.18

TOWNSHIP OF MORRIS
ASSESSMENT TRUST FUNDS

ASSESSMENTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2020

B-7

	<u>Ref.</u>	
Balance, December 31, 2019	B	\$ 17,364.20
Increased by:		
Current Year Assessments	B-4	6,035.00
		23,399.20
Decreased by:		
Cash Received	B-1	5,159.74
		5,159.74
Balance, December 31, 2020	B	\$ 18,239.46

TOWNSHIP OF MORRIS
TRUST FUNDS

INTERFUNDS PAYABLE (RECEIVABLE)
YEAR ENDED DECEMBER 31, 2020

B-8

			Animal Control Fund	Trust Other	
Ref.	Total	Due To Current Fund	Due From Current Fund	Due To Current Fund	Due To Current Fund
Balance, December 31, 2019 From	B	\$ 326,400.00		\$ 326,400.00	
Balance, December 31, 2019 To	B	(143.49)			\$ 143.49
Changed by:					
Cash Disbursements	B-5	376,000.00		376,000.00	
Statutory Excess	B-9	6,676.18	\$ 6,676.18		
Cash Receipts	B-1	18,365.09			18,365.09
		<u>727,441.27</u>	<u>6,676.18</u>	<u>702,400.00</u>	<u>18,508.58</u>
Changed by:					
Special Deposits	B-5	1,011,422.00		759,900.00	251,522.00
Cash Receipts	B-1	17,748.22			17,748.22
		<u>1,029,170.22</u>		<u>759,900.00</u>	<u>269,270.22</u>
Balance, December 31, 2020 From	B	961,822.00		710,300.00	251,522.00
Balance, December 31, 2020 To	B	<u>(7,436.54)</u>	<u>(6,676.18)</u>		<u>(760.36)</u>
Due From Current Fund, Net	Below	<u>\$ 954,385.46</u>	<u>\$ (6,676.18)</u>	<u>\$ 710,300.00</u>	<u>\$ 250,761.64</u>
Other Trust Fund Interfund Receivable	B	\$ 961,822.00			
Other Trust Fund Interfund Payable	B	(760.36)			
Animal Control Trust Fund Interfund Payable	B	<u>(6,676.18)</u>			
Above		<u>\$ 954,385.46</u>			

TOWNSHIP OF MORRIS
ANIMAL CONTROL TRUST FUND

RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES
YEAR ENDED DECEMBER 31, 2020

B-9

	<u>Ref.</u>		
Balance, December 31, 2019	B		\$ 35,531.46
Increased by:			
License Fees:			
2020 Collections			
Dog		\$ 12,258.40	
Cat		2,559.00	
Interest on Investments and Deposits		22.51	
Boarding Fees Reimbursement - Vicious Dog		30,972.81	
Budget Appropriation		<u>24,500.00</u>	
	B-1		<u>70,312.72</u>
			<u>105,844.18</u>
Decreased by:			
Due to Current Fund	B-8	6,676.18	
Expenditures Under R.S. 4:19-15.11	B-1	<u>62,903.60</u>	
			<u>69,579.78</u>
Balance, December 31, 2020	B		<u>\$ 36,264.40</u>

License Fees Collected

<u>Year</u>	<u>Amount</u>
2018	\$ 21,527.20
2019	<u>14,737.20</u>
	<u>\$ 36,264.40</u>

Note: R.S. 4:19-15.11
 "...there shall be transferred from such special account to the general funds of the municipality any amount then in such special account which is in excess of the total amount paid into such special account during the last two fiscal years next preceding".

TOWNSHIP OF MORRIS
ANIMAL CONTROL TRUST FUND

DUE TO (FROM) STATE OF NEW JERSEY
YEAR ENDED DECEMBER 31, 2020

	<u>Ref.</u>	<u>B-10</u>
Balance, December 31, 2019 (To)	B	\$ 3.60
Increased by:		
Disbursements	B-1	<u>1,895.40</u> 1,899.00
Decreased by:		
Receipts	B-1	<u>1,896.60</u>
Balance, December 31, 2020 (From)	B	<u><u>\$ 2.40</u></u>

TOWNSHIP OF MORRIS
GENERAL CAPITAL FUND

CASH - TREASURER
YEAR ENDED DECEMBER 31, 2020

C-2

	<u>Ref.</u>		
Balance, December 31, 2019	C		\$ 9,725,217.42
Increased by:			
Reserve for Curbing	C-9	\$ 2,970.00	
Capital Improvement Fund	C-8	799,750.00	
Improvement Authorizations	C-7	2,076.08	
Grants Receivable	C-4	137,500.00	
Due from Municipal Open Space	C-7	350,000.00	
Due from Trust Assessment Fund	C-15	5,159.74	
Interfund Current - Interest	C-14	<u>19,230.97</u>	
			<u>1,316,686.79</u>
			11,041,904.210
Decreased by:			
Fund Balance Utilized in Current			
Fund Budget	C-1	40,000.00	
Improvement Authorizations	C-7	4,151,121.55	
Reserve for Trees	C-11	2,280.00	
Paid to Current Fund	C-14	<u>30,849.83</u>	
			<u>4,224,251.38</u>
Balance, December 31, 2020	C		<u><u>\$ 6,817,652.83</u></u>

TOWNSHIP OF MORRIS
GENERAL CAPITAL FUND

ANALYSIS OF GENERAL CAPITAL CASH
DECEMBER 31, 2020 AND 2019

C-3

	Balance December 31, 2020	Balance December 31, 2019
Fund Balance	\$ 380,631.49	\$ 841,631.49
Grants Receivable	(799,000.00)	(137,500.00)
Capital Improvement Fund	327,799.37	318,763.71
Reserve for Trees	1,590.00	3,870.00
Reserve for Curbing	2,970.00	
Reserve for Preliminary Costs - Western Ave. Reservoir		3,000.66
Reserve for Sidewalks	21,794.44	21,794.44
Assessment Trust Interfund	(18,239.46)	(17,364.20)
Current Interfund	19,230.97	30,849.83
Improvement Authorizations:		
<u>Ordinance Number</u>	<u>General Improvements</u>	
13-01	Various Capital Improvements	30,613.86
13-03	Purchase of Various Equipment, Vehicles and Playground Improvements	300.00
11-05	Various Capital Improvements	25,000.00
12-07	Various Capital Improvements	1,027.04
16-08 & 10-14	Various Capital Improvements	3,213.00
14-09	Various Capital Improvements	242,249.68
17-09	Various Projects & Purchases	335.25
19-10	Various Capital Improvements	4,510.00
19-11	Various Capital Improvements	7,000.00
08-13 & 17-14	Various Capital Improvements	45,000.00
11-13	Various Capital Improvements	23,268.38
11-14	Various Capital Improvements	65,162.29
10-15	Purchase of a Portion of Property	20,613.04
21-15	Various Capital Improvements	528,120.33
07-16	Various Capital Improvements	191,000.00
09-16 & 14-16	Various Capital Improvements	91,015.80
10-16	Various Capital Improvements	498,494.07
11-17	Various Capital Improvements & Equipment	53,832.60
15-17	Various Capital Improvements & Equipment	507,784.83
02-18	Variois Improvments to Parks and Recreation Equip.	228,856.95
17-18	Various Capital Improvements & Equipment	1,033,071.37
18-18	Various Capital Improvements & Equipment	26,972.45
20-18	Various Capital Improvements	318,184.50
10-19	Mt. Kemble Fire Station HVAC System	1,328.00
14-19	Various Capital Improvements	710,035.45
18-19	Various Capital Improvements	129,539.51
19-19	Washington Valley Road Resurfacing Project	411,094.78
32-19	Various Capital Improvements	130,429.00
05-20	Purchase of Property and Portions of Property	350,000.00
11-20	Various Capital Improvements	580,607.87
12-20	Various Capital Improvements	1,218,000.00
13-20	Various Capital Improvements	(595,784.03)
	\$ 6,817,652.83	\$ 9,725,217.42

See Independent Auditors' Report

TOWNSHIP OF MORRIS
GENERAL CAPITAL FUND

GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2020

C-4

Agency	Balance December 31, 2019	Increase	Decrease	Balance December 31, 2020
New Jersey Department of Transportation	\$ 137,500.00	\$ 799,000.00	\$ 137,500.00	\$ 799,000.00
	\$ 137,500.00	\$ 799,000.00	\$ 137,500.00	\$ 799,000.00
<u>Ref.</u>	C	C-2	C-7	C

DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
YEAR ENDED DECEMBER 31, 2020

C-5

	<u>Ref.</u>	
Balance, December 31, 2019	C	\$ 23,274,000.00
Decreased by:		
2020 Budget Appropriation to Pay Serial Bonds	C-10	3,483,000.00
Balance, December 31, 2020	C	\$ 19,791,000.00

TOWNSHIP OF MORRIS
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
YEAR ENDED DECEMBER 31, 2020

C-6

		<u>Analysis of Balance December 31, 2020</u>				
<u>Ord. Number</u>	<u>Improvement Description</u>	<u>Balance December 31, 2019</u>	<u>2020 Authorizations</u>	<u>Balance December 31, 2020</u>	<u>Expenditures</u>	<u>Unexpended Improvement Authorizations</u>
21-15	Various Capital Improvements & Purchase of Equipment	\$ 280.56		\$ 280.56		\$ 280.56
14-19	Various Capital Improvements	425.00		425.00		425.00
13-20	Various Capital Improvements		\$ 2,531,750.00	2,531,750.00	\$ 595,784.03	1,935,965.97
		<u>\$ 705.56</u>	<u>\$ 2,531,750.00</u>	<u>\$ 2,532,455.56</u>	<u>\$ 595,784.03</u>	<u>\$ 1,936,671.53</u>
<u>Ref.</u>		C	C-7, C-16	C	C-3	C-7

TOWNSHIP OR MORRIS
GENERAL CAPITAL FUND

IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2020

C-7

Ord. No.	Improvement Description	Ordinance Amount	Balance, December 31, 2019		2020 Authorizations					Balance, December 31, 2020			
			Funded	Unfunded	Deferred Charges to Future Taxation Unfunded	Grants	Open Space	Fund Balance	Capital Improvement Fund	Refunded	Paid or Charged	Funded	Unfunded
13-01	Various Capital Improvements	\$ 1,674,000.00	\$ 34,063.86							\$ 3,450.00	\$ 30,613.86		
13-03	Purchase of Various Equipement, Vehicles and Playground Improvements	654,900.00	300.00								300.00		
11-05	Various Capital Improvements	1,270,850.00	25,000.00								25,000.00		
12-07	Various Capital Improvements	1,104,700.00	1,027.04								1,027.04		
16-08 & 10-14	Various Capital Improvements	3,588,200.00	3,213.00								3,213.00		
14-09	Various Capital Improvements	2,440,500.00	254,840.88							12,591.20	242,249.68		
17-09	Various Projects & Purchases	71,500.00	335.25								335.25		
19-10	Various Capital Improvements	2,049,200.00	7,000.00							2,490.00	4,510.00		
19-11	Various Capital Improvements	2,528,511.00	15,000.00							8,000.00	7,000.00		
08-13 & 17-14	Various Capital Improvements	2,455,500.00	45,000.00								45,000.00		
11-13	Various Capital Improvements	1,004,000.00	23,268.38								23,268.38		
11-14	Various Capital Improvements	2,392,000.00	65,162.29								65,162.29		
10-15	Purchase of a Portion of Property	1,635,000.00	20,613.04								20,613.04		
21-15	Various Capital Improvements	3,272,500.00	526,044.25	\$ 280.56						\$ 2,076.08	528,120.33	\$ 280.56	
07-16	Various Capital Improvements	718,000.00	191,000.00								191,000.00		
09-16 & 14-16	Various Capital Improvements	277,300.00	91,015.80								91,015.80		
10-16	Various Capital Improvements	2,429,500.00	660,253.28							161,759.21	498,494.07		
11-17	Various Capital Improvements & Equipment	568,500.00	100,485.00							46,652.40	53,832.60		
15-17	Various Capital Improvements & Equipment	2,422,000.00	526,575.83							18,791.00	507,784.83		
02-18	Various Improvments to Parks and Rec. Equip.	440,000.00	259,969.20							31,112.25	228,856.95		
17-18	Various Capital Improvements & Equipment	2,985,000.00	1,536,132.74							503,061.37	1,033,071.37		
18-18	Various Capital Improvements & Equipment	215,000.00	166,487.90							139,515.45	26,972.45		
20-18	Various Capital Improvements	587,000.00	353,727.25							35,542.75	318,184.50		
10-19	Mt. Kemble Fire Station HVAC System	25,000.00	25,000.00							23,672.00	1,328.00		
14-19	Various Capital Improvements	2,700,000.00	2,121,869.28	425.00						1,411,833.83	710,035.45	425.00	
18-19	Various Capital Improvements	507,500.00	426,787.22							297,247.71	129,539.51		
19-19	Washington Valley Road Resurfacing Project	985,000.00	985,000.00							573,905.22	411,094.78		
32-19	Various Capital Improvements	195,000.00	195,000.00							64,571.00	130,429.00		
05-20	Purchase of Property and Portions of Property	350,000.00				\$ 350,000.00					350,000.00		
11-20	Various Capital Improvements	666,500.00							\$ 666,500.00	85,892.13	580,607.87		
12-20	Various Capital Improvements	1,220,000.00				\$ 799,000.00		\$ 421,000.00		2,000.00	1,218,000.00		
13-20	Various Capital Improvements	2,665,000.00			\$ 2,531,750.00					133,250.00		1,935,965.97	
			\$ 8,660,171.49	\$ 705.56	\$ 2,531,750.00	\$ 799,000.00	\$ 350,000.00	\$ 421,000.00	\$ 799,750.00	\$ 2,076.08	\$ 4,151,121.55	\$ 7,476,660.05	\$ 1,936,671.53
Ref.			C	C	C-6	C-4	C-2	C-1	C-8	C-2	C-2	C	C

TOWNSHIP OF MORRIS
GENERAL CAPITAL FUND

CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2020

C-8

	<u>Ref.</u>		
Balance, December 31, 2019	C		\$ 318,763.71
Increased by:			
Due From Assessment Trust Fund	C-15	\$ 6,035.00	
Reserve for Preliminary Engineering Costs	C-12	3,000.66	
Current Fund Budget Appropriation	C-2	<u>799,750.00</u>	<u>808,785.66</u>
Decreased by:			
Appropriated to Finance Authorizations	C-7		<u>799,750.00</u>
Balance, December 31, 2020	C		<u><u>\$ 327,799.37</u></u>

TOWNSHIP OF MORRIS
GENERAL CAPITAL FUND

RESERVE FOR CURBING
YEAR ENDED DECEMBER 31, 2020

C-9

	<u>Ref.</u>	
Balance, December 31, 2019	C	\$ -
Increased by:		
Cash Receipts	C-2	<u>2,970.00</u>
Balance, December 31, 2020	C	<u><u>\$ 2,970.00</u></u>

TOWNSHIP OF MORRIS
GENERAL CAPITAL FUND

GENERAL SERIAL BONDS
YEAR ENDED DECEMBER 31, 2020

C-10

<u>Issue</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturity of Bonds Outstanding</u> <u>December 31, 2020</u>			<u>Interest Rate</u>	<u>Balance, December 31, 2019</u>	<u>Decrease</u>	<u>Balance, December 31, 2020</u>
			<u>Date</u>	<u>Amount</u>					
General Obligation Bonds of 2009	9/1/2009	\$ 6,390,000.00	9/1/2021	\$ 550,000.00	3.125 %	\$ 1,649,000.00	\$ 550,000.00	\$ 1,099,000.00	
			9/1/2022	549,000.00	3.250				
Refunding Bonds of 2014	7/1/2014	4,261,000.00	9/15/2021	713,000.00	4.000	1,443,000.00	730,000.00	713,000.00	
General Obligation Bonds of 2014	10/15/2014	13,339,000.00	10/15/2021-23	1,600,000.00	2.000	7,839,000.00	1,450,000.00	6,389,000.00	
			10/15/2024	1,589,000.00	2.000				
General Obligation Bonds of 2019	11/1/2019	12,543,000.00	10/1/2021	750,000.00	2.000	12,343,000.00	753,000.00	11,590,000.00	
			10/1/2022	1,150,000.00	3.000				
			10/1/2023	1,200,000.00	3.000				
			10/1/2024	1,250,000.00	3.000				
			10/1/2025	1,450,000.00	3.000				
			10/1/2026-28	1,445,000.00	3.000				
			10/1/2029	1,455,000.00	3.000				
						<u>\$ 23,274,000.00</u>	<u>\$ 3,483,000.00</u>	<u>\$ 19,791,000.00</u>	
						<u>Ref.</u>	<u>C</u>	<u>C-5</u>	<u>C</u>

TOWNSHIP OF MORRIS
GENERAL CAPITAL FUND

RESERVE FOR TREES
YEAR ENDED DECEMBER 31, 2020

C-11

	<u>Ref.</u>	
Balance, December 31, 2019	C	\$ 3,870.00
Decreased by:		
Cash Disbursements	C-2	<u>2,280.00</u>
Balance, December 31, 2020	C	<u>\$ 1,590.00</u>

RESERVE PRELIMINARY COSTS - WESTERN AVE. RESERVOIR
YEAR ENDED DECEMBER 31, 2020

C-12

	<u>Ref.</u>	
Balance, December 31, 2019	C	\$ 3,000.66
Decreased by:		
Capital Improvement Fund	C-8	<u>3,000.66</u>
Balance, December 31, 2020	C	<u>\$ -</u>

RESERVE FOR SIDEWALKS
YEAR ENDED DECEMBER 31, 2020

C-13

	<u>Ref.</u>	
Balance, December 31, 2020 and 2019	C	<u>\$ 21,794.44</u>

TOWNSHIP OF MORRIS
GENERAL CAPITAL FUND

DUE TO CURRENT FUND
YEAR ENDED DECEMBER 31, 2020

C-14

	<u>Ref.</u>	
Balance, December 31, 2019	C	\$ 30,849.83
Increased by:		
Interest Earned	C-2	19,230.97
		<u>50,080.80</u>
Decreased by:		
Cash Disbursements	C-2	30,849.83
		<u>30,849.83</u>
Balance, December 31, 2020	C	<u>\$ 19,230.97</u>

DUE FROM TRUST ASSESSMENT FUND
YEAR ENDED DECEMBER 31, 2020

C-15

	<u>Ref.</u>	
Balance, December 31, 2019	C	\$ 17,364.20
Increased by:		
Capital Improvement Fund	C-8	6,035.00
		<u>23,399.20</u>
Decreased by:		
Cash Receipts	C-2	5,159.74
		<u>5,159.74</u>
Balance, December 31, 2020	C	<u>\$ 18,239.46</u>

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2020

C-16

<u>Ord No.</u>	<u>Improvement Description</u>	<u>Balance December 31, 2019</u>	<u>2020 Authorizations</u>	<u>Balance December 31, 2020</u>
14-19	Various Capital Improvements	\$ 425.00		\$ 425.00
21-15	Various Capital Improvements	280.56		280.56
13-20	Various Capital Improvements		\$ 2,531,750.00	2,531,750.00
		<u>\$ 705.56</u>	<u>\$ 2,531,750.00</u>	<u>\$ 2,532,455.56</u>
	<u>Ref.</u>	C	C-6, C-7	C

TOWNSHIP OF MORRIS
PAYROLL FUND

D-1

RESERVE FOR PAYROLL TAXES AND DEDUCTIONS
YEAR ENDED DECEMBER 31, 2020

	<u>Ref.</u>	
Balance, December 31, 2019	D	\$ 168,434.92
Increased by:		
Receipts	D-2	<u>24,411,043.70</u>
		24,579,478.62
Decreased by:		
Disbursements	D-2	<u>24,404,210.63</u>
Balance, December 31, 2020	D	<u><u>\$ 175,267.99</u></u>

TOWNSHIP OF MORRIS
PAYROLL FUND

D-2

CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED DECEMBER 31, 2020

	<u>Ref.</u>	
Balance, December 31, 2019	D	\$ 168,434.92
Increased by:		
Receipts	D-1	<u>24,411,043.70</u>
		24,579,478.62
Decreased by:		
Disbursements	D-1	<u>24,404,210.63</u>
Balance, December 31, 2020	D	<u><u>\$ 175,267.99</u></u>

TOWNSHIP OF MORRIS
SEWER UTILITY FUND

CASH - SEWER TREASURER
DECEMBER 31, 2020

E-4

	<u>Ref.</u>	<u>Operating Fund</u>	<u>Capital Fund</u>
Balance, December 31, 2019	E	\$ 7,048,120.94	\$ 11,327,860.13
Increased by Receipts:			
Consumer Accounts Receivable	E-6	\$ 8,881,736.44	
Miscellaneous	E-2	514,422.24	
Capital Improvement Fund	E-11		\$ 3,360,000.00
Interfunds	E-19	<u>572,092.88</u>	<u>40,695.21</u>
		<u>9,968,251.56</u>	<u>3,400,695.21</u>
Decreased by Disbursements:			
2020 Appropriation Expenditures	E-3	9,575,459.79	
2019 Appropriation Reserve Expenditures	E-9	292,237.86	
Interest on Bonds and Loans	E-14	260,569.83	
Refund of Prior Year Revenue	E-1	282.00	
Interfunds	E-19	565,818.67	24,212.70
Due Current Fund:			
Fund Balance Anticipated	E-1	250,000.00	
Improvement Authorizations	E-10		<u>4,166,975.15</u>
		<u>10,944,368.15</u>	<u>4,191,187.85</u>
Balance, December 31, 2020	E	<u>\$ 6,072,004.35</u>	<u>\$ 10,537,367.49</u>

TOWNSHIP OF MORRIS
SEWER UTILITY FUND

SEWER UTILITY CAPITAL CASH
SEWER UTILITY CAPITAL FUND
DECEMBER 31, 2020 AND 2019

E-5

	Balance December 31, 2020	Balance December 31, 2019
Fund Balance	\$ 1,141,946.78	\$ 1,141,946.78
Reserve for Preliminary Expenses		69.81
Capital Improvement Fund	238,817.47	238,747.66
Interfund Payable	40,695.21	24,212.70
Improvement Authorizations:		
<u>Ord. No.</u>	<u>Improvements Description</u>	
17-11; 25-11	Various Sewer Improvements	(82,193.47) (82,193.47)
08-12; 01-13	Various Sewer Improvements	10,000.00 10,000.00
22-15	Various Sewer Improvements	263,552.09 263,552.09
07-16	Various Sewer Improvements	823,825.60 824,407.60
08-16	Various Sewer Improvements	440,692.26 995,719.20
09-17	Old Glen Sewer Lining	126,890.90 126,890.90
16-17	Purchase of Equipment and Various Sewer Improvements	1,736,324.63 4,377,318.09
19-18	Purchase of Equipment and Various Sewer Improvements	927,047.77 1,303,688.77
16-19	Wastewater Treatment Plant and Sewer System Improvements	1,635,244.30 2,103,500.00
14-20	Various Wastewater Treatment Plant & Sewer System Improvements	3,234,523.95 -
	<u>\$ 10,537,367.49</u>	<u>\$ 11,327,860.13</u>

CONSUMERS ACCOUNTS RECEIVABLE
SEWER UTILITY OPERATING FUND
YEAR ENDED DECEMBER 31, 2020

E-6

	<u>Ref.</u>	
Balance, December 31, 2019	E	\$ 5,025,214.86
Increased by:		
Sewer User Charges Levied		\$ 6,741,943.18
Sewer User Charges Levied - Borough of Morris Plains Contract		1,570,576.79
Township of Randolph - Annual Sewer User Charges Levied		<u>680,701.28</u>
	Reserve	<u>8,993,221.25</u>
		14,018,436.11
Decreased by:		
Sewer Rents Collected:		
Sewer User Charges	E-2	6,630,458.37
Sewer User Charges - Borough of Morris Plains Contract	E-2	1,570,576.79
Township of Randolph - Annual Sewer User Charges Levied	E-2	<u>680,701.28</u>
	E-4	<u>8,881,736.44</u>
Balance, December 31, 2020	E	<u>\$ 5,136,699.67</u>

TOWNSHIP OF MORRIS
SEWER UTILITY FUND

FIXED CAPITAL
SEWER UTILITY CAPITAL FUND
YEAR ENDED DECEMBER 31, 2020

E-7

Ref.

Balance, December 31, 2020 and 2019

E

\$ 89,856,804.84

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
SEWER UTILITY CAPITAL FUND
YEAR ENDED DECEMBER 31, 2020

E-8

<u>Ord. No.</u>	<u>Date</u>	<u>Amount</u>	<u>Improvement Description</u>	<u>Balance December 31, 2019</u>	<u>2020 Authorizations</u>	<u>Balance December 31, 2020</u>
08-12;01-13	5/16/2012; 2/27/2013	\$ 8,187,500.00	Various Sewer Improvements	\$ 10,000.00		\$ 10,000.00
22-15	6/17/2015	3,334,000.00	Various Sewer Improvements	263,552.09		263,552.09
07-16	5/17/2016	869,616.45	Various Sewer Improvements	869,616.45		869,616.45
08-16	5/17/2016	4,300,000.00	Various Sewer Improvements	995,719.20		995,719.20
	4/19/2017	350,000.00	Old Glen Sewer Lining	350,000.00		350,000.00
09-17			Purchase of Equipment and			
16-17	5/17/2017	4,904,500.00	Various Sewer Improvements	4,889,500.00		4,889,500.00
			Purchase of Equipment and			
19-18	6/20/2018	1,622,750.00	Various Sewer Improvements	1,622,750.00		1,622,750.00
			Wastewater Treatment Plant and			
16-19	4/17/2019	2,103,500.00	Sewer System Improvements	2,103,500.00		2,103,500.00
			Wastewater Treatment Plant and Sewer			
14-20	5/20/2020	3,360,000.00	System Improvements		\$ 3,360,000.00	3,360,000.00
				<u>\$ 11,104,637.74</u>	<u>\$ 3,360,000.00</u>	<u>\$ 14,464,637.74</u>
				<u>Ref.</u>	<u>E</u>	<u>E-10</u>
						<u>E</u>

See Independent Auditors' Report

TOWNSHIP OF MORRIS
SEWER UTILITY FUND

APPROPRIATION RESERVES
SEWER UTILITY OPERATING FUND
YEAR ENDED DECEMBER 31, 2020

E-9

	Balance December 31, 2019		Balance After Transfers	Paid or Charged	Balance Lapsed
	<u>Encumbered</u>	<u>Unencumbered</u>			
Operating:					
Salary and Wages		\$ 12,496.01	\$ 12,496.01		\$ 12,496.01
Other Expenses	\$ 333,441.04	334,136.54	667,577.58	\$ 292,237.86	375,339.72
	<u>\$ 333,441.04</u>	<u>\$ 346,632.55</u>	<u>\$ 680,073.59</u>	<u>\$ 292,237.86</u>	<u>\$ 387,835.73</u>
<u>Ref.</u>	E	E		E-4	E-1

TOWNSHIP OF MORRIS
SEWER UTILITY FUND

E-10

IMPROVEMENT AUTHORIZATIONS
SEWER UTILITY CAPITAL FUND
YEAR ENDED DECEMBER 31, 2020

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Ordinance Amount</u>	<u>Balance December 31, 2019</u>		<u>2020 Authorization</u>	<u>Paid or Charged</u>	<u>Balance December 31, 2020</u>	
				<u>Funded</u>	<u>Unfunded</u>			<u>Funded</u>	<u>Unfunded</u>
08-12; 01-13	Various Sewer Improvements	5/16/2012; 2/27/2013	\$ 8,187,500.00	\$ 10,000.00				\$ 10,000.00	
22-15	Various Sewer Improvements	6/17/2015	3,334,000.00	263,552.09				263,552.09	
07-16	Various Sewer Improvements	5/17/2016	869,616.45	824,407.60			\$ 582.00	823,825.60	
08-16	Various Sewer Improvements	5/17/2016	4,300,000.00	995,719.20			555,026.94	440,692.26	
09-17	Old Glen Sewer Lining	4/19/2017	350,000.00	126,890.90				126,890.90	
16-17	Purchase of Equipment and Various Sewer Improvements	5/17/2017	4,904,500.00	4,377,318.09			2,640,993.46	1,736,324.63	
19-18	Purchase of Equipment and Various Sewer Improvements	6/20/2018	1,622,750.00	1,303,688.77			376,641.00	927,047.77	
16-19	Wasterwater Treatment Plant & Various Sewer Improvements	4/17/2019	2,103,500.00	2,103,500.00			468,255.70	1,635,244.30	
14-20	Various Wastewater Treatment Plant & Sewer System Improvements	5/20/2020	3,360,000.00			\$ 3,360,000.00	125,476.05	3,234,523.95	
				<u>\$ 10,005,076.65</u>	<u>\$ -</u>	<u>\$ 3,360,000.00</u>	<u>\$ 4,166,975.15</u>	<u>\$ 9,198,101.50</u>	<u>\$ -</u>
		<u>Ref.</u>		E	E	E-8, E-11	E-4	E	E

TOWN OF MORRIS
SEWER UTILITY FUND

CAPITAL IMPROVEMENT FUND
SEWER UTILITY CAPITAL FUND
YEAR ENDED DECEMBER 31, 2020

E-11

	<u>Ref.</u>		
Balance, December 31, 2019	E		\$ 238,747.66
Increased by:			
Budget Appropriation	E-3, E-4	\$ 3,360,000.00	
Cancellation of Preliminary Expenditures	E	<u>69.81</u>	
			<u>3,360,069.81</u>
			3,598,817.47
Decreased by:			
Finance Improvement Authorization	E-10		<u>3,360,000.00</u>
Balance, December 31, 2020	E		<u>\$ 238,817.47</u>

E-12

RESERVE FOR AMORTIZATION
SEWER UTILITY CAPITAL FUND
YEAR ENDED DECEMBER 31, 2020

	<u>Ref.</u>		
Balance, December 31, 2019	E		\$ 79,345,633.09
Increased by:			
Paid by Sewer Utility Operating Budget:			
Serial Bonds	E-3, E-15	\$ 737,000.00	
NJ Environmental Infrastructure Trust Loans	E-3, E-16	<u>284,738.04</u>	
			<u>1,021,738.04</u>
Balance, December 31, 2020	E		<u>\$ 80,367,371.13</u>

TOWN OF MORRIS
SEWER UTILITY FUND

DEFERRED RESERVE FOR AMORTIZATION
SEWER UTILITY CAPITAL FUND
YEAR ENDED DECEMBER 31, 2020

<u>Ord.</u> <u>No.</u>	<u>Date</u>	<u>Improvement Description</u>	<u>Balance December</u> <u>31, 2019</u>	<u>Increases</u>	<u>Balance December</u> <u>31, 2020</u>
12-13	6/19/2013	Various Sewer Improvements	\$ 10,000.00		\$ 10,000.00
22-15	6/17/2015	Various Sewer Improvements	263,552.09		263,552.09
08-16	5/17/2016	Various Sewer Improvements	995,719.20		995,719.20
09-17	4/09/2017	Old Glen Sewer Lining	350,000.00		350,000.00
16-17	5/17/2017	Purchase of Equipment and Various Sewer Improvements	4,889,500.00		4,889,500.00
19-18	6/20/2018	Purchase of Equipment and Various Sewer Improvements	1,622,750.00		1,622,750.00
16-19	4/17/2019	Wasterwater Treatment Plant & Various Sewer Improvements	2,103,500.00		2,103,500.00
14-20	5/20/2020	Various Wastewater Treatment Plant & Sewer System Improvements		\$ 3,360,000.00	3,360,000.00
			<u>\$ 10,235,021.29</u>	<u>\$ 3,360,000.00</u>	<u>\$ 13,595,021.29</u>
			<u>Ref.</u>	E-11	E

TOWNSHIP OF MORRIS
SEWER UTILITY FUND

ACCRUED INTEREST ON BONDS AND LOANS
SEWER UTILITY OPERATING FUND
YEAR ENDED DECEMBER 31, 2020

E-14

	<u>Ref.</u>	
Balance, December 31, 2019	E	\$ 76,309.44
Increased by:		
Budget Appropriation for:		
Interest on Bonds and Loans	E-3	253,005.83
		<u>329,315.27</u>
Decreased by:		
Cash Disbursements	E-4	260,569.83
		<u>260,569.83</u>
Balance, December 31, 2020	Below	<u>\$ 68,745.44</u>
Analysis:		
Bonds	E	\$ 54,724.61
Loans	E	14,020.83
		<u>\$ 68,745.44</u>

TOWNSHIP OF MORRIS
SEWER UTILITY FUND

SERIAL BONDS
SEWER UTILITY CAPITAL FUND
YEAR ENDED DECEMBER 31, 2020

E-15

<u>Issue</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturity of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance, December 31, 2019</u>	<u>Decrease</u>	<u>Balance, December 31, 2020</u>	
			<u>Date</u>	<u>Amount</u>					
Sewer Utility Bonds of 2009	9/1/09	\$ 4,655,000.00	9/1/21	\$ 275,000.00	3.125 %	\$ 2,950,000.00	\$ 275,000.00	\$ 2,675,000.00	
			9/1/22	300,000.00	3.250				
			9/1/23	300,000.00	3.500				
			9/1/24	300,000.00	3.500				
			9/1/25	300,000.00	3.500				
			9/1/26	300,000.00	3.625				
			9/1/27	300,000.00	3.625				
			9/1/28	300,000.00	3.750				
			9/1/29	300,000.00	3.750				
			Sewer Utility Refunding Bonds of 2014	7/1/2014	1,420,000.00				9/15/21
Sewer Utility Bonds of 2014	10/15/2014	4,807,000.00	10/15/21	230,000.00	2.000	3,962,000.00	220,000.00	3,742,000.00	
			10/15/22	240,000.00	2.000				
			10/15/23	250,000.00	2.000				
			10/15/24	260,000.00	2.000				
			10/15/25	260,000.00	2.250				
			10/15/26	270,000.00	2.375				
			10/15/27	280,000.00	3.000				
			10/15/28	280,000.00	3.000				
			10/15/29	280,000.00	3.000				
			10/15/30	280,000.00	3.000				
			10/15/31	280,000.00	3.000				
			10/15/32	280,000.00	3.000				
			10/15/33	280,000.00	3.000				
			10/15/34	272,000.00	3.000				
						<u>3,962,000.00</u>	<u>220,000.00</u>	<u>3,742,000.00</u>	
						<u>\$ 7,397,000.00</u>	<u>\$ 737,000.00</u>	<u>\$ 6,660,000.00</u>	
						<u>Ref.</u>	<u>E</u>	<u>E-3, E-12</u>	<u>E</u>

TOWNSHIP OF MORRIS
SEWER UTILITY FUND

NJ ENVIRONMENTAL INFRASTRUCTURE LOAN PAYABLE
SEWER UTILITY CAPITAL FUND
YEAR ENDED DECEMBER 31, 2020

E-16

	<u>Ref.</u>	
Balance, December 31, 2019	E	\$ 3,901,594.73
Decreased by:		
Loan Payments	E-3, E-12	<u>284,738.04</u>
Balance, December 31, 2020	E	<u>\$ 3,616,856.69</u>

TOWNSHIP OF MORRIS
SEWER UTILITY FUND

ACCOUNTS PAYABLE
SEWER UTILITY OPERATING FUND
YEAR ENDED DECEMBER 31, 2020

E-17

	<u>Ref.</u>	
Balance, December 31, 2020 and 2019	E	<u>\$ 128,643.50</u>

TOWNSHIP OF MORRIS
SEWER UTILITY FUND

RESERVE FOR ENGINEERING INSPECTION FEES
SEWER UTILITY OPERATING FUND
YEAR ENDED DECEMBER 31, 2020

E-18

	<u>Ref.</u>	
Balance, December 31, 2019	E	\$ 4,242.23
Decreased by:		
Cancellation of Balance	E-1	<u>4,242.23</u>
Balance, December 31, 2020	E	<u>\$ -</u>

TOWNSHIP OF MORRIS
SEWER UTILITY FUND

INTERFUNDS
YEAR ENDED DECEMBER 31, 2020

E-19

	<u>Ref.</u>	<u>Current Fund</u>	<u>Sewer Operating Fund</u>	<u>Sewer Capital Fund</u>
Balance, December 31, 2019				
Due from	E		\$ 24,212.70	
Due (to)	E	<u>\$ (17,938.49)</u>		<u>\$ (24,212.70)</u>
Cash Receipts	E-4	<u>(547,880.18)</u>	<u>(24,212.70)</u>	<u>(40,695.21)</u>
Cash Disbursements	E-4	<u>565,818.67</u>		<u>24,212.70</u>
Interest Earned			<u>40,695.21</u>	
Balance, December 31, 2020				
Due from	E	<u>\$ 40,695.21</u>	<u>\$ 40,695.21</u>	
Due (to)	E	<u>\$ (40,695.21)</u>		<u>\$ (40,695.21)</u>

TOWNSHIP OF MORRIS
SEWER UTILITY FUND

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
SEWER UTILITY CAPITAL FUND
YEAR ENDED DECEMBER 31, 2020

E-20

<u>Ord. No.</u>	<u>Improvement Description</u>	Balance December 31, <u>2019</u>	Balance December 31, <u>2020</u>
17-11; 25-11	Various Sewer Improvements	\$ 82,193.47	\$ 82,193.47
		<u>\$ 82,193.47</u>	<u>\$ 82,193.47</u>
		<u>Ref.</u>	E
		E	E

TOWNSHIP OF MORRIS
POOL UTILITY FUND

CASH - POOL TREASURER
DECEMBER 31, 2020

F-5

	<u>Ref.</u>	<u>Operating Fund</u>	<u>Capital Fund</u>
Balance, December 31, 2019	F	\$ 43,118.08	\$ 586,133.72
Increased by Receipts:			
Swimming Pool Fees	F-3	\$ 263,040.00	
Miscellaneous Revenues	F-3	22,059.54	
Deficit - General Budget	F-3	541,382.07	
Interfunds	F-10	289,340.93	
Budget Appropriation	F-11		\$ 6,125.00
Voided Checks	F-1	<u>590.22</u>	
		<u>1,116,412.76</u>	<u>6,125.00</u>
Decreased by Disbursements:			
2020 Budget Appropriations	F-4	1,058,359.55	
2019 Budget Appropriations	F-9	21,172.08	
Cash Refund of Prior Year's Revenue	F-1	315.00	
Improvement Authorizations	F-16		36,136.80
Accrued Interest on Bonds and Notes	F-12	56,921.94	
Interfunds	F-10	<u>17,535.03</u>	<u>275,000.00</u>
		<u>1,154,303.60</u>	<u>311,136.80</u>
Balance, December 31, 2020	F	<u>\$ 5,227.24</u>	<u>\$ 281,121.92</u>

TOWNSHIP OF MORRIS
POOL UTILITY FUND

F-6

POOL UTILITY CAPITAL CASH
POOL UTILITY CAPITAL FUND
DECEMBER 31, 2020 AND 2019

	<u>Balance</u> December 31, 2020	<u>Balance</u> December 31, 2019
Fund Balance	\$ 18,224.04	\$ 18,224.04
Capital Improvement Fund	34,419.68	34,419.68
Interfunds	(275,000.00)	
Improvement Authorizations:		
<u>Ord. No.</u>	<u>Improvements Description</u>	
12-14	Improvements to Township Pools	9,224.84
23-15	Swimming Pool Improvements & Equipment	115,000.00
11-16	Swimming Pool Improvements & Equipment	79,155.16
12-17	Swimming Pool Improvements & Equipment	165,508.20
12-18	Swimming Pool Improvements & Equipment	65,000.00
15-19	Swimming Pool Improvements & Equipment	68,765.00
09-20	Swimming Pool Improvements	825.00
	<u>Ref.</u>	
	F	
	<u>\$ 281,121.92</u>	<u>\$ 586,133.72</u>

SCHEDULE OF FIXED CAPITAL
POOL UTILITY CAPITAL FUND
YEAR ENDED DECEMBER 31, 2020

F-7

	<u>Ref.</u>	
Balance, December 31, 2020 and 2019	F	<u>\$ 7,494,523.77</u>

TOWNSHIP OF MORRIS
POOL UTILITY CAPITAL FUND

F-8

FIXED CAPITAL
AUTHORIZED AND UNCOMPLETED
YEAR ENDED DECEMBER 31, 2020

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Balance December 31, 2019</u>	<u>2020 Authorizations</u>	<u>Balance December 31, 2020</u>
12-14	Improvements to Township Pools	\$ 68,380.65		\$ 68,380.65
23-15	Swimming Pool Improvements & Equipment	154,376.73		154,376.73
11-16	Swimming Pool Improvements & Equipment	235,000.00		235,000.00
12-17	Swimming Pool Improvements & Equipment	200,000.00		200,000.00
21-18	Swimming Pool Improvements & Equipment	65,000.00		65,000.00
15-19	Swimming Pool Improvements & Equipment	86,500.00		86,500.00
09-20	Swimming Pool Improvements		\$ 122,500.00	122,500.00
		<u>\$ 809,257.38</u>	<u>\$ 122,500.00</u>	<u>\$ 931,757.38</u>
		<u>Ref.</u>	F-16	F

TOWNSHIP OF MORRIS
POOL UTILITY FUND

APPROPRIATION RESERVES
POOL UTILITY OPERATING FUND
YEAR ENDED DECEMBER 31, 2020

F-9

	Balance		Balance After Transfers	Paid or Charged	Balance Lapsed
	December 31, 2019				
	<u>Reserved</u>	<u>Encumbered</u>			
Operating:					
Other Expenses	\$ 3,266.30	\$ 19,806.09	\$ 23,072.39	\$ 21,172.08	\$ 1,900.31
Social Security	227.18		227.18		227.18
	<u>\$ 3,493.48</u>	<u>\$ 19,806.09</u>	<u>\$ 23,299.57</u>	<u>\$ 21,172.08</u>	<u>\$ 2,127.49</u>
Ref.	F	F		F-5	F-1

TOWNSHIP OF MORRIS
POOL UTILITY FUND

F-10

INTERFUNDS
YEAR ENDED DECEMBER 31, 2020

	<u>Ref.</u>	<u>Current Fund</u>	<u>Other Trust Fund</u>	<u>Swim Pool Operating/ Capital</u>
Balance December 31, 2019				
Due from				
Due (to)	F	<u>\$ 3,194.10</u>		
Increased by:				
Cash Receipts	F-5	<u>210.93</u>	<u>\$ 14,130.00</u>	<u>\$ 275,000.00</u>
		3,405.03	14,130.00	275,000.00
Decreased by:				
Cash Disbursed	F-5	<u>3,405.03</u>	<u>14,130.00</u>	<u>-</u>
		3,405.03	14,130.00	-
Balance December 31, 2020				
Due from	F			<u>\$ 275,000.00</u>
Due (to)	F	<u>\$ -</u>	<u>\$ -</u>	

TOWNSHIP OF MORRIS
POOL UTILITY FUND

CAPITAL IMPROVEMENT FUND
POOL UTILITY CAPITAL FUND
YEAR ENDED DECEMBER 31, 2020

F-11

	<u>Ref.</u>	
Balance, December 31, 2019	F	\$ 34,419.68
Increased by:		
Budget Appropriation	F-5	<u>6,125.00</u>
		40,544.68
Decreased by:		
Finance Improvement Authorization	F-13, F-16	<u>6,125.00</u>
Balance, December 31, 2020	F	<u><u>\$ 34,419.68</u></u>

TOWNSHIP OF MORRIS
POOL UTILITY FUND

ACCRUED INTEREST ON BONDS
POOL UTILITY OPERATING FUND
YEAR ENDED DECEMBER 31, 2020

	<u>Ref.</u>	<u>F-12</u>
Balance, December 31, 2019	F	\$ 11,909.07
Increased by:		
Budget Appropriation for:		
Interest on Bonds	F-4	55,420.04
		<u>67,329.11</u>
Decreased by;		
Cash Disbursements	F-5	<u>56,921.94</u>
Balance, December 31, 2020	F	<u>\$ 10,407.17</u>

TOWNSHIP OF MORRIS
POOL UTILITY FUND

F-13

DEFERRED RESERVE FOR AMORTIZATION
POOL UTILITY CAPITAL FUND
YEAR ENDED DECEMBER 31, 2020

<u>Ord.</u> <u>No.</u>	<u>Improvement Description</u>	Balance December 31, <u>2019</u>	<u>Increases</u>	Balance December 31, <u>2020</u>
12-14	Improvements to Township Pools	\$ 102,950.00		\$ 102,950.00
23-15	Swimming Pool Improvements & Equipment	10,750.00		10,750.00
11-16	Swimming Pool Improvements & Equipment	11,750.00		11,750.00
12-17	Swimming Pool Improvements & Equipment	10,000.00		10,000.00
12-18	Swimming Pool Improvements & Equipment	3,250.00		3,250.00
15-19	Swimming Pool Improvements & Equipment	4,500.00		4,500.00
9-20 & 30-20	Swimming Pool Improvements		\$ 6,125.00	6,125.00
		\$ 143,200.00	\$ 6,125.00	\$ 149,325.00
	<u>Ref.</u>	F	F-11	F

TOWNSHIP OF MORRIS
POOL UTILITY FUND

DEFERRED CHARGES
N.J.S.A. 40A:4-55 SPECIAL EMERGENCY
POOL UTILITY CAPITAL FUND
YEAR ENDED DECEMBER 31, 2020

F-14

<u>Purpose</u>	<u>Net Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance Dec. 31, 2019</u>	<u>Increase</u>	<u>Balance Dec. 31, 2020</u>
Anticipated Deficit in Operations	\$ 435,995.85	\$ 87,199.17	\$ -	\$ 435,995.85	\$ 435,995.85
	<u>\$ 435,995.85</u>	<u>\$ 87,199.17</u>	<u>\$ -</u>	<u>\$ 435,995.85</u>	<u>\$ 435,995.85</u>
		<u>Ref.</u>	F	F-1	F

TOWNSHIP OF MORRIS
POOL UTILITY FUND

SERIAL BONDS
POOL UTILITY CAPITAL FUND
YEAR ENDED DECEMBER 31, 2020

F-15

<u>Issue</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturity of Bonds Outstanding</u> <u>December 31, 2020</u>			<u>Interest Rate</u>	<u>Balance,</u> <u>December 31,</u> <u>2019</u>	<u>Decrease</u>	<u>Balance,</u> <u>December 31,</u> <u>2020</u>
			<u>Date</u>	<u>Amount</u>					
Swimming Pool Refunding of 2014	7/1/14	\$ 54,000.00	9/15/2021	\$ 10,000.00	4.000 %	\$ 19,000.00	\$ 9,000.00	\$ 10,000.00	
Swimming Pool Bonds of 2014	10/15/2014	3,855,000.00	10/15/2021	350,000.00	2.000	2,660,000.00	320,000.00	2,340,000.00	
			10/15/2022	370,000.00	2.000				
			10/15/2023	390,000.00	2.000				
			10/15/2024	400,000.00	2.000				
			10/15/2025	410,000.00	2.250				
			10/16/2026	420,000.00	2.375				
Swimming Pool Bonds of 2019	8/27/19	17,000.00				17,000.00	17,000.00		
						<u>\$ 2,696,000.00</u>	<u>\$ 346,000.00</u>	<u>\$ 2,350,000.00</u>	
						<u>Ref.</u>	<u>F</u>	<u>F-4, F-17</u>	<u>F</u>

TOWNSHIP OF MORRIS
POOL UTILITY FUND

IMPROVEMENT AUTHORIZATIONS
POOL UTILITY CAPITAL FUND
YEAR ENDED DECEMBER 31, 2020

F-16

Ord. No	Improvement Description	Ordinance Amount	Balance December 31, 2019		2020 Authorization	Paid or Charged	Balance December 31, 2020	
			Funded	Unfunded			Funded	Unfunded
12-14	Improvements to Township Pools	\$ 2,049,000.00	\$ 9,224.84	\$ 50.00			\$ 9,224.84	\$ 50.00
23-15	Swimming Pool Improvements & Equipment	215,000.00	115,000.00				115,000.00	
11-16	Swimming Pool Improvements & Equipment	235,000.00	79,155.16				79,155.16	
12-17	Swimming Pool Improvements & Equipment	200,000.00	178,860.00			\$ 13,351.80	165,508.20	
21-18	Swimming Pool Improvements & Equipment	65,000.00	65,000.00				65,000.00	
15-19	Swimming Pool Improvements & Equipment	86,500.00	86,250.00	250.00		17,485.00	68,765.00	250.00
9-20 & 30-20	Swimming Pool Improvements	122,500.00			\$ 122,500.00	5,300.00	825.00	116,375.00
			<u>\$ 533,490.00</u>	<u>\$ 300.00</u>	<u>\$ 122,500.00</u>	<u>\$ 36,136.80</u>	<u>\$ 503,478.20</u>	<u>\$ 116,675.00</u>
			Ref. F	F	Below	F-5	F	F
					Ref.			
				Capital Improvement Fund	F-11	\$ 6,125.00		
				Bonds and Notes Authorized	F-18	<u>116,375.00</u>		
					F-8	<u>\$ 122,500.00</u>		

TOWNSHIP OF MORRIS
POOL UTILITY FUND

RESERVE FOR AMORTIZATION
POOL UTILITY CAPITAL FUND
YEAR ENDED DECEMBER 31, 2020

F-17

	<u>Ref.</u>	
Balance, December 31, 2019	F	\$ 5,464,281.15
Increased by:		
Paid by Budget Appropriation - Serial Bonds	F-15	<u>346,000.00</u>
Balance, December 31, 2020	F	<u><u>\$ 5,810,281.15</u></u>

TOWNSHIP OF MORRIS
POOL UTILITY FUND

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
POOL UTILITY CAPITAL FUND
YEAR ENDED DECEMBER 31, 2020

F-18

<u>Ord No.</u>	<u>Improvement Description</u>	<u>Balance</u> <u>December 31,</u> <u>2019</u>	<u>Authorizations</u>	<u>Balance</u> <u>December 31,</u> <u>2020</u>
12-14	Improvements to Township Pools	\$ 50.00		\$ 50.00
15-19	Improvements to Township Pools	250.00		250.00
09-20	Improvements to Township Pools	<u> </u>	<u>\$ 116,375.00</u>	<u>116,375.00</u>
		<u>\$ 300.00</u>	<u>\$ 116,375.00</u>	<u>\$ 116,675.00</u>
<u>Ref.</u>		F	F-16	F

TOWNSHIP OF MORRIS
PARKING UTILITY

CASH RECEIPTS, DISBURSEMENTS AND RECONCILIATION -
TREASURER
YEAR ENDED DECEMBER 31, 2020

G-4

	<u>Ref.</u>	<u>Operating Fund</u>	<u>Capital Fund</u>
Balance, December 31, 2019	G	\$ 826,806.61	\$ 190,943.65
Increased by Receipts:			
Parking Lot Fees and Permit Fees	G-2	\$ 163,321.10	
Miscellaneous Revenue	G-2	8,378.52	
Voided Checks	G-1	485.00	
Budget Appropriation	G-11	<u> </u>	<u>\$ 130,000.00</u>
		172,184.62	130,000.00
		998,991.23	320,943.65
Increased by Disbursements:			
Anticipated Revenue - Current Fund	G-1	50,000.00	
Budget Appropriations	G-3	378,132.25	
Improvement Authorizations	G-10		43,275.00
Appropriation Reserves	G-9	6,308.02	
Accrued Interest on Bonds	G-14	<u>4,896.00</u>	
		439,336.27	43,275.00
Balance, December 31, 2020	G	<u><u>\$ 559,654.96</u></u>	<u><u>\$ 277,668.65</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MORRIS
PARKING UTILITY

CAPITAL CASH
DECEMBER 31, 2020 AND 2019

G-5

	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Balance</u> <u>Dec. 31, 2019</u>
<u>Other Accounts</u>		
Capital Improvement Fund	\$ 9,550.00	\$ 9,550.00
Fund Balance	24,684.00	24,684.00
Improvement Authorizations		
Ordinance # 24-15	131,709.65	131,709.65
Ordinance # 17-19	19,825.00	25,000.00
Ordinance # 10-20	91,900.00	
	<u>\$ 277,668.65</u>	<u>\$ 190,943.65</u>
<u>Ref.</u>	G-4	G-4

TOWNSHIP OF MORRIS
PARKING UTILITY

ACCOUNTS PAYABLE
PARKING UTILITY OPERATING FUND
YEAR ENDED DECEMBER 31, 2020

G-6

	<u>Ref.</u>		
Balance, December 31, 2019 and 2020	G	\$	<u>916.00</u>

See accompanying notes to financial statements.

TOWNSHIP OF MORRIS
PARKING UTILITY

FIXED CAPITAL
PARKING UTILITY CAPITAL FUND
DECEMBER 31, 2020

G-7

	Balance Dec. 31, 2019	Balance Dec. 31, 2020
Construction of Various Parking Decks	\$ 1,587,635.77	\$ 1,587,635.77
<u>Ref.</u>	G	G

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
PARKING UTILITY CAPITAL FUND
DECEMBER 31, 2020

G-8

	Ref.		
Balance, December 31, 2019	G	\$	156,709.65
Increased by:			
Improvement Authorization	G-10		130,000.00
Balance, December 31, 2020	G	\$	286,709.65

<u>Improvement Description</u>	<u>Ordinance Amount</u>	<u>Date</u>	<u>Amount</u>
Drainage Improvements at Convent Station	\$ 25,000.00	4/17/2019	\$ 25,000.00
Improvements to Convent Station Parking Lot	131,709.65	6/17/2015	131,709.65
Improvements to Convent Station Parking Lot	130,000.00	5/20/2020	130,000.00
	\$ 286,709.65		\$ 286,709.65

See accompanying notes to financial statements.

TOWNSHIP OF MORRIS
PARKING UTILITY

APPROPRIATION RESERVES
PARKING UTILITY OPERATING FUND
YEAR ENDED DECEMBER 31, 2020

G-9

	Balance Dec. 31, 2019		Balance After Transfers	Paid or Charged	Balance Lapsed
	Committed	Reserved			
<u>Operating</u>					
Salaries and Wages		\$ 7,048.25	\$ 7,048.25		\$ 7,048.25
Other Expenses	\$ 6,169.20	6,220.48	12,389.68	\$ 6,308.02	6,081.66
<u>Statutory Expenditures</u>					
Social Security System		363.23	363.23		363.23
	<u>\$ 6,169.20</u>	<u>\$ 13,631.96</u>	<u>\$ 19,801.16</u>	<u>\$ 6,308.02</u>	<u>\$ 13,493.14</u>
<u>Ref.</u>	G	G		G-4	G-1

TOWNSHIP OF MORRIS
PARKING UTILITY

IMPROVEMENT AUTHORIZATIONS
PARKING UTILITY CAPITAL FUND
YEAR ENDED DECEMBER 31, 2020

G-10

<u>Improvement Description</u>	<u>Ordinance</u>			<u>Balance</u>	<u>2020</u>	<u>Paid or</u>	<u>Balance</u>
	<u>Number</u>	<u>Date</u>	<u>Amount</u>	<u>Dec. 31, 2019</u>			<u>Authorizations</u>
				<u>Funded</u>		<u>Charged</u>	<u>Funded</u>
Improvements to Convent Station Parking Lot	24-15	6/17/2015	\$ 180,000.00	\$ 131,709.65			\$ 131,709.65
Drainage Improvements at Convent Station	17-19	4/17/2019	25,000.00	25,000.00		\$ 5,175.00	19,825.00
Improvements to Convent Station Parking Lot	10-20	5/20/2020	130,000.00		\$ 130,000.00	38,100.00	91,900.00
				<u>\$ 156,709.65</u>	<u>\$ 130,000.00</u>	<u>\$ 43,275.00</u>	<u>\$ 243,434.65</u>
			<u>Ref.</u>	G	G-8, G-11	G-4	G

TOWNSHIP OF MORRIS
PARKING UTILITY

CAPITAL IMPROVEMENT FUND
PARKING UTILITY CAPITAL FUND
YEAR ENDED DECEMBER 31, 2020

G-11

	<u>Ref.</u>	
Balance, December 31, 2019	G	\$ 9,550.00
Increased by:		
Budget Appropriation	G-4	130,000.00
		<u>139,550.00</u>
Decreased by:		
Applied to Improvement Authorization	G-10	130,000.00
		<u>130,000.00</u>
Balance, December 31, 2020	G	<u>\$ 9,550.00</u>

G-12

RESERVE FOR AMORTIZATION
PARKING UTILITY CAPITAL FUND
YEAR ENDED DECEMBER 31, 2020

	<u>Ref.</u>	
Balance, December 31, 2019	G	\$ 1,326,345.42
Increased by:		
Serial Bonds Paid by Operating Budget:		
Current Year	G-15	54,000.00
		<u>54,000.00</u>
Balance, December 31, 2020	G	<u>\$ 1,380,345.42</u>

See accompanying notes to financial statements.

TOWNSHIP OF MORRIS
PARKING UTILITY

G-13

DEFERRED RESERVE FOR AMORTIZATION
PARKING UTILITY CAPITAL FUND
YEAR ENDED DECEMBER 31, 2020

<u>Improvement Description</u>	<u>Date</u>	<u>Balance Dec. 31, 2019</u>	<u>Increased by Authorization</u>	<u>Balance Dec. 31, 2020</u>
Improvements to Convent Station Parking Lot (Ordinance # 24-15)	6/17/2015	\$ 180,000.00		\$ 180,000.00
Drainage Improvements at Convent Station (Ordinance # 17-19)	4/17/2019	25,000.00		25,000.00
Improvements to Convent Station Parking Lot (Ordinance # 10-20)	5/20/2020	<u> </u>	<u>\$ 130,000.00</u>	<u>130,000.00</u>
		<u>\$ 205,000.00</u>	<u>\$ 130,000.00</u>	<u>\$ 335,000.00</u>
	<u>Ref.</u>	G	G-10	G

TOWNSHIP OF MORRIS
PARKING UTILITY

ACCRUED INTEREST ON BONDS
PARKING UTILITY OPERATING FUND
YEAR ENDED DECEMBER 31, 2020

G-14

	<u>Ref.</u>	
Balance, December 31, 2019	G	\$ 1,153.00
Increased by:		
Budget Appropriation	G-3	4,536.50
		5,689.50
Decreased by:		
Payments	G-4	4,896.00
		4,896.00
Balance, December 31, 2020	G	\$ 793.50

Analysis of Balance

<u>Bonds Outstanding</u>	<u>Interest</u>	<u>Accrued</u>		<u>Period</u>	<u>Amount</u>
Dec. 31, 2020	Rate	<u>From</u>	<u>To</u>		
\$ 24,000.00	4.000%	9/15/2020	12/31/2020	3.5 Months	\$ 280.00
135,000.00	2.000%	10/15/2020	12/31/2020	2.5 Months	562.50
<u>\$ 159,000.00</u>					<u>842.50</u>
Less: Amount to be Raised in Succeeding Year's Budget					\$ 49.00
					<u>\$ 793.50</u>

TOWNSHIP OF MORRIS
PARKING UTILITY

G-15

SERIAL BONDS
PARKING UTILITY CAPITAL FUND
YEAR ENDED DECEMBER 31, 2020

Purpose	Date of Issue	Amount of Original Issue	Bonds Outstanding Dec. 31, 2020		Interest Rate	Balance	Decrease	Balance
			Date	Amount		Dec. 31, 2019		Dec. 31, 2020
Parking Lot Refunding Bonds of 2014	7/1/2014	\$ 140,000.00	9/15/2021	\$ 24,000.00	4.000 %	\$ 48,000.00	\$ 24,000.00	\$ 24,000.00
Parking Lot Bonds of 2014	10/15/2014	285,000.00	10/15/2021	30,000.00	2.000	<u>165,000.00</u>	<u>30,000.00</u>	<u>135,000.00</u>
			10/15/2022	35,000.00	2.000			
			10/15/2023	35,000.00	2.000			
			10/15/2024	35,000.00	2.000			
						<u>\$ 213,000.00</u>	<u>\$ 54,000.00</u>	<u>\$ 159,000.00</u>
					<u>Ref.</u>	G	G-3, G-12	G

See accompanying notes to financial statements.

TOWNSHIP OF MORRIS
PARKING UTILITY FUND

DEFERRED CHARGES
N.J.S.A. 40A:4-55 SPECIAL EMERGENCY
YEAR ENDED DECEMBER 31, 2020

G-16

<u>Purpose</u>	<u>Net Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance Dec. 31, 2019</u>	<u>Increase</u>	<u>Balance Dec. 31, 2020</u>
Anticipated Deficit in Operations	\$ 193,962.74	\$ 38,792.55	\$ -	\$ 193,962.74	\$ 193,962.74
	<u>\$ 193,962.74</u>	<u>\$ 38,792.55</u>	<u>\$ -</u>	<u>\$ 193,962.74</u>	<u>\$ 193,962.74</u>
		<u>Ref.</u>	G	G-1	G

TOWNSHIP OF MORRIS
PUBLIC ASSISTANCE FUND

RESERVE FOR PUBLIC ASSISTANCE
YEAR ENDED DECEMBER 31, 2020

H-1

	<u>Ref</u>	
Balance, December 31, 2019	H	\$ 55,815.79
Increased by:		
Interest Earned	H-1	467.11
		56,282.90
Decreased by:		
Due Currend Fund - Interest Earned	H-1	467.11
		467.11
Balance, December 31, 2020	H	\$ 55,815.79

**TOWNSHIP OF MORRIS
MORRIS COUNTY, NEW JERSEY**

PART III

**ROSTER OF OFFICIALS
LETTER OF COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2020**

TOWNSHIP OF MORRIS
OFFICIALS IN OFFICE AND SURETY BONDS
DECEMBER 31, 2020

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Name of Corporate or Personal Surety</u>
Catherine J. Wilson	Mayor/Committeewoman		
Jeffrey R. Grayzel	Deputy Mayor/Committeeman		
John D. Arvanites	Committeeman		
Mark J. Gyorfy	Committeeman		
Peter V. Mancuso	Committeeman		
Timothy F. Quinn	Township Administrator	(B)	Garden State Municipal Joint Ins. Fund
Cathleen Y. Amelio	Township Clerk	(B)	Garden State Municipal Joint Ins. Fund
Rebecca M. Roth	Tax Collector; Sewer Utility Collector; Tax Search Officer	(A)	Garden State Municipal Joint Ins. Fund
Kathryn Viarengo	Tax Assessor	(B)	Garden State Municipal Joint Ins. Fund
Francine DeAngelis	Director of Finance; Chief Financial Officer; Treasurer	(A)	Garden State Municipal Joint Ins. Fund
Rebecca M. Roth	Purchasing Agent	(B)	Garden State Municipal Joint Ins. Fund
Scott Carlson	Township Attorney		
Matthew R. Petracca	Municipal Prosecutor		
Albert Mastrobattista	Construction Code Official	(B)	Garden State Municipal Joint Ins. Fund
James R. Slate	Engineer	(B)	Garden State Municipal Joint Ins. Fund

(A) Surety bond coverage is provided as follows:

Garden State Municipal Joint Insurance Fund - \$50,000 Basic Coverage
Municipal Excess Liability Joint Insurance Fund - \$950,000 Excess coverage

(B) All employees, who are not specifically bonded, are covered under \$50,000 and \$950,000 Faithful Performance Bonds provided by Garden State Municipal Joint Insurance Fund And the Municipal Excess Liability Joint Insurance Fund, respectively.

TOWNSHIP OF MORRIS GENERAL COMMENTS

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

N.J.S.A. 40A:11-4, as amended, states “Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the Governing Body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the amount set forth in, or the amount calculated by the Governor pursuant to (N.J.S.A. 40A:11-3c), except by contract or agreement.”

It is pointed out that the Township Committee has the responsibility of determining whether the expenditures in any category will exceed the threshold set for the fiscal year and, where question arises as to whether any contract or agreement might result in violation of the statute, the opinion of the Township Attorney should be sought before a commitment is made.

The bidding threshold for the period under audit is \$44,000.00 in accordance with the provisions of N.J.S.A. 40A:11-3c based on the appointment of a qualified purchasing agent.

Purchases, Contracts or Agreements Not Required to be Advertised (N.J.S.A. 40A:11-6.1)

N.J.S.A. 40A:11-6.1 states, “Except contracts which require the performance of professional services, all contracts or agreements which do not require public advertising for bids and the estimated cost or price exceeds fifteen percent of the bid threshold or \$6,600.00, at least two quotations as to the cost or price, whenever practicable, shall be solicited by the contracting agent, and the contract or agreement shall be made with and awarded to the lowest responsible bidder.”

Reference is made to the Local Public Contract Guidelines and Local Public Contract Regulations promulgated by the New Jersey Division of Local Government Services in the Department of Community Affairs.

Collection of Interest on Delinquent Taxes and Other Municipal Charges

N.J.S.A. 54:4-47, as amended, provides the method for authorizing interest and the maximum rate to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The Governing Body adopted the following resolution in January 2020 authorizing interest to be charged on delinquent taxes, assessments and utility bills:

“WHEREAS, R.S. 54:4-66 regulates the due dates for the payment of taxes and assessments,
and

WHEREAS, Chapter 105, P.L. 1965, amending R.S. 54:4-67 authorizes the municipalities to provide a grace period not exceeding ten (10) days.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Township of Morris that the Collector is hereby authorized to allow a period of ten (10) days grace from the installment due date before charging interest; after ten (10) days, interest reverts back to the due date, and

BE IT FURTHER RESOLVED that the rate of interest to be charged for the payment of taxes or assessments or sewer and water utility bills, when they become delinquent, shall be at the rate of eight percent (8%) per annum on the first \$1,500.00 of the delinquency, and eighteen percent (18%) per annum in the excess of \$1,500.00 and an additional penalty of six percent (6%) on any delinquency in excess of \$10,000.00 for the prior year.

Tests of the Tax Collector's records indicate that interest was collected in accordance with the provisions of the foregoing ordinance.

Delinquent Taxes and Tax Title Liens

The last tax sale was held on October 28, 2020. Amounts not included in this sale were for amounts in litigation.

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

<u>Year</u>	<u>Number of Liens</u>
2020	7
2019	4
2018	7

Revenues

Receipts from licenses, fees, fines and costs, etc., for all departments, including the Municipal Court, were checked to the records maintained to the extent deemed necessary. No exceptions were noted.

Purchase Order System and Encumbrance System

The Township's budgetary operation is on a full encumbrance system with the exception of payrolls and other direct costs. All purchases are made directly by the purchasing department or subsequently confirmed on an emergency basis. Tests of the system disclosed no exceptions during 2020. Blanket orders and other outstanding encumbrances were reviewed at the close of the year, and adjustments and cancellations were made where appropriate to reflect actual commitments outstanding for budgetary control.

Status of Prior Years' Audits Recommendations

There were no recommendations noted in the prior year audit; therefore, corrective action was not necessary during 2020.

Miscellaneous

A separate report summarizing collections of Dog License Fees and remittances of State Registration Fees was also prepared and filed with the New Jersey Department of Health and the Division of Local Government Services.

A separate report on the operations of the Uniform Construction Code office was also prepared and filed with the New Jersey Division of Local Government Services.

Revenue and receipts were established and verified as to source and amount only insofar as the local records permitted.

In verifying expenditures, computations were tested on the basis of a statistical sampling of claims approved and paid. Not attempt was made in this connection to establish proof of prices or receipts of materials, these elements being left necessarily to internal review in connection with approval of claims.

The propriety of deductions from employees' individual gross salaries for pensions, withholding tax, social security and other purposes was not verified as part of this examination. Remittance to authorized agencies of the amounts deducted were ascertained.

A copy of this report was filed with the State of New Jersey, Director of the Division of Local Government Services, Department of Community Affairs.

A summary or synopsis of this report was prepared for publication and filed with the Township Clerk.

RECOMMENDATIONS

None

We shall be pleased to confer with the Mayor and Township Committee on questions that might arise with respect to any matters in this report.

We would like to express our appreciation for the assistance and effort rendered by the Township officials and employees during the course of the examination.

Respectfully submitted,

PKF O'Connor Davies, LLP

August 23, 2021
Cranford, New Jersey

David J. Gannon

David J. Gannon, CPA
Registered Municipal Accountant, No. 520