

TOWN OF MORRIS, CONNECTICUT

ANNUAL FINANCIAL REPORT

June 30, 2023

TOWN OF MORRIS, CONNECTICUT
JUNE 30, 2023

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INDEPENDENT AUDITOR'S REPORT

Board of Finance
Town of Morris, Connecticut
Morris, CT 06763

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Morris Connecticut, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town of Morris, Connecticut's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Morris, Connecticut as of June 30, 2023, and the respective changes in the financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Morris, Connecticut and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, which raise substantial doubt about The Town of Morris, Connecticut's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we;

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Town of Morris, Connecticut's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in aggregate, which raise substantial doubt about the Town of Morris, Connecticut's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis* on pages 4a through 4f and the required supplemental information relating to pension on pages 40-48, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Morris, Connecticut's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules, the statement of changes in fund balance – by project, the schedule of property taxes levied, collected and outstanding, and the schedule of debt limitation are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules described in the above paragraph are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 2023, on our consideration of the Town of Morris, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Morris, Connecticut's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Morris, Connecticut's internal control over financial reporting and compliance.

CLERMONT & ASSOCIATES, LLC
Waterbury, Connecticut

A handwritten signature in cursive script that reads "Clermont & Associates, LLC".

October 19, 2023

TOWN OF MORRIS, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023

This discussion and analysis of the Town of Morris, Connecticut's (the "Town") financial performance is provided by management to provide an overview of the Town's financial activities for the fiscal year ended June 30, 2023. Please read this MD&A in conjunction with the Town's financial statements.

Financial Highlights

- The net position of our governmental activities increased by \$464 thousand.
- The net position of our business-type activities decreased by \$37 thousand.
- The General Fund reported a fund balance this year of \$2.1 million; \$70 thousand more than the General Fund balance reported in the prior year.
- The Town maintained a capital reserve fund balance of \$1.3 million, this increased by \$55 thousand from the prior year.

Overview of the Financial Statements

This annual report consists of a series of financial statements. The statement of net position and the statement of activities (Exhibits A and B, respectively) provide information about the activities of the Town as a whole and present a long-term view of the Town's finances. Fund financial statements are presented in Exhibits C and D. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. In addition, the Town maintains the Morris Sewer Authority as a proprietary fund (Exhibit G, H, and I). The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside of the government.

Government-Wide Financial Statements

The analysis of the Town as a whole begins on Exhibits A and B. The statement of net position and the statement of activities reports information about the Town as a whole and about its activities for the current period. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report on the Town's net position and related changes. The Town's net position, the difference between assets and liabilities, is one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net position are one indicator of whether its financial health is improving or deteriorating. The reader needs to consider other nonfinancial factors, such as changes in the Town's property tax base and the condition of the Town's capital assets, to assess the overall health of the Town.

Government-Wide Financial Statements (continued)

In the statement of net position and the statement of activities, the Town reports its activities as follows:

- *Governmental activities* - The Town's basic services are reported here, including general government, public safety, community services, public works, education, public library, and municipal facilities. Property taxes, charges for services, and state and federal grants finance most of these activities.
- *Business-type activities* - Morris Sewer Authority's activity is reported here.

Fund Financial Statements

The fund financial statements begin with Exhibit C and provide detailed information about the most significant funds - not the Town as a whole. Some funds are required to be established by State Statute. However, the Board of Selectman establishes many other funds to help control and manage financial activities for particular purposes or to show that it is meeting legal responsibilities for using grants and other money (like grants received for education from the State and Federal governments). The Town's funds are divided into three categories: governmental, proprietary, and fiduciary.

- *Governmental funds (Exhibits C and D)* - Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is described in a reconciliation at the bottom of the fund financial statements.
- *Proprietary funds (Exhibits G, H, and I)* - When the Town charges customers for the services it provides, whether to outside customers or to other units of the Town, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities.
- *Fiduciary funds (Exhibits J and K)* - The Town is the trustee, or fiduciary, for its employees' pension plans. All the Town's fiduciary activities are reported in separate statements of fiduciary net assets and changes in fiduciary net position. These activities are excluded from the Town's other financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Government-Wide Financial Analysis

The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the Town's governmental activities. The Town's net position for governmental activities increased \$464 thousand from \$10.5 million in 2022 to \$11.0 million in 2023.

Table 1: Net Position (In Thousands)

	Governmental Activities	
	2023	2022
Current and other assets	\$ 4,591,712	4,339,081
Capital assets	7,816,533	7,589,923
Deferred outflows	185,714	341,196
Total assets & deferred inflows	\$ 12,593,959	12,270,200
Current and other liabilities	\$ 748,872	691,806
Deferred inflows	117,025	83,237
Long-term liabilities	740,468	971,834
Total liabilities & deferred outflows	\$ 1,606,365	1,746,877
Net position:		
Investment in capital assets	\$ 7,816,533	7,589,923
Restricted	45,740	1,725
Unrestricted	3,125,321	2,931,675
Total net position	\$ 10,987,594	10,523,323

Table 2: Change In Net Assets (In Thousands)

	Governmental Activities	
	2023	2022
Revenues:		
Program revenues:		
Charges for services	\$ 343,414	280,340
Operating grants and contributions	171,491	165,340
Capital grants and contributions	321,583	420,747
General revenues:		
Property taxes	8,688,999	8,556,236
Grants and contributions not restricted to specific purposes	74,193	27,440
Unrestricted investment earnings and other revenues	146,520	5,157
Other general revenues (and transfers)	13,210	12,787
Total revenues	\$ 9,759,410	9,468,047
Program expenses:		
General government	\$ 1,115,409	1,073,596
Public safety	526,401	663,243
Public works	1,690,548	1,365,607
Public health	63,377	19,725
Culture and recreation	364,269	392,575
Education	5,535,135	5,578,650
Total program expenses	\$ 9,295,139	9,093,396
Increase (decrease) in net position	\$ 464,271	374,651

Town Funds Financial Analysis

Governmental Funds

As the Town completed the year, its governmental funds (as presented in the balance sheet - Exhibit C) reported a combined fund balance of \$3.6 million which was a \$89 thousand increase from the previous year. Included in this year's total change in fund balance were a \$55 thousand increase in the capital projects fund and a \$70 thousand increase in the general fund. The General Fund balance decrease and capital projects fund increase is due to \$730 thousand budget transfer to the capital project's fund from the general fund.

Under the American Recovery Plan Act (ARPA), the Town has authorized \$648 thousand to be expended on various projects fully funded by the federal government. As of June 30, 2023, \$233,057 has been expended.

Proprietary Funds

The Town reports the Sewer Authority as a proprietary fund (Exhibit G, H, and I). Under this presentation, the operating loss was \$37 thousand, which included depreciation expense of \$66 thousand. Net fund position at year end included \$1.2 million of net capital investment and \$322 thousand unrestricted.

General Fund Budgetary Highlights

Exhibit F shows the summary information of budget to actual revenues, expenditures, and changes in undesignated, unreserved fund balance (funds available to be appropriated).

- Property tax collections and building inspection fees were significantly more than expected, which provided for an additional \$135 thousand and \$76 thousand in revenues over budget.
- All departments expended less than the budgeted amounts with the largest savings in the general government.
- The \$506 thousand transfer into the capital fund caused the reduction in fund balance.

The unassigned fund balance was \$1.6 million and available to appropriate.

Capital Assets

At June 30, 2023, the Town had approximately \$9.0 million invested in a broad range of capital assets, including land, buildings, park facilities, vehicles and equipment, roads, bridges, and sewer lines. The total Town's amount represents a monomial increase (including additions and deductions) of \$226 thousand, net of depreciation expenses. The largest increase includes a fire engine, funded by Town surplus, and improvements to the transfer station, which was funded by a state grant.

Table 3: Capital Assets (Net of Depreciation)

		Governmental Activities	
		2023	2022
Land	\$	448,223	448,223
Construction in progress		-	-
Buildings and improvements		1,049,211	981,327
Land improvements		989,783	1,023,234
Machinery and equipment		981,202	740,073
Infrastructure		4,348,114	4,397,066
Totals	\$	<u>7,816,533</u>	<u>7,589,923</u>
		Business-type Activities	
		2023	2022
Sewer collection system	\$	<u>1,201,427</u>	<u>1,267,257</u>

Long-Term Liabilities

At June 30, 2023, the Town had \$740 thousand in long-term liabilities versus \$972 thousand last year. The decrease is the result of the investments in the pension trust funds.

Other obligations include accrued vacation pay and sick leave, net pension, and the monitoring of the Town's landfill closure. More detailed information about the Town's long-term liabilities is presented in Note 8 to the financial statements. The Town paid off all debt during the 2021 fiscal year and plans to fund future capital improvements through operating surplus to reduce the need for long-term borrowing.

Economic Factors and Next Year's Budgets and Rates

The Town's elected and appointed officials considered many factors when setting the fiscal-year 2023 budget tax rates.

- The economy in Connecticut and particularly Litchfield County impact development in the Town.
- Reductions in State of Connecticut grant revenues for the past 2 years.
- The Board of Selectmen continue to be diligent in ensuring that services are provided to the town of Morris residents and the assets are well maintained while managing costs.
- In June 30, 2023, the Town elected to be part of Regional School District No. 20 beginning with the 2024/2025 school year. The member Towns of this district will include Morris, Warren, Goshen, and Litchfield.

These indicators along with a projected modest inflationary increase were considered when proposing the General Fund budget for 2022-23.

Contacting the Town's Financial Management

This financial report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town's Treasurer at 3 East Morris Street, Morris, Connecticut, 06763.

STATEMENT OF NET POSITION

June 30, 2023

	Governmental Activities	Business-type Activities	Total*
Assets:			
Cash and cash equivalents	\$ 3,965,588	318,842	4,284,430
Investments	312,478		312,478
Receivables, net	312,746	3,274	316,020
Prepaid expenses	900		900
Internal balances			-
Capital assets:			
Capital assets, not being depreciated	448,223		448,223
Capital assets, being depreciated, net	7,368,310	1,201,427	8,569,737
Total assets	\$ 12,408,245	1,523,543	13,931,788
Deferred outflows on resources:			
Deferred pension expenses	\$ 185,714		185,714
Total deferred outflows on resources	\$ 185,714	-	185,714
Liabilities:			
Accounts payable and other current liabilities	\$ 310,178		310,178
Unearned revenues	438,694		438,694
Noncurrent liabilities:			
Due in more than one year	740,468		740,468
Total liabilities	\$ 1,489,340	-	1,489,340
Deferred inflows on resources:			
Deferred pension credit	\$ 117,025		117,025
Total deferred inflows on resources	\$ 117,025	-	117,025
Net position:			
Invested in capital assets, net of related debt	\$ 7,816,533	1,201,427	9,017,960
Restricted	45,740		45,740
Unrestricted	3,125,321	322,116	3,447,437
Total net position	\$ 10,987,594	1,523,543	12,511,137

* After internal balances have been eliminated

The notes to the financial statements are an integral part of this statement.

TOWN OF MORRIS, CONNECTICUT

EXHIBIT B

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

					Net (Expenses) Revenue and Changes in Net Position		
					Primary Government		
Functions/programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ (1,115,409)	218,714			(896,695)		(896,695)
Public safety	(526,401)				(526,401)		(526,401)
Public works	(1,690,548)	79,181		321,583	(1,289,784)		(1,289,784)
Public health	(63,377)		6,530		(56,847)		(56,847)
Culture and recreation	(364,269)	45,519	1,225		(317,525)		(317,525)
Education	(5,535,135)		163,736		(5,371,399)		(5,371,399)
Total governmental activities	\$ (9,295,139)	343,414	171,491	321,583	(8,458,651)	-	(8,458,651)
Business-type activities:							
Sewer Authority	\$ (139,204)	100,654				(38,550)	(38,550)
Total business-type activities	\$ (139,204)	100,654	-	-	-	(38,550)	(38,550)
Total primary government	\$ (9,434,343)	444,068	171,491	321,583	(8,458,651)	(38,550)	(8,497,201)
General revenues:							
Property taxes					\$ 8,688,999		8,688,999
Grants and contributions not restricted for specific purposes					74,193		74,193
Unrestricted investment earnings					146,520	1,194	147,714
Other unrestricted income					13,210		13,210
Total general revenues					\$ 8,922,922	1,194	8,924,116
Change in net position					\$ 464,271	(37,356)	426,915
Net position, beginning					10,523,323	1,560,899	12,084,222
Net position, ended					\$ 10,987,594	1,523,543	12,511,137

The notes to the financial statements are an integral part of this statement.

TOWN OF MORRIS, CONNECTICUT

EXHIBIT C

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023

	General	Capital & Nonrecurring	American Recovery Plan	Other Governmental Funds	Total Governmental Funds
Assets:					
Cash and cash equivalents	\$ 2,295,544	1,585,663		84,381	3,965,588
Investments	11,954	275,189		25,335	312,478
Receivables, net	173,938			138,808	312,746
Due from other funds	61,100	57	448,133	4,416	513,706
Prepaid expenses	900				900
Total assets	<u>\$ 2,543,436</u>	<u>1,860,909</u>	<u>448,133</u>	<u>252,940</u>	<u>5,105,418</u>
Liabilities:					
Accounts and other payables	\$ 306,135	4,043			310,178
Payments in advance	263		434,015	4,416	438,694
Due to other funds		513,325		381	513,706
Total liabilities	<u>\$ 306,398</u>	<u>517,368</u>	<u>434,015</u>	<u>4,797</u>	<u>1,262,578</u>
Deferred inflows of resources:					
Unavailable receipts	\$ 140,585			138,808	279,393
Total deferred inflows of resources	<u>\$ 140,585</u>	<u>-</u>	<u>-</u>	<u>138,808</u>	<u>279,393</u>
Fund balances:					
Nonspendable	\$ 900	-			900
Restricted for donor's intentions	1,725		14,118	29,897	45,740
Committed for:					
Specified use	473,595	1,209,806			1,683,401
Assigned		133,735		79,819	213,554
Unassigned	1,620,233			(381)	1,619,852
Total fund balances	<u>\$ 2,096,453</u>	<u>1,343,541</u>	<u>14,118</u>	<u>109,335</u>	<u>3,563,447</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,543,436</u>	<u>1,860,909</u>	<u>448,133</u>	<u>252,940</u>	

Amounts reported for governmental activities in the Statement of Net Position (**Exhibit A**) are different because:

Capital assets used in the governmental activities are not financial resources, and therefore, are not reported in the funds.	7,816,533
Other long-term assets are not available to pay for current period expenditures, and therefore, are deferred in the funds.	279,393
Long-term liabilities , including bonds payable, are not due and payable in the current period, and therefore, are not reported in the funds.	(740,468)
Pension costs , including differences between expected and actual pension experiences, change in pension assumptions and net difference between projected and actual pension earnings.	68,689
Net position of governmental activities (Exhibit A)	<u>\$ 10,987,594</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF MORRIS, CONNECTICUT

EXHIBIT D

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2023

	General	Capital Projects	American Recovery Plan	Other Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes and assessments	\$ 8,582,595				8,582,595
Intergovernmental	263,898		118,676	184,693	567,267
Charges for services	243,944			17,711	261,655
Investment income	77,690	53,143	14,118	1,569	146,520
Miscellaneous	30,921			64,048	94,969
Total revenues	\$ 9,199,048	53,143	132,794	268,021	9,653,006
Expenditures:					
Current:					
General government	\$ 981,733				981,733
Public safety	487,383				487,383
Public works	1,057,873			268,100	1,325,973
Public health	20,730		6,530	24,991	52,251
Culture and recreation	312,890		863		313,753
Education	5,535,135				5,535,135
Other	227,122			25,563	252,685
Capital outlay		503,649	111,283		614,932
Total expenditures	\$ 8,622,866	503,649	118,676	318,654	9,563,845
Excess (deficiency) of revenues over (under) expenditures	\$ 576,182	(450,506)	14,118	(50,633)	89,161
Other financing sources (uses):					
Transfer from other funds	\$	506,000		-	506,000
Transfer to other funds	(506,000)			-	(506,000)
Total other financing sources (uses)	\$ (506,000)	506,000	-	-	-
Net changes in fund balances	\$ 70,182	55,494	14,118	(50,633)	89,161
Fund balances (deficits) - beginning	2,026,271	1,288,047	-	159,968	3,474,286
Fund balances (deficits) - ended	\$ 2,096,453	1,343,541	14,118	109,335	3,563,447

The notes to the financial statements are an integral part of this statement.

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

Differences in amounts reported for government-wide activities in the Statement of Activities are due to:

Net change in fund balances - total governmental funds (Exhibit D)	\$ 89,161
Governmental funds report capital outlays as expenditures; however, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	226,610
Revenues previously recognized in the statement of activities that provided current financial resources in the current year.	106,404
The issuance of long-term liabilities provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	231,366
Pension expenses and credits as a result of changes in assumptions and expectation are recognized in the government-wide financial statements but are not included in the fund financial statements.	<u>(189,270)</u>
Change in net position of governmental activities (Exhibit B)	\$ <u><u>464,271</u></u>

The notes to the financial statements are an integral part of this statement.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN UNASSIGNED FUND BALANCE -
BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive/ (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 8,447,080	8,447,080	8,582,595	135,515
Intergovernmental	235,178	235,178	263,898	28,720
Charges for services	171,825	171,825	243,944	72,119
Investment income	3,020	3,020	77,690	74,670
Other revenues	4,724	4,724	30,921	26,197
Total revenues	<u>\$ 8,861,827</u>	<u>8,861,827</u>	<u>9,199,048</u>	<u>337,221</u>
Expenditures:				
Current:				
General government	\$ 1,064,962	1,132,601	981,733	150,868
Public safety	498,410	498,410	487,383	11,027
Public works	1,023,400	1,023,400	1,057,873	(34,473)
Health and welfare	21,080	21,080	20,730	350
Culture and recreation	317,082	317,082	312,890	4,192
Education	5,535,136	5,535,136	5,535,135	1
Other	372,672	355,031	227,122	127,909
Total expenditures	<u>\$ 8,832,742</u>	<u>8,882,740</u>	<u>8,622,866</u>	<u>259,874</u>
Revenues over (under) expenditures	<u>\$ 29,085</u>	<u>(20,913)</u>	<u>576,182</u>	<u>597,095</u>
Other financing sources (uses):				
Capital improvement	\$ (506,000)	(506,000)	(506,000)	-
Proceeds from surplus	476,915	526,913	383,526	143,387
Total other financing sources (uses)	<u>\$ (29,085)</u>	<u>20,913</u>	<u>(122,474)</u>	<u>143,387</u>
Revenues over expenditures and other financing sources (uses)	<u>\$ -</u>	<u>-</u>	<u>453,708</u>	<u>453,708</u>

Appropriations from surplus:

2023/2024 prepaid budget expense	(900)
Committed for subsequent year's operating budget	<u>\$ (473,595)</u>

Net change in unassigned fund balance \$ (20,787)

Unassigned fund balance, July 1, 2022 1,641,020

Unassigned fund balance, June 30, 2023 \$ 1,620,233

The notes to the financial statements are an integral part of this statement.

STATEMENT OF NET FUND POSITION
 PROPRIETARY FUNDS
 June 30, 2023

	Business-type Activities
	Sewer Authority
Assets:	
Current assets:	
Cash and cash equivalents	\$ 318,842
Receivables, net of allowance	3,274
Total current assets	\$ 322,116
Noncurrent assets:	
Capital assets, net of accumulated depreciation	\$ 1,201,427
Total noncurrent assets	\$ 1,201,427
Total assets	\$ 1,523,543
Net fund position:	
Invested in capital assets, net of related debt	\$ 1,201,427
Unrestricted	322,116
Total net fund position	\$ 1,523,543

The notes to the financial statements are an integral part of this statement.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET FUND POSITION
 PROPRIETARY FUNDS
 For the Year Ended June 30, 2023

	Business-type Activities
	Sewer Authority
Operating revenues:	
Charges for services and other revenues	\$ 100,654
Total operating revenues	<u>\$ 100,654</u>
Operating expenses:	
Administration and operation	\$ 73,374
Depreciation and amortization	65,830
Total operating expenses	<u>\$ 139,204</u>
Operating income (loss)	<u>\$ (38,550)</u>
Nonoperating revenues (expenses):	
Interest income	\$ 1,194
Total nonoperating revenues (expenses)	<u>\$ 1,194</u>
Change in net fund position	<u>\$ (37,356)</u>
Net fund position, beginning	<u>1,560,899</u>
Net fund position, ended	<u><u>\$ 1,523,543</u></u>

The notes to the financial statements are an integral part of this statement.

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended June 30, 2023

	Business-type Activities
	Sewer Authority
Cash flows from operating activities:	
Receipts from customers and users	\$ 110,706
Payments to suppliers	(73,374)
Net cash flows from operating activities	\$ 37,332
Cash flows from investing activities:	
Transfer from investments	\$ -
Interest received on investments	1,194
Net cash provided by investing activities	\$ 1,194
Net increase (decrease) in cash and cash equivalents	\$ 38,526
Cash and cash equivalents, beginning	280,316
Cash and cash equivalents, ended	\$ 318,842
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:	
Operating income (loss)	\$ (38,550)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:	
Depreciation	65,830
Changes in assets and liabilities:	
Decrease (increase) in accounts receivable	10,052
Net cash flows from operating activities	\$ 37,332

The notes to the financial statements are an integral part of this statement.

STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 June 30, 2023

	Pension Trust Funds
Assets:	
Cash and cash equivalents	\$ 84,039
Investments, at fair value	<u>1,691,687</u>
Total assets	\$ <u>1,775,726</u>
Liabilities:	
Accrued expenses	\$ <u>-</u>
Net position:	
Held in trust for benefits and other purposes	\$ <u><u>1,775,726</u></u>

The notes to the financial statements are an integral part of this statement.

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 For the Year Ended June 30, 2023

	<u>Pension Trust Funds</u>
Additions:	
Contributions:	
Contributions and donations	\$ 185,000
Total contributions	<u>\$ 185,000</u>
Investment earnings:	
Net increase in fair value of investments	\$ 92,185
Interest and dividends	67,294
Less: investment expenses	
Total investment earnings	<u>\$ 159,479</u>
Total additions	<u>\$ 344,479</u>
Deductions:	
Administrative	\$ 13,188
Benefits	<u>141,197</u>
Total deductions	<u>\$ 154,385</u>
Change in net position	\$ 190,094
Net position, beginning	<u>1,585,632</u>
Net position, ended	<u><u>\$ 1,775,726</u></u>

The notes to the financial statements are an integral part of this statement.

TOWN OF MORRIS, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

The Town of Morris, Connecticut (the Town) was incorporated in 1859. It operates under a Selectmen/Town Meeting form of government with a Board of Finance and provides general government, public safety, public works, recreation, health and welfare, and sanitation services.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting board for governmental accounting financial reporting principles. These principles require that the Town report government-wide and fund financial statements.

The following is a summary of the Town's most significant accounting principles.

Government-wide financial statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Changes in Net Position) report information on all the non-fiduciary activities of the primary government. *Government activities*, which are normally supported by taxes and intergovernmental revenues, are reported separately than *business-type activities*, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment of, are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are proprietary fund and fiduciary fund financial statements. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Generally, the effect of inter-fund activity, or internal balances, has been eliminated from government-wide financial statements. Exceptions to this rule are charges between the business-type funds and the various other functions of the Town. Elimination of these charges would distort the direct costs and program revenues reported for the various functions.

TOWN OF MORRIS, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

Fund financial statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are generally recorded when a liability has occurred, as under accrual accounting. However, expenditures related to long-term liabilities, such as debt service payments and compensated absences, are recorded only when payment is due.

Property taxes are levied on all taxable assessed property on the grand list of October 1 prior to the beginning of the fiscal year. Real estate taxes are payable in two installments (July 1 and January 1). Personal property taxes are payable annually (July 1) and motor vehicle taxes are due in one single payment on July 1. Liens are filed on delinquent real estate taxes within one year. Revenues from property taxes are recognized when they become available. Available means due, or past due, and receivable within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Town considers property tax revenue to be available if it is collected within 60 days of the end of the fiscal year.

Those revenues susceptible to accrual are property taxes, special assessments, and interest revenue. Fines, permits, and charges for services are not susceptible to accrual because generally they are not measurable until received in cash.

Intergovernmental revenue grants and similar items are recognized as soon as all eligible requirements imposed by the provider have been met and are collected soon enough to pay liabilities of the current period. For this purpose, grants may be recognized and received after 60 days of the fiscal year end.

The Town reports the following major governmental funds:

The **general fund** is the general operating fund of the Town's government. All unrestricted resources, except those required to be accounted for in other funds, are accounted for in this fund. From this fund are paid general operating expenditures, fixed charges, principal and interest on long-term debt, and capital improvement costs of the Town, which were not paid through a special fund.

The **capital and nonrecurring fund** is used to account for resources used for capital expenditures or for the acquisition or construction of capital facilities, improvements, and equipment. Sources of revenue include current tax revenues and government grants.

The **American Recovery Plan** is used to account for the spending under the federal grant the Town received under the American Recovery Plan Act (ARPA).

TOWN OF MORRIS, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

The Town reports the following major proprietary funds:

The ***Morris Sewer Authority (S.A.)*** accounts for the operations of the Town's wastewater treatment system. The Town contracts with the Town of Litchfield, Connecticut's Water Pollution Control Authority to treat sewage collected in Morris, and to maintain sewage pumping stations and collection system. Its collection operations are managed by the S.A. and financed from direct charges to the users of the service.

Additionally, the Town reports the following fund type:

The ***Pension Trust Fund*** is used to account for assets held by the Town in a trustee capacity or as an agent on behalf of others. An example includes the Morris Public Library, which maintains the assets received through contributions, fees, and charges of the library.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and the enterprise funds reported in the proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their government-wide and proprietary fund financial statements subject to this same limitation. The Town has elected not to follow subsequent private-sector guidance.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations.

The principal operating revenues of the proprietary funds are charges to customers for services. Operating expenses for enterprise and internal service funds include the cost of operations and maintenance, provisions for doubtful accounts, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Assets, Liabilities and Net Assets or Equity

Cash and cash equivalents

The Town considers cash on hand, deposits, and short-term investments, with an original maturity of three months or less from the date of acquisition.

Investments

Investments are stated at fair value using quoted market prices.

TOWN OF MORRIS, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

Receivables and payables

Activities between funds that are representative of lending or borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (current portion of interfund loans) or "advances to/from other funds" (noncurrent portion of interfund loans). Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable funds to indicate that they are not available for appropriation and are not expendable as financial resources.

All trade and property tax receivables, including those for Sewer Authority funds, are shown net of an allowance for uncollectible accounts. Trade account receivables allowance for uncollectible accounts is estimated based on the inherent risk associated with the accounts.

Capital assets

Capital assets, which include property, plant and equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$20,000 and an estimated useful life in excess of two years.

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the net assets or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of the business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the Town are depreciated using the straight-line method over the following estimated useful lives with a capitalization threshold of \$5,000.

<u>Asset</u>	<u>Years</u>
Buildings and improvements	5-40
Land improvements	50
Infrastructure (including sewer system)	30-50
Machinery and equipment	5-20

Capital assets are reported as expenditures and no depreciation expense is reported in the governmental fund financial statements.

TOWN OF MORRIS, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

Deferred outflows/inflows of resources

The Statement of Net Position (Exhibit A) reports a separate section for deferred outflows of resources. This separate financial element represents a consumption of net position that applies to a future period or periods and so will not be recognized as an outflow of resources until a future period. The Town reports borrowing costs as well as a deferred charge on refunding as a result from the differences in the carrying value of refunded debt and its reacquisition price. These amounts are deferred and amortized over the shorter of the life of the related debt. A deferred outflow of resources related to pension results from differences between expected and actual experience, changes in assumptions or other inputs, and the net difference between projected and actual pension investment earnings.

The Statement of Net Position (Exhibit A) and the Balance Sheet for the government funds (Exhibit C) report a separate section for deferred inflows of resources. This separate financial element represents the addition of net position or fund balance that applies to future periods and will not be recognized as revenue until that time. The Town reports advance tax collections in the Statement of Net Position and the Balance Sheet for the government funds. The Town reports a deferred inflow of resources related to pensions in the Statement of Net Position.

A deferred inflow of resources related to pension results from differences between expected and actual experience. These amounts are deferred and included in pension expense in a systematic and rational manner. The government funds report unavailable revenue, which arises only under the modified accrual basis of accounting because it does not meet the measurable and available criteria for the recognition in the current period.

Compensated absences

Under the terms of its various union contracts, Town employees are granted vacation and sick time in varying amounts based on length of service. Certain employees may also carry over a limited number of unused vacation days to subsequent years based on the terms of an employment or union contract. In the event of termination, these employees are reimbursed for accumulated vacation. The Town recognizes a liability in the government-wide financial statements for the vested portion, as well as the unvested portion to the extent expected to be paid, as compensated absences.

Net pension liability

The net pension liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total pension liability), net of the pension plan's fiduciary net position. The pension plan's fiduciary net position is determined using the same valuation methods that are used by the pension plan for purposes of preparing its Statement of Fiduciary Net Position. The net pension liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

TOWN OF MORRIS, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

Long-term obligations

In the government-wide financial statements and proprietary fund types in fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the terms of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financial sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund equity and net position

In the government-wide financial statements, net position is classified in the following categories:

Investment in capital assets, net of related debt - This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

The ***unrestricted net position*** represents the net position of the Town which is not restricted for any project or other purpose.

In the fund financial statements, fund balances of governmental funds are classified into five separate categories. The five categories and their general meanings are as follows:

Nonspendable are those net assets that are not in expendable form or are legally or contractually required to be maintained.

Restricted fund balances are defined in the same manner as for the restricted government-wide net assets.

Committed fund balances are those balances that can only be used for a specific purpose as a result of constraints imposed by formal action of the government's highest level of decision-making authority. For the Town of Morris, which was considered to be the Board of Selectmen.

TOWN OF MORRIS, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

Assigned fund balances are amounts that are contained by the government's intent to be used as a specific purpose.

Unassigned fund balance is defined as the residual classification for the general fund and includes those remaining balances that cannot be categorized in the above four categories.

Fair value of financial instruments

In accordance with GASB 72, the Town is required to measure the fair value of its assets and liabilities under a three-level hierarchy, as follows:

- Level 1: Quoted market prices for identical assets or liabilities to which an entity has access to at the measurement date.
- Level 2: Inputs and information other than quoted market indices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:
 - Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets in markets that are not active;
 - Observable inputs other than quoted prices for the asset or liability;
 - Inputs derived principally from, or corroborated by, observable market data by correlation or by other means.
- Level 3: Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

Observable inputs reflect the assumptions market participants would use in pricing the asset or liability developed from sources independent of the reporting entity; and *unobservable inputs* reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

Investments are carried at fair value based on quoted market prices and are presented in Note 4.

Note 2 - Budgets and Budgetary Accounting

General Fund

The Statement of Revenues, Expenditures, and Changes in Unassigned Fund Balance – Budgetary Basis – Budget to Actual presented in the financial statements for the General Fund is on the budgetary basis of accounting which is a basis of accounting other than the accrual basis and the modified basis of accounting. The budgetary basis of accounting and the Town's general budget policies are as follows:

- A. Prior to July 1 of each year, the budget is legally enacted through passage of a resolution.

TOWN OF MORRIS, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

- B. The Board of Finance is authorized to transfer budgeted amounts between appropriations as deemed appropriate.
- C. The formal budgetary integration is employed as a management control device during the year.
- D. Legal level of control (the level at which expenditures may not legally exceed appropriations) is at the department level.
- E. All Town transfers \$20,000 or greater require approval from the Board of Finance and the approval of the Town Meeting.

Special Revenue Funds

The Town does not have legally adopted annual budgets for the Special Revenue Funds. Budgets for the various special revenue funds which are utilized to account for specific grant programs are established in accordance with the requirements of the grantor agencies. Such budgets carry over until completion of the grants and, therefore, may comprise more than one fiscal year.

Capital Projects Funds

Legal authorization for expenditures of the Capital Projects Funds is provided by the related bond ordinances and/or intergovernmental grant agreements or Connecticut State Statutes. Capital appropriations do not lapse until the purpose for which the appropriation was made has been accomplished or abandoned.

Note 3 - Reconciliation of Government-Wide and Fund Financial Statements

Explanation of Certain Differences Between the Government Fund Balance Sheet and the Government-Wide Statement of Net Position

The details of the components included in Exhibit C are as follows:

Capitalized assets are expensed in the fund financial statements in the period the expense is incurred while the expense is incurred over the useful life of the related asset in the government-wide financial statements:

Land	\$	448,223
Net capital assets being depreciated		<u>7,368,310</u>
Net adjustment to increase fund balance to arrive at net position of government activities	\$	<u><u>7,816,533</u></u>

TOWN OF MORRIS, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. The detail of this difference is as follows:

Compensated absences	\$	((90,941)
Net pension obligation		(454,715)
Landfill closure		<u>(194,812)</u>
Net adjustment to reduce fund balance to arrive at net position of government activities	\$	<u>(740,468)</u>

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. This amount includes the following:

Delinquent property tax and interest	\$	140,585
Notes receivable – Small Cities Grant		<u>138,808</u>
Net adjustment to increase fund balance to arrive at net position of government activities	\$	<u>279,393</u>

Certain pension costs are recognized in the government-wide financial statements as deferred inflows and outflows but are not due or available for the current period and, therefore, are not recognized in the funds. These amounts include the following:

Town Plan	\$	98,931
Morris Fire Company		(8,294)
Morris Volunteer Fire Department		<u>21,948</u>
Net adjustment to increase fund balance to arrive at net position of the government activities	\$	<u>68,689</u>

Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance and the Government-wide Statement of Activities

The Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances includes reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this difference are as follows:

Acquisitions	\$	606,642
Depreciation		<u>(380,032)</u>
Net adjustment to increase net changes in fund balances to arrive at changes in net position of governmental activities	\$	<u>226,610</u>

Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds.

TOWN OF MORRIS, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities". The details of this difference are as follows:

Net change in compensated absences	\$	(11,435)
Net change in landfill closure		12,004
Net change in pension obligation		<u>230,797</u>
Net adjustment to reduce net changes in fund balances to arrive at changes in net position of governmental activities	\$	<u><u>231,366</u></u>

Note 4 - Deposits and Investments

The Town's deposits and investments are presented in the accompanying balance sheets as follows:

	<u>Deposit</u>	<u>Investments</u>	<u>Total</u>
Cash and cash equivalents:			
Governmental funds	\$ 3,965,588		3,965,588
Business-type activities	318,842		318,842
Fiduciary funds	84,039		84,039
Investments:			
Governmental funds		312,478	312,478
Fiduciary funds		<u>1,691,687</u>	<u>1,691,687</u>
Total deposits & investments	<u>\$ 4,368,469</u>	<u>2,004,165</u>	<u>6,372,634</u>

Deposits

The deposit of public funds is controlled by the Connecticut General Statutes (Section 7-402). Deposits may be made in a "qualified public depository" as defined by Statute or, in amounts not exceeding the Federal Deposit Insurance Corporation insurance limit, in an "out of state bank" as defined by the Statutes, which is not a "qualified public depository."

The carrying amounts of the Town's deposits at June 30, 2023, consist of the following:

Bank deposit accounts	\$	4,159,351
Certified deposits		208,968
Cash on hand		<u>150</u>
Total deposits	\$	<u><u>4,368,469</u></u>

Custodial credit risk

As of June 30, 2023, the carrying amount of the Town's deposits had bank balances of approximately \$4,682,919. The amount of the bank balance covered under federal depository insurance was approximately \$650,000.

TOWN OF MORRIS, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

The remaining deposits were uninsured; however, provisions of the Connecticut General Statutes provide for protection against loss in excess of deposit insurance by requiring all qualified public depositories to maintain segregated collateral for public deposits. As of June 30, 2023, approximately \$450,000 of uninsured deposits were collateralized under the provision.

Investments

Investments are reported at fair value using quoted market prices (Level 1 in the fair value hierarchy). As of June 30, 2023, the Town held the following investments:

Investment Type	Fund	Fair Value	Maturities Less Than 1 Year	1 Year	Risk
State Investment Fund	Capital Reserve	\$ 275,189	275,189		Na
State Investment Fund	General Fund	11,954	11,954		Na
Money Market	Library Fund	275	275		Na
Mutual Funds	Library Fund	25,060	25,060		Na
Money Market	Trust Funds	18,837	18,837		Na
Fixed Income	Trust Funds	402,522	158,497	244,025	AA2
Mutual Funds	Trust Funds	1,249,700	1,249,700		Na
Total Investments		\$ 1,983,537	1,739,512	244,025	

Interest rate risk

Interest rate risk is the risk that changes in the market interest rates which will adversely affect the fair value of an investment. The Town has, for the Pension Trust Funds, an investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk

Generally, credit risk is the risk that the issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. It is the Town's policy to invest only in securities that meet the ratings requirements set by General State Statute, Chapter 112, Section 7-400.

Note 5 - Receivables, Deferred Payments and Payables

Receivables

The receivables as of June 30, 2023, for the Town's individual major funds and non-major, internal service and fiduciary funds in the aggregate, including the applicable allowance for uncollectible accounts are as follows:

TOWN OF MORRIS, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

	Governmental Funds			Total
	General Fund	Nonmajor Funds	Sewer Authority	
Property taxes	\$ 128,077			128,077
Property tax interest	50,979			50,979
Small city's loan program		138,808		138,808
Sewer use charge			3,274	3,274
Less: allowance	(5,118)			(5,118)
Total receivables (net)	\$ 173,938	138,808	3,274	316,020

Deferred Payments and Unavailable Receipts

Governmental funds report deferred revenue in connection with receivables for revenue that are not considered to be available to liquidate liabilities in the current period. Similar to the government-wide financial statements, Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the fiscal year the components of deferred revenue and unearned revenues reported in the governmental fund were as follows:

	Unavailable	Payments in Advance
Delinquent property taxes and interest	\$ 140,585	
Prepaid taxes		263
Government grants		438,431
Small city's loan program	138,808	
Total deferred payments and unavailable receipts	\$ 279,393	438,694

Payables

Payables as of June 30, 2023, for the Town's individual major funds and non-major funds were as follows:

	Vendors	Payroll	Total
General Fund	\$ 283,089	23,046	306,135
Capital Projects Fund	4,043		4,043
Total payables	\$ 287,132	23,046	310,178

TOWN OF MORRIS, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

Note 6 - Inter-fund Receivables, Payables and Transfers

Inter-fund Receivables and Payables

Inter-fund receivables and payables at June 30, 2023, consisted of the following:

Receivable Fund	Payable Fund	Amount
General Fund	Capital Projects	\$ 61,100
ARPA Grant Fund	Capital Projects	448,133
Nonmajor	Capital Projects	4,092
Nonmajor	General fund	381
		\$
Total		513,706

Inter-fund Transfers

The Town transferred \$506,000 from the general fund to the capital projects fund to be committed for future capital projects.

Note 7 - Capital Assets

Capital assets activity for the year ended June 30, 2023, was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 448,223			448,223
Construction in progress				
Total capital assets, not being deprec.	\$ 448,223	-	-	448,223
Capital assets being depreciated:				
Buildings and improvements	\$ 2,452,518	117,635		2,570,153
Land improvements	1,377,159			1,377,159
Machinery and equipment	2,908,173	329,137		3,237,310
Infrastructure	9,178,007	159,870		9,337,877
Total capital assets being depreciated	\$ 15,915,857	606,642	-	16,522,499
Less: accumulated depreciation:				
Buildings and improvements	\$ 1,471,191	49,751		1,520,942
Land improvements	353,925	33,451		387,376
Machinery and equipment	2,168,100	88,008		2,256,108
Infrastructure	4,780,941	208,822		4,989,763
Total accumulated depreciation	\$ 8,774,157	380,032	-	9,154,189
Net capital assets, being depreciated	\$ 7,141,700	226,610	-	7,368,310
Total capital assets, governmental	\$ 7,589,923	226,610	-	7,816,533

TOWN OF MORRIS, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

Depreciation expense was charged to functions of the primary government as follows:

Governmental activities:	
General government	\$ 27,626
Public safety	28,118
Public works	300,946
Public health	11,126
Recreation	12,216
Total depreciation expense	\$ 380,032

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets being depreciated:				
Sewers	\$ 3,281,598			3,281,598
Total capital assets being depreciated	3,281,598	-	-	3,281,598
Less: accumulated depreciation	2,014,341	65,830	-	2,080,171
Total capital assets, business-type	\$ 1,267,257	(65,830)	-	1,201,427

Note 8 - Long-Term Liabilities

Long-term debt liabilities activity for the year ended June 30, 2023, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due In One Year</u>
Governmental activities:					
Compensated absences	\$ 79,506	11,435		90,941	-
Landfill closure	685,512		12,004	454,715	-
Net pension liability	206,816		230,797	194,812	-
Total governmental activities long-term liabilities	\$ 971,834	11,435	242,801	740,468	-

Landfill Closure and Post closure Care Costs

The Town has a closed landfill with no further capacity or estimated useful life. State and federal laws and regulations require that the Town perform certain maintenance and monitoring functions on its closed landfill site for thirty years after closure. These costs will be paid through the General Fund each year as part of the annual budget. Total estimated costs based on the current actual costs are included in the long-term debt. The Town's estimated costs to monitor the landfill for the next three years are \$11,000 per year. This amount is based on estimates that are subject to change due to inflation, technology, or applicable laws and regulations.

TOWN OF MORRIS, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

Note 9 - Commitments and Contingencies

Risk Management

The Town is exposed to various risks of loss including torts, theft of, damage to, and destruction of assets; error and omissions; injuries to employees; employee health; and natural disasters. The Town generally obtains commercial insurance for these risks. For all types of commercial coverage, settled claims have not exceeded coverage in any of the past three years.

The Town is a member of the Connecticut Interlock Risk Management Agency (CIRMA), a public entity risk pool established under the provisions of Connecticut General Statutes section 7-479a. The Town is liable only for contributions to the pool. Members do not retain the risk of loss, as they have transferred the risk by purchasing coverage with no deductible retention.

The Town received federal and state grants for specific purposes and is subject to review and audit by the grantor agency for compliance and disallowed expenses under the grant. Management believes that such disallowances, if any, will not be material to the financial position of the Town.

Regional School District

The Town is a member of Regional School District #6, which provides education for grades kindergarten through twelfth for the Towns of Morris, Goshen, and Warren. As of June 30, 2023, the outstanding bonded indebtedness of the District was \$1,705,000. The Town of Morris's share of this debt is 32.2%. These are the general obligations of the Regional School District and its Town members.

Note 10 - Fund Balance

As of June 30, 2023, the governmental fund balance is composed of the following:

	<u>General</u>	<u>Capital</u>	<u>American Recovery</u>	<u>Nonmajor</u>	<u>Total</u>
Nonspendable					
Prepaid expense	\$ 900				900
Restricted:					
Morris Volunteer					
Monument Fund	1,725				1,725
Donors' intentions			14,118	29,897	44,015
Committed:					
Town roads					
Capital projects		1,209,806			1,209,806
Subsequent years expenses	473,595				473,595
Assigned:					
Capital projects		133,735			133,735
Culture and recreation				79,819	79,819
Unassigned	1,620,233			(381)	1,619,852
Total fund balance	<u>\$ 2,096,453</u>	<u>1,343,541</u>	<u>14,118</u>	<u>109,335</u>	<u>3,563,447</u>

TOWN OF MORRIS, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

Note 11 - Employee Retirement Plans

Plan description and benefits provided

The Town is the administrator of three single-employer Public Employee Retirement System (PERS) established and administered to provide pension benefits for its employees and volunteer firefighters. The three PERS are considered to be a part of the Town's financial reporting entity and are included in these financial statements as pension trust funds. The pension plans do not issue stand-alone financial statements.

Town Retirement Plan

The plan covers substantially all full-time union employees of the Town and the Town Clerk. These employees are eligible to participate in the Town plan when they complete one year of eligible service, are a part of the Town's bargaining unit (excluding the Town Clerk) and have attained the age of eighteen. Additionally, the employees cannot be covered by any other retirement program that the Town contributes to, with the exception of the Town of Morris Fire Department. Participants are 100% vested after five years of credited service.

Benefits are 1.6% of final average pay times years of credited service. Normal retirement age is sixty-five. Early retirement is permitted with a reduced benefit.

Management of the plan rests with the PERS Committee, which consists of three voting members. Members of the Committee are appointed by the Board of Selectmen. The appointment requires unanimous Board approval.

Morris Volunteer Fire Department Plan

This defined benefit retirement plan covers substantially all volunteer firefighters who belong to the Morris Volunteer Fire Department ("MVFD"). MVFD volunteer firefighters are eligible to participate in the MVFD plan as of July 1 following the date, they complete one year of eligible service and have attained the age of eighteen.

The Morris Volunteer Fire Department formally disbanded on June 30, 2018. The plan consists of only inactive members as of that date and benefits no longer accrue.

Normal retirement age is sixty-five and benefits are paid monthly. Annual benefits are calculated based on years of service. There is no provision for early retirement.

The death benefit under the plan is equal to the participant's accrued benefits at the date of June 30, 2018, the date the Morris Volunteer Fire Department disbanded. Participants are fully vested after five years of service. Benefits are \$5 per month for each year of credited services. No participant shall accrue more than \$150 per month.

TOWN OF MORRIS, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

Morris Fire Company Plan

This defined benefit plan provides benefits to members of the Morris Fire Company who are at least sixty-five years old and complete a minimum of 5 years of service. . Annual benefits are calculated based on years of service and include \$15.00 per month for each year of credited service. Credited service years are those years when the member receives 100 points.

Membership in the plans consisted of the following at July 1, 2022, the date of the actuarial valuation applicable to the June 30, 2023, employer actuarially determined contribution:

	Town Plan	MVFD Plan	Morris Fire Company Plan
Retirees and beneficiaries currently receiving benefits	11	4	-
Terminated plan members entitled to, but not yet receiving benefits	2	15	-
Active plan members	8	-	24
Total	21	19	24

Summary of significant accounting policies

Basis of Accounting

Financial statements are prepared using the accrual basis of accounting for the two defined benefit pension plans. There are no member contributions. Employer contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans. Administrative costs are financed through the Town's budgeted expenses.

Method Used to Value Investments

Investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price. Investment income is recognized as earned.

Funding policy

The Town is required to contribute amounts necessary to fund the plans. State of Connecticut Statutes assign the authority to establish and amend the contribution provisions of the plans to the Board of Selectmen of the Town of Morris. Members do not contribute to the plans. The Town's contributions to the plans are actuarially determined on an annual basis. The Town has a policy to pay at least the greater of 40% of the actuarially determined employer contribution or 80% of the prior year's actual contribution up to 100% of the actuarially determined employer contribution.

TOWN OF MORRIS, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

Investments

Investment Policy

The pension plan's policy regarding allocation of invested assets is established and may be amended by the PERS Board by a majority vote of its members. It is the policy of the PERS Board to pursue an investment strategy that increases the return on each plan's portfolio with minimal risk exposure to the Pension Funds. The policy states that no more than 10% of each plan's portfolio may be invested in a single security of one corporation. Any security held in the account must be listed on a national and recognized exchange such as NYSE, NASDAQ, AMEX, or OTC.

Rate of Return

For the year ended June 30, 2023, the money-weighted rate of return on the pension plan investments, net of pension plan investment expense, was 10.07% for the Town Plan, .08% for the Morris Volunteer Fire Department Plan, and 8.40% for the Morris Fire Company Plan.. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net pension liability of the plans

The following net pension liabilities were measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022.

The components of the net pension liability of the Town at June 30, 2023, were as follows:

	Town Plan	Morris Fire Company Plan	MVFD Plan
Total pension liability	\$ 2,050,076	80,856	99,511
Plan fiduciary net position	1,649,052	21,871	104,805
Net pension liability (asset)	\$ 401,024	58,985	(5,294)
Plan fiduciary net position as a percentage of the total pension liability	80.44%	27.05%	105.32%

TOWN OF MORRIS, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

Actuarial assumptions

The total pension liability was determined by actuarial data as of July 1, 2020, using the following actuarial assumption, applied to all periods included in the measurement:

	Town Plan	MVFD Plan	Morris Fire Company Plan
Inflation	2.50%	2.50%	2.50%
Salary increase	4.00%	Na	Na
Investment rate of return	6.00%	6.00%	6.00%

Mortality rates were based on the RP-2014 adjusted for 2006 with MP-2021 mortality improvements.

The actuarial assumptions used in the July 1, 2020; data were based on the results of an actuarial experience study for the period July 1, 2019 - June 30, 2020.

Long-term rate of return

The long-term expected rate of return on pension plan investments 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.

Discount rate

The discount rate used to measure the total pension liability was 6.50% for the Town Plan, the MVFD Plan and the Morris Fire Company Plan.. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

TOWN OF MORRIS, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS June 30, 2023

Changes in the net pension liability

Town Plan		Increase (Decrease)		
		Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances as of June 30, 2022	\$	2,124,532	1,473,587	650,945
Changes for the year:				
Service cost	\$	53,137		53,137
Interest cost on total pension liability		128,519		128,519
Difference between expected and actual experience		(171,464)		(171,464)
Change in assumptions		51,796		51,796
Employer contributions			160,000	(160,000)
Net investment income			156,747	(156,747)
Administrative expenses			(4,838)	4,838
Benefit payments, including refund of employee contributions		(136,444)	(136,444)	
Net changes	\$	(74,456)	175,465	(249,921)
Balances as of June 30, 2023	\$	2,050,076	1,649,052	401,024

MVFD Plan		Increase (Decrease)		
		Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances as of June 30, 2022	\$	99,641	102,940	(3,299)
Changes for the year:				
Service cost	\$			
Interest cost on total pension liability		5,835		5,835
Difference between expected and actual experience		(4,186)		(4,186)
Effects of assumption changes or inputs		2,995		2,995
Employer contributions			10,900	(10,900)
Net investment income			89	(89)
Administrative expenses			(4,350)	4,350
Benefit payments, including refund of employee contributions		(4,774)	(4,774)	
Net changes	\$	(130)	1,865	(1,995)
Balances as of June 30, 2023	\$	99,511	104,805	(5,294)

TOWN OF MORRIS, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

Morris Fire Company Plan	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances as of June 30, 2022	\$ 47,866	10,000	37,866
Changes for the year:			
Service cost	\$ 10,869		10,869
Interest cost on total pension liability	2,992		2,992
Difference between expected and actual experience	19,267		19,267
Net investment income		1,771	(1,771)
Employer contributions		14,100	(14,100)
Change in assumption	(138)		(138)
Administrative expenses		(4,000)	4,000
Net changes	\$ 32,990	11,871	21,119
Balances as of June 30, 2023	\$ 80,856	21,871	58,985

Changes in assumptions or other inputs

Mortality for Pre- and Post-Retirement is calculated using RP-2014 (adjusted) with MP-2020 mortality rates, which is a change from the previously used RP-2019 projected to valuation date using Scale AA.

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liabilities of the Plans, calculated using the discount rate of 6.00%, as well as what the net pension liabilities would be if it were calculated using a discount rate that is 1 percent point lower (5.00%) or 1 percent higher (7.00%) than the current rate:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Town Plan net pension liability	\$ 632,752	401,024	206,563
MVFD Plan net pension liability	8,315	(5,294)	(16,453)
Morris Fire Company net pension liability	77,370	58,985	44,722

Pension trust funds

The Town maintains three pension trust funds (Town Employees' Plan, Morris Volunteer Fire Department Plan and the Morris Fire Company Plan) to account for its fiduciary responsibility. The following schedules present the net position held in trust for pension benefits at June 30, 2023, and the changes in net position for the year then ended.

TOWN OF MORRIS, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

Schedule of Net Position

	Town Plan	MVFD Plan	Morris Fire Company Plan	Total
Assets:				
Cash and cash equivalents	\$ 28,734	55,205	100	84,039
Investments	1,620,317	49,599	21,771	1,691,687
Total assets	\$ 1,649,051	104,804	21,871	1,775,726
Liabilities:				
Accrued expenses	-	-	-	-
Net assets held in trust for pension benefits	\$ 1,649,051	104,804	21,871	1,775,726

Schedule of Changes in Net Position

	Town Retirement Plan	Morris Volunteer Fire Department Plan	Morris Fire Company Plan	Total
Additions:				
Contributions:				
Employer	\$ 160,000	10,900	14,100	185,000
Total contributions	\$ 160,000	10,900	14,100	185,000
Investment income:				
Net appreciation (depreciation) in fair value of investments	\$ 92,493	(2,023)	1,715	92,185
Interest and dividends	64,253	2,111	930	67,294
Less: investment expense				
Total additions	\$ 156,746	88	2,645	159,479
Deductions:				
Administrative costs	\$ 4,838	4,350	4,000	13,188
Benefits	136,444	4,753	-	141,197
Total deductions	\$ 141,282	9,103	4,000	154,385
Net increase	\$ 175,464	1,885	12,745	190,094
Net position at beginning of year	1,473,587	102,919	9,126	1,585,632
Net position at end of year	\$ 1,649,051	104,804	21,871	1,775,726

TOWN OF MORRIS, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions

For the year ended June 30, 2023, the Town recognized pension expense of (\$189,270) for the Town, Fire Department and Fire Company plans.

Plan Deferred Outflows of Resources			
	Town Plan	MVFD Plan	Morris Fire Company Plan
Differences between expected and actual experience	\$		
Net difference between projected and actual earnings on pension plan investments	29,938	21,117	
Changes of assumptions	130,193	2,856	1,610
Total	\$ 160,131	23,973	1,610

Plan Deferred Inflows of Resources			
	Town Plan	MVFD Plan	Morris Fire Company Plan
Net difference between projected and actual earnings of plan investments	\$		(895)
Differences between expected and actual experience	(61,200)	(45,921)	(9009)
Total	\$ (61,200)	(45,921)	(9,904)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expenses as follows:

Year Ended June 30,	Town Retirement Plan	MVFD Retirement Plan	Fire Company Plan
2024	\$ 21,119	496	(159)
2025	8,704	(385)	(159)
2026	67,120	3,581	(160)
2027	348	1,125	(161)
2028	11,919	(1,360)	64
Thereafter	(10,279)	(25,405)	(7,719)
	\$ 98,931	(21,948)	(8,294)

TOWN OF MORRIS, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

Note 12 - Subsequent Events

On June 28, 2022, the Towns citizens of Goshen Litchfield, Morris and Warren approved to enter Regional School District No. 20 to provide educational services to children for grades kindergarten to Twelfth grade. The region will carry out a two-year development period and is expected to begin educational services for the 2024-2025 school year. Management does not anticipate this to have an adverse or material affect to the Town's net position.

Management has evaluated events subsequent to the date of the financial statements through October 19, 2023, the date the financial statements were available to be issued. No events have occurred subsequent to the Statement of Net Position date through October 19, 2023 that would require readjustment to the financial statements.

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS - TOWN PLAN
For the Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability:										
Service cost	\$ 53,137	56,821	48,021	42,924	46,640	38,395	12,708	19,484	19,484	21,082
Interest on total pension liability	128,519	121,521	118,538	114,145	116,145	103,218	96,471	85,093	79,074	75,595
Differences between expected and actual exp.	(171,464)	17,059	27,162	78,313	(96,229)	114,002	68,571	(15,867)	54,326	(1,078)
Effect of assumption changes or inputs	51,796	55,520	49,366	(5,066)	(5,437)	22,442	-	193,463	-	-
Benefit payments	(136,444)	(141,447)	(103,379)	(91,994)	(89,502)	(83,605)	(71,972)	(65,211)	(68,596)	(23,193)
Net change in total pension liability	\$ (74,456)	109,474	139,708	138,322	(28,383)	194,452	105,778	216,962	84,288	72,406
Total pension liability - beginning	2,124,532	2,015,058	1,875,350	1,737,028	1,765,411	1,570,959	1,465,181	1,248,219	1,163,931	1,091,525
Total pension liability - ended	\$ 2,050,076	2,124,532	2,015,058	1,875,350	1,737,028	1,765,411	1,570,959	1,465,181	1,248,219	1,163,931
Plan fiduciary net position:										
Contributions - employer	\$ 160,000	125,100	166,150	166,150	156,461	74,800	69,000	48,755	49,584	42,072
Net investment income	156,747	(222,526)	402,640	23,789	45,522	30,893	94,965	(10,637)	(19,837)	121,356
Benefit payments	(136,444)	(141,447)	(103,379)	(91,994)	(89,502)	(83,605)	(71,972)	(65,211)	(68,596)	(23,193)
Administrative expenses	(4,838)	(7,800)	(4,800)	(5,170)	(5,795)	(4,091)	-	-	-	-
Net change in plan fiduciary net position	\$ 175,465	(246,673)	460,611	92,775	106,686	17,997	91,993	(27,093)	(38,849)	140,235
Plan fiduciary net position - beginning	1,473,587	1,720,260	1,259,649	1,166,874	1,060,188	1,042,191	950,198	977,291	1,016,140	875,905
Plan fiduciary net position - ended	\$ 1,649,052	1,473,587	1,720,260	1,259,649	1,166,874	1,060,188	1,042,191	950,198	977,291	1,016,140
Net pension liability - ended	\$ 401,024	650,945	294,798	615,701	570,154	705,223	528,768	514,983	270,928	147,791
Plan fiduciary net position/total pension liability	80.44%	69.36%	85.37%	67.17%	67.18%	60.05%	66.34%	64.85%	78.29%	87.30%
Covered-employee payroll	\$ 485,078	485,078	491,701	544,916	45,789	466,832	388,213	167,017	270,616	315,112
Net pension liability/covered-employee payroll	82.67%	134.19%	59.95%	112.99%	124.52%	151.07%	136.21%	308.34%	100.12%	46.90%

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS - MVFD PLAN
For the Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability:										
Service cost	\$ -	-	-	-	-	2,345	2,347	2,347	2,347	2,347
Interest on total pension liability	5,835	7,217	9,040	10,912	11,306	11,604	10,694	10,694	10,694	10,694
Differences between expected and actual expense	(4,186)	(10,852)	(3,435)	(11,347)	(5,710)	(12,456)	5,686	5,686	5,686	5,686
Effect of assumption changes or inputs	2,995	3,133	3,171	(489)	(538)	2,899	-	-	-	-
Benefit payments	(4,774)	(30,659)	(34,087)	(9,232)	(12,578)	(5,037)	(5,458)	(5,458)	(5,458)	(5,458)
Net change in total pension liability	\$ (130)	(31,161)	(25,311)	(10,156)	(7,520)	(645)	13,269	13,269	13,269	13,269
Total pension liability - beginning	99,641	130,802	156,113	166,269	173,789	174,434	161,165	161,165	161,165	161,165
Total pension liability - ended	\$ 99,511	99,641	130,802	156,113	166,269	173,789	174,434	174,434	174,434	174,434
Plan fiduciary net position:										
Contributions - employer	\$ 10,900	7,200	18,450	18,950	24,815	8,000	8,500	8,500	8,500	8,500
Net investment income	89	(13,941)	27,441	3,478	4,786	(3,832)	6,013	6,013	6,013	6,013
Benefit payments	(4,774)	(30,659)	(34,087)	(9,232)	(12,578)	(5,037)	(5,458)	(5,458)	(5,458)	(5,458)
Administrative expenses	(4,350)	6,996	(8,211)	(4,935)	(6,214)	(4,001)	-	-	-	-
Net change in plan fiduciary net position	\$ 1,865	(30,404)	3,593	8,261	10,809	(4,870)	9,055	9,055	9,055	9,055
Plan fiduciary net position - beginning	102,940	133,344	129,751	121,490	110,681	115,551	106,496	106,496	106,496	106,496
Plan fiduciary net position - ended	\$ 104,805	102,940	133,344	129,751	121,490	110,681	115,551	115,551	115,551	115,551
Net pension liability - ended	\$ (5,294)	(3,299)	(2,542)	26,362	44,779	63,108	58,883	58,883	58,883	58,883
Plan fiduciary net position/total pension liability	105.32%	103.31%	101.94%	83.11%	73.07%	66.24%	66.24%	66.24%	66.24%	66.24%
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability / covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS - MFC PLAN
For the Last Two Fiscal Years

	2023	2022
Total pension liability:		
Service cost	\$ 10,869	17,402
Interest on total pension liability	2,992	3,469
Differences between expected and actual experience	19,267	(30,537)
Effect of assumption changes or inputs	(138)	2,023
Benefit payments		-
Net change in total pension liability	\$ 32,990	(7,643)
Total pension liability - beginning	47,866	55,509
Total pension liability - ended	\$ 80,856	47,866
Plan fiduciary net position:		
Contributions - Town	\$ 14,100	14,000
Net investment income	1,771	(4)
Benefit payments	-	-
Administrative expenses	(4,000)	(3,996)
Net change in plan fiduciary net position	\$ 11,871	10,000
Plan fiduciary net position - beginning	10,000	-
Plan fiduciary net position - ended	\$ 21,871	10,000
Net pension liability - ended	\$ 58,985	37,866
Plan fiduciary net position as a percentage of total pension liability		
Covered-employee payroll	N/A	N/A
Net pension liability as a percentage of its covered-employee payroll	N/A	N/A

The schedule is intended to show information for ten years. Additional information will be added as it becomes available

SCHEDULE OF EMPLOYER CONTRIBUTIONS - TOWN PLAN
For the Last Ten Fiscal Years

	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered- employee Payroll	Contribution as a Percentage of Covered- employee Payroll
2023	\$ 160,000	160,000	-	457,360	34.98%
2022	94,185	155,100	(60,915)	485,078	31.97%
2021	84,523	166,150	(81,627)	491,701	33.79%
2020	93,815	166,150	(72,335)	544,916	30.49%
2019	71,837	156,461	(84,624)	457,890	34.17%
2018	58,775	74,800	(16,025)	466,832	16.02%
2017	52,626	69,000	(16,374)	388,213	17.77%
2016	37,317	48,755	(11,438)	167,017	29.19%
2015	47,938	49,584	(1,646)	270,616	18.32%
2014	40,427	42,072	(1,645)	315,112	13.35%

Notes to Schedule

Valuation date July 1, 2022
Measurement date June 30, 2022

Methods and assumptions used
to determine contribution rates:

Actuarial cost method	Projected unit credit
Amortization method	Level percent of payroll, closed
Remaining amortization period	30 years from 7/1/16
Asset valuation method	Fair market value
Discount rate	6.50, changed in 2023 from 6.75%
Inflation	2.25%
Salary increases	4.00, changed from 3.50% in 2023
Investment rate of return	6.50%, changed from '6.75% in 2023
Retirement age	65
Mortality table	RP 2014 adjusted to 2006
Mortality projection scale (to valuation date)	MP-2020, changed from MP-2018 in 2023

SCHEDULE OF EMPLOYER CONTRIBUTIONS - MVFD PLAN
For the Last Ten Fiscal Years

	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered- employee Payroll	Contribution as a Percentage of Covered- employee Payroll
2023	\$ -	10,900	(10,900)	N/A	N/A
2022	2,178	\$ 7,200	\$ (5,022)	N/A	N/A
2021	3,648	18,450	(14,802)	N/A	N/A
2020	5,075	18,950	(13,875)	N/A	N/A
2019	6,815	24,815	(18,000)	N/A	N/A
2018	6,784	8,000	(1,216)	N/A	N/A
2017	4,354	8,500	(4,146)	N/A	N/A
2016	4,081	5,981	(1,900)	N/A	N/A
2015	4,196	6,061	(1,865)	N/A	N/A
2014	3,780	5,640	(1,860)	N/A	N/A

Notes to Schedule

Valuation date

July 1, 2022

Measurement date

June 30, 2022

Methods and assumptions used

to determine contribution rates:

Actuarial cost method

Projected unit credit

Amortization method

Level percent of payroll, closed

Remaining amortization period

30 years from 7/1/16

Asset valuation method

Fair market value

Discount rate

6.50, changed in 2023 from 6.25%

Inflation

2.25%

Salary increases

4.00, changed from 3.50% in 2023

Investment rate of return

6.50%, changed from 6.25% in 2023

Retirement age

65-70

Mortality table

RP 2014 adjusted to 2006

Mortality projection scale (to valuation date)

MP-2020, changed from MP-2018 in 2023

SCHEDULE OF EMPLOYER CONTRIBUTIONS - MFC PLAN

For the Last Two Fiscal Years

		Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered- employee Payroll	Contribution as a Percentage of Covered- employee Payroll
2023	\$	17,119	14,100	3,019	N/A	N/A
2022		13,995	14,000	(5)	N/A	N/A

Notes to Schedule

Valuation date

July 1, 2020

Measurement date

June 30, 2021

Methods and assumptions used
to determine contribution rates:

Actuarial cost method

Unit credit

Amortization method

Level percentage of payroll, closed

Remaining amortization period

30 years from 7/1/16

Asset valuation method

Fair market value

Discount rate

6.75%

Inflation

2.25%

Salary increases

N/A

Investment rate of return

6.75%

Retirement age

65

Mortality table

RP 2014 adjusted to 2006

Mortality projection scale (to valuation date)

MP-2018

The schedule is intended to show information for ten years. Additional information will be added as it becomes available

SCHEDULE OF INVESTMENT RETURNS - TOWN PLAN
For the Last Ten Fiscal Years

	Net Money- Weighted Rate of Return
2023	10.07 %
2022	(12.60)
2021	29.50
2020	1.87
2019	3.90
2018	3.04
2017	9.92
2016	(1.10)
2015	(1.97)
2014	13.71

SCHEDULE OF INVESTMENT RETURNS - MVFD PLAN
For the Last Ten Fiscal Years

	Net Money- Weighted Rate of Return
2023	0.08%
2022	0.05%
2021	19.71%
2020	2.63%
2019	4.03%
2018	-3.42%
2017	5.52%
2016	-2.97%
2015	4.94%
2014	9.45%

SCHEDULE OF INVESTMENT RETURNS - MFC PLAN
For the Last Two Fiscal Years

	Net Money- Weighted Rate of Return
2023	8.40%
2022	0.04%

TOWN OF MORRIS, CONNECTICUT

SCHEDULE 1

GENERAL FUND REVENUES AND OTHER FINANCING SOURCES

BUDGETARY BASIS - BUDGET AND ACTUAL

For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts - Budgetary Basis	Variance With Final Budget Positive / (Negative)
	Original	Final		
Property taxes:				
Current year's levy	\$ 8,351,680	8,351,668	8,442,138	90,470
Prior year's levy	55,000	55,000	55,765	765
Interest and penalties	40,400	40,400	48,409	8,009
Total property taxes	<u>\$ 8,447,080</u>	<u>8,447,068</u>	<u>8,546,312</u>	<u>(99,244)</u>
Intergovernmental:				
State grants for education	\$ 163,730	163,730	163,736	6
Other state grants	71,448	71,448	100,162	28,714
Total intergovernmental	<u>\$ 235,178</u>	<u>235,178</u>	<u>263,898</u>	<u>(28,720)</u>
Charges for services:				
Civil division	\$ 87,100	87,100	160,658	73,558
Charges for services	57,725	57,725	55,478	(2,247)
Other general government	27,000	27,000	27,808	808
Total charges for services	<u>\$ 171,825</u>	<u>171,825</u>	<u>243,944</u>	<u>(72,119)</u>
Investment income	<u>\$ 3,020</u>	<u>3,020</u>	<u>77,690</u>	<u>(74,670)</u>
Other revenues	<u>\$ 4,724</u>	<u>4,724</u>	<u>30,921</u>	<u>(26,197)</u>
Other financing resources:				
Proceeds from surplus	\$ 476,915	526,913	383,526	143,387
Total revenue and other financing sources	<u>\$ 9,338,742</u>	<u>9,388,728</u>	<u>9,546,291</u>	<u>(157,563)</u>

TOWN OF MORRIS, CONNECTICUT

SCHEDULE 2

Page 1 of 2

GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
BUDGETARY BASIS - BUDGET AND ACTUAL

For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts - Budgetary Basis	Variance With Final Budget Positive / (Negative)
	Original	Final		
General government:				
Board of Finance	\$ 23,550	23,550	18,057	5,493
Board of Appeals - legal	1,000	1,000	-	1,000
Planning and zoning	38,650	38,650	40,650	(2,000)
Tax Collector	37,563	37,563	34,551	3,012
Treasurer	93,293	93,293	76,373	16,920
Inland wetland	7,820	7,820	3,276	4,544
Zoning Appeals Board	5,820	5,820	860	4,960
Town Clerk	103,711	103,711	96,366	7,345
Assessor	71,747	71,747	72,069	(322)
Insurance	110,000	110,000	71,424	38,576
Selectman - miscellaneous	48,467	116,106	118,677	(2,571)
Civil Division	74,645	74,645	-	74,645
Building Inspector	47,350	47,350	64,952	(17,602)
Other general government	401,346	401,346	384,478	16,868
Total general government	\$ 1,064,962	1,132,601	981,733	150,868
Public safety:				
Fire Department	\$ 115,140	115,140	108,837	6,303
Board of Selectmen - public safety	13,500	13,500	10,485	3,015
Fire Marshal	355,440	355,440	357,964	(2,524)
Dog Warden	14,330	14,330	10,097	4,233
Total public safety	\$ 498,410	498,410	487,383	11,027
Public works:				
Highway Department	\$ 683,805	683,805	697,265	(13,460)
LoCIP	45,000	90,000	64,632	25,368
Transfer Station	294,595	294,595	295,976	(1,381)
Total public works	\$ 1,023,400	1,068,400	1,057,873	10,527
Health and welfare:				
Board of Health	\$ 20,580	20,580	20,330	250
Morris Board of Health	500	500	400	100
Total health and welfare	\$ 21,080	21,080	20,730	350
Culture and recreation:				
Beach and recreation	\$ 49,635	49,635	47,381	2,254
Library	115,182	115,182	116,944	(1,762)
Community Hall	54,600	54,600	52,634	1,966
Senior Center	97,665	97,665	95,931	1,734
Total culture and recreation	\$ 317,082	317,082	312,890	4,192
Education:				
Board of Education	\$ 5,535,136	5,535,136	5,535,135	1
Total education	\$ 5,535,136	5,535,136	5,535,135	1

TOWN OF MORRIS, CONNECTICUT

SCHEDULE 2

Page 2 of 2

GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
BUDGETARY BASIS - BUDGET AND ACTUAL

For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts - Budgetary Basis	Variance With Final Budget Positive / (Negative)
	Original	Final		
Other:				
Contingency	\$ 145,000	77,359	-	77,359
Bantam Lake Authority	50	50	-	50
Sandy Beach Commission	8,300	8,300	8,300	-
Pension Commissions	177,922	177,922	177,922	-
Pension Commission - Firehouse	10,900	10,900	10,900	-
Economic Development	500	500	-	500
Bantam Lake weed control	30,000	30,000	30,000	-
Total other	\$ 372,672	305,031	227,122	77,909
Other financing uses:				
Capital improvements	\$ 506,000	506,000	506,000	-
Total other financing uses	\$ 506,000	506,000	506,000	-
Total expenditures and other financing uses	\$ 9,338,742	9,383,740	9,128,866	254,874

TOWN OF MORRIS, CONNECTICUT

SCHEDULE 3

COMBINING BALANCE SHEET
NONMAJOR FUNDS
June 30, 2023

	Town Aid Road Fund	Library Fund	Senior Center Fund	Social Services Fund	Recreation Activities Fund	Small Cities Fund	Other Funds	Total
Assets:								
Cash and cash equivalents	\$	15,530	3,418	28,896	6,640	29,897		84,381
Investments		25,335						25,335
Receivables, net						138,808		138,808
Due from other funds							4,416	4,416
Total assets	\$ -	40,865	3,418	28,896	6,640	168,705	4,416	252,940
Liabilities:								
Due to Other Funds	\$ 381							381
Payments in advance							4,416	4,416
Total liabilities	\$ 381	-	-	-	-	-	4,416	4,797
Deferred inflows of resources:								
Unavailable receipts	\$					138,808		138,808
Total deferred inflows of resources	-	-	-	-	-	138,808	-	138,808
Fund balance (deficit):								
Restricted	\$					29,897		29,897
Committed								-
Unassigned	(381)							(381)
Assigned		40,865	3,418	28,896	6,640			79,819
Total fund balance (deficit)	\$ (381)	40,865	3,418	28,896	6,640	29,897	-	109,335

TOWN OF MORRIS, CONNECTICUT

SCHEDULE 4

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (DEFICITS) - NONMAJOR FUNDS
For the Year Ended June 30, 2023

	Town Aid Road Fund	Library Fund	Senior Center Fund	Social Services Fund	Recreation Activities Fund	Small Cities Fund	Other Funds	Total
Revenues:								
Intergovernmental	\$ 178,102	362					6,229	184,693
Charges for services		1,583		16,128				17,711
Investment income		1,530	6	27	6			1,569
Other		15,530	5,741		11,240	29,897	1,640	64,048
Total revenues	<u>\$ 178,102</u>	<u>19,005</u>	<u>5,747</u>	<u>16,155</u>	<u>11,246</u>	<u>29,897</u>	<u>7,869</u>	<u>268,021</u>
Expenditures:								
Public safety	\$ -	-	-	-	-	-	-	-
Public works	268,100						-	268,100
Culture and recreation		14,812			10,179			24,991
Other			7,682	10,012			7,869	25,563
Total expenditures	<u>\$ 268,100</u>	<u>14,812</u>	<u>7,682</u>	<u>10,012</u>	<u>10,179</u>	<u>-</u>	<u>7,869</u>	<u>318,654</u>
Revenue over (under) exp.	<u>\$ (89,998)</u>	<u>4,193</u>	<u>(1,935)</u>	<u>6,143</u>	<u>1,067</u>	<u>29,897</u>	<u>-</u>	<u>(50,633)</u>
Changes in fund balances	<u>\$ (89,998)</u>	<u>4,193</u>	<u>(1,935)</u>	<u>6,143</u>	<u>1,067</u>	<u>29,897</u>	<u>-</u>	<u>(50,633)</u>
Fund balances - beginning	<u>89,617</u>	<u>36,672</u>	<u>5,353</u>	<u>22,753</u>	<u>5,573</u>	<u>-</u>	<u>-</u>	<u>159,968</u>
Fund balances - ended	<u>\$ (381)</u>	<u>40,865</u>	<u>3,418</u>	<u>28,896</u>	<u>6,640</u>	<u>29,897</u>	<u>-</u>	<u>109,335</u>

TOWN OF MORRIS, CONNECTICUT

SCHEDULE 5

COMBINING STATEMENT OF NET POSITION
PRIVATE PURPOSE TRUST FUNDS
June 30, 2023

	Town Employee's Plan Trust Fund	MVFD Plan Trust Fund	Morris Fire Company Plan Trust Fund	Total Trust Funds
Assets:				
Cash and cash equivalents	\$ 28,734	55,205	100	84,039
Investments at fair value	1,620,317	49,599	21,771	1,691,687
Total assets	<u>\$ 1,649,051</u>	<u>104,804</u>	<u>21,871</u>	<u>1,775,726</u>
Liabilities:				
Accrued expenses	\$ -	-	-	-
Net position:				
Held in trust for specific purposes	<u>\$ 1,649,051</u>	<u>104,804</u>	<u>21,871</u>	<u>1,775,726</u>

TOWN OF MORRIS, CONNECTICUT

SCHEDULE 6

COMBINING STATEMENT OF CHANGES IN NET POSITION
PRIVATE PURPOSE TRUST FUNDS
For the Year Ended June 30, 2023

	Town Employees' Plan Trust Fund	Volunteer Fire Department Trust Fund	Morris Fire Company Trust Fund	Total Trust Funds
Additions:				
Contributions	\$ 160,000	10,900	14,100	185,000
Total contributions	<u>\$ 160,000</u>	<u>10,900</u>	<u>14,100</u>	<u>185,000</u>
Investment earnings:				
Net increase (decrease) in fair value	\$ 92,493	(2,023)	1,715	92,185
Interest and dividends	64,253	2,111	930	67,294
Less: investment expense				-
Total investment earnings	<u>\$ 156,746</u>	<u>88</u>	<u>2,645</u>	<u>159,479</u>
Deductions:				
Administrative	\$ 4,838	4,350	4,000	13,188
Benefits	136,444	4,753		141,197
Total deductions	<u>\$ 141,282</u>	<u>9,103</u>	<u>4,000</u>	<u>154,385</u>
Change in net position	\$ 175,464	1,885	12,745	190,094
Net position - beginning	<u>1,473,587</u>	<u>102,919</u>	<u>9,126</u>	<u>1,585,632</u>
Net position - ended	<u><u>\$ 1,649,051</u></u>	<u><u>104,804</u></u>	<u><u>21,871</u></u>	<u><u>1,775,726</u></u>

TOWN OF MORRIS, CONNECTICUT

STATEMENT OF CHANGES IN FUND BALANCE - BY PROJECT CAPITAL & NONRECURRING FUND For the Year Ended June 30, 2023

	<u>Beginning Fund Balance</u>	<u>Current Year Appropriations</u>	<u>Transfer In (Out)</u>	<u>Other Revenues</u>
Restricted fund balance:				
Smokey Hollow - highway planning	\$ -			
Fire Department restroom STEAP grant	(2,446)			
Total restricted fund balance	<u>\$ (2,446)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Committed fund balance:				
Fire Department - exterior steps	\$ 7,200	-	(7,200)	
Fire Engine #5 upgrade	500,020		-	
Fire Department - extraction unit	2,000		(2,000)	
Fire Department - engine #3 replace	50,000	50,000	-	
First Selectman - JMS generator	116,485	3,515	-	
Highway - dump truck	236,088		-	
Highway - E. Shore Road culverts	140,994	100,000	-	
Highway - E. Shore Road paving		170,000		
Highway amp - add basins	2,147		(2,147)	
Highway - backhoe replacement	30,000	30,000	-	
Highway - power washer	2,731		(1,964)	
Municipal Building capital maintenance	5,455	25,000	-	
Revaluation	53,143		-	
Selectman - fire pond dredging	22,462	10,000	-	
Town Clerk upgrade	10,000		-	
Transfer Station concrete wall replacement	35,683	-	(16,183)	
Highway - Town garage repairs		10,000		
Highway - Salt shed		100,000	(365)	
Senior Center - Sidewalks		18,000		
Senior Center - Dishwasher		8,000		
Library - Computers		5,000	(609)	
Total committed fund balance	<u>\$ 1,214,408</u>	<u>529,515</u>	<u>(30,468)</u>	<u>-</u>
Assigned fund balance:				
Senior Center funds	\$ 183			
Unspecified projects	75,902	(529,515)	536,468	53,143
Total assigned fund balance	<u>\$ 76,085</u>	<u>(529,515)</u>	<u>536,468</u>	<u>53,143</u>
Total fund balance	<u>\$ 1,288,047</u>	<u>-</u>	<u>506,000</u>	<u>53,143</u>

SCHEDULE 7

Total Available	Current Year Expenditures	Ended Fund Balance	Eliminating Deficit Balances	Reported Fund Balance
-		-		-
(2,446)		(2,446)	2,446	-
(2,446)	-	(2,446)	2,446	-
-		-		-
500,020		500,020		500,020
-		-		-
100,000		100,000		100,000
120,000	(4,553)	115,447		115,447
236,088	(236,088)	-		-
240,994	(29,807)	211,187		211,187
170,000		170,000		170,000
-		-		-
60,000	-	60,000		60,000
767	(767)	-		-
30,455	(25,138)	5,317		5,317
53,143	(25,275)	27,868		27,868
32,462	(31,618)	844		844
10,000	(980)	9,020		9,020
19,500	(19,079)	421		421
10,000	(8,318)	1,682		1,682
99,635	(99,635)	-		-
18,000	(18,000)	-		-
8,000		8,000		8,000
4,391	(4,391)	-		-
1,713,455	(503,649)	1,209,806	-	1,209,806
183	-	183	-	183
135,998	-	135,998	(2,446)	133,552
136,181	-	136,181	(2,446)	133,735
1,847,190	(503,649)	1,343,541	-	1,343,541

TOWN OF MORRIS, CONNECTICUT

SCHEDULE 8

STATEMENT OF CHANGES IN FUND BALANCE - BY PROJECT
 AMERICAN RECOVERY PLAN ACT
 For the Year Ended June 30, 2023

	Total Total Appropriation	Current Year Expenditures	Current Year Expenditures	Other Revenues	Total Available
Grant Payments in Advance					
Community hall access	\$ 10,000	-	-		10,000
Mini excavator	100,000	(100,631)	-		(631)
NW Transit District	10,000	(10,000)	-		-
Greenwoods	10,000	-	-		10,000
Affordable Housing	140,000	-	(86,550)		53,450
Message sign	25,000	-	-		25,000
Firehouse HVAC	40,000	-	-		40,000
Firehouse bath/showers	40,000	-	-		40,000
Morris Fresh Food Grant	3,750	(3,750)	-		-
Engine 5 replacement	150,000	-	-		150,000
Community Hall HVAC	30,000	-	-		30,000
Recreation access	40,000	-	(24,733)		15,267
Morris Historical Society	33,000	-	-		33,000
CHORE	8,000	-	(6,530)		1,470
Friends and Neighbors	8,000	-	-		8,000
MP Library Fund	1,000	-	(863)		137
Unspecified projects	18,322	-	-		18,322
Total grant payments in advance	\$ 648,750	(114,381)	(118,676)	-	434,015
Restricted Funds					
Unspecified projects	\$ -	-	-	14,118	14,118
Total resticted funds	-	-	-	14,118	14,118
Total	\$ 648,750	(114,381)	(118,676)	14,118	448,133

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TOWN OF MORRIS, CONNECTICUT

SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
For the Year Ended June 30, 2023

Grand List Year	Uncollected Balance & New Levy July 1, 2022	Lawful Corrections		Transfers to (Recoveries From) Suspense	Balance to be Collected
		Increases	Decreases		
2007	\$ -	-	-	-	-
2008	282	-	-	(282)	-
2009	412	-	-	(412)	-
2010	238	-	-	(210)	28
2011	379	-	-	(269)	110
2012	102	-	-	-	102
2013	82	-	-	(82)	-
2014	188	-	-	(188)	-
2015	7,184	43	-	-	7,227
2016	5,623	538	(20)	-	6,141
2017	9,875	1,328	-	(315)	10,888
2018	20,857	139	-	-	20,996
2019	22,648	812	(2)	(381)	23,077
2020	49,286	769	(2,373)	(402)	47,280
Total	\$ 117,156	3,629	(2,395)	(2,541)	115,849
2020	8,516,991	28,658	(35,968)	(89)	8,509,592
Total	\$ 8,634,147	32,287	(38,363)	(2,630)	8,625,441

SCHEDULE 9

Collections				Uncollected Balance June 30, 2023
Taxes	Interest	Lien Fees	Total	
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
28	56	14	98	-
110	207	49	366	-
102	173	42	317	-
-	-	-	-	-
-	-	-	-	-
658	688	54	1,400	6,569
1,408	1,142	48	2,598	4,733
5,550	2,003	24	7,577	5,338
6,727	4,881	25	11,633	14,269
9,924	3,356	191	13,471	13,153
29,635	6,558	351	36,544	17,645
54,142	19,064	798	74,004	61,707
8,443,222	27,272	753	8,471,247	66,370
8,497,364	46,336	1,551	8,545,251	128,077

TOWN OF MORRIS, CONNECTICUT**SCHEDULE OF DEBT LIMITATION**For the Year Ended June 30, 2023

	<u>General Purpose</u>	<u>Schools</u>
Debt limitation:		
2 1/4 times base	\$ 19,226,815	
4 1/2 times base		38,453,630
3 3/4 times base		
3 1/4 times base		
3 times base		
7 times base		
	<hr/>	<hr/>
Total debt limitation	\$ 19,226,815	38,453,630
	<hr/>	<hr/>
Indebtedness:		
Bonds payable	\$ -	-
Bonds authorized and unissued	<hr/> -	<hr/> -
	<hr/>	<hr/>
Total indebtedness	\$ -	-
	<hr/>	<hr/>
Less: school construction grants receivable	-	-
	<hr/>	<hr/>
Total indebtedness of the Town	\$ -	-
	<hr/>	<hr/>
Debt limitation in excess of outstanding and authorized debt	\$ 19,226,815	38,453,630
	<hr/>	<hr/>

SCHEDULE 10

Total tax collections (including interest and lien fees)
for the year ended June 30, 2023 \$ 8,545,251

Reimbursement for revenue loss on:
Elderly Tax Relief - Freeze -

Base \$ 8,545,251

<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Bonding</u>	<u>Total Debt</u>
32,044,691	27,772,066	25,635,753	59,816,757
<u>32,044,691</u>	<u>27,772,066</u>	<u>25,635,753</u>	<u>59,816,757</u>
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u><u>32,044,691</u></u>	<u><u>27,772,066</u></u>	<u><u>25,635,753</u></u>	<u><u>59,816,757</u></u>