

TOWN OF MORRIS, CONNECTICUT

ANNUAL FINANCIAL REPORT

June 30, 2022

TOWN OF MORRIS, CONNECTICUT

TABLE OF CONTENTS

	<u>Page Number</u>
<u>Financial Section</u>	
Independent Auditor's Report	1 - 3
Management's Discussion and Analysis	4a - 4f
 Basic Financial Statements:	
Government-Wide Financial Statements:	<u>Exhibit</u>
Statement of Net Position	A 5
Statement of Activities	B 6
 Fund Financial Statements:	
Balance Sheet – Governmental Funds	C 7
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	D 8
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	E 9
Statement of Revenues, Expenditures and Changes in Unassigned Fund Balance – Budgetary Basis – Budget to Actual – General Fund	F 10
Statement of Net Fund Position – Proprietary Funds	G 11
Statement of Revenues, Expenses and Changes in Net Fund Position – Proprietary Funds	H 12
Statement of Cash Flows – Proprietary Funds	I 13
Statement of Fiduciary Net Position – Fiduciary Funds	J 14
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	K 15
 Notes to Financial Statements	 16 - 39

TOWN OF MORRIS, CONNECTICUT

TABLE OF CONTENTS

		<u>Page Number</u>
Required Supplementary Information:		
Schedule of Changes in Net Pension Liability and Related Ratios – Town Plan	RSI-1	40
Schedule of Changes in Net Pension Liability and Related Ratios – MVFD Plan	RSI-2	41
Schedule of Changes in Net Pension Liability and Related Ratios – MFC Plan	RSI-3	42
Schedule of Employer Contributions – Town Plan	RSI-4	43
Schedule of Employer Contributions – MVFD Plan	RSI-5	44
Schedule of Employer Contributions – MFC Plan	RSI-6	45
Schedule of Investment Returns – Town Plan	RSI-7	46
Schedule of Investment Returns – MVFD Plan	RSI-8	47
Schedule of Investment Returns – MFC Plan	RSI-9	48
Supplemental and Combining Nonmajor Fund Statements and Schedules:		
	<u>Schedule</u>	
General Fund:		
General Fund Revenues and Other Financing Sources – Budgetary Basis – Budget and Actual	1	49
General Fund Expenditures, Encumbrances and Other Financing Uses – Budgetary Basis – Budget and Actual	2	50 - 51
Nonmajor Governmental Funds:		
Combining Balance Sheet	3	52
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)	4	53

TOWN OF MORRIS, CONNECTICUT

TABLE OF CONTENTS

	<u>Schedule</u>	<u>Page Number</u>
Other Schedules:		
Fiduciary Funds:		
Combining Statement of Net Position Private Purpose Trust Funds	5	54
Combining Statement of Changes in Net Position Private Purpose Trust Funds	6	55
Statement of Changes in Fund Balance – By Project Capital & Nonrecurring Fund	7	56 – 57
Schedule of Property Taxes Levied, Collected and Outstanding	8	58 - 59
Schedule of Debt Limitation	9	60 – 61

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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, 2022, 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, 2022, 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 further described in the Auditor's Responsibilities for 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, that 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 the 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, that 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 39-47, 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 were derived from and relate 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 12, 2022, 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 12, 2022

TOWN OF MORRIS, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

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, 2022. Please read this MD&A in conjunction with the Town's financial statements.

Financial Highlights

- Net position of our governmental activities increased by \$374 thousand.
- Net position of our business-type activities decreased by \$65 thousand
- The General Fund reported a fund balance this year of \$2.0 million; \$156 thousand less 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 \$352 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 of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report 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 of 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 \$375 thousand from \$10.1 million in 2021 to \$10.5 million in 2022.

Table 1: Net Position (In Thousands)

	Governmental Activities	
	2022	2021
Current and other assets	\$ 4,339,081	4,323,832
Capital assets	7,589,923	7,341,195
Deferred inflows	341,196	198,905
Total assets & deferred inflows	\$ 12,270,200	11,863,932
Current and other liabilities	\$ 691,806	883,451
Deferred outflows	83,237	255,829
Long-term liabilities	971,834	575,980
Total liabilities & deferred outflows	\$ 1,746,877	1,715,260
Net position:		
Investment in capital assets	\$ 7,589,923	7,341,195
Restricted	1,725	1,725
Unrestricted	2,931,675	2,805,752
Total net position	\$ 10,523,323	10,148,672

Table 2: Change In Net Assets (In Thousands)

	Governmental Activities	
	2022	2021
Revenues:		
Program revenues:		
Charges for services	\$ 280,340	281,860
Operating grants and contributions	165,340	154,906
Capital grants and contributions	420,747	230,566
General revenues:		
Property taxes	8,556,236	8,661,481
Grants and contributions not restricted to specific purposes	27,440	27,328
Unrestricted investment earnings and other revenues	5,157	5,048
Other general revenues (and transfers)	12,787	(888)
Total revenues	\$ 9,468,047	9,360,301
Program expenses:		
General government	\$ 1,073,596	1,169,836
Public safety	663,243	610,566
Public works	1,365,607	1,238,933
Health and welfare	19,725	26,896
Culture and recreation	392,575	360,867
Education	5,578,650	5,397,683
Total program expenses	\$ 9,093,396	8,804,781
Increase (decrease) in net position	\$ 374,651	555,520

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 \$3.5 million which was a \$230 thousand increase from the previous year. Included in this year's total change in fund balance was a \$352 thousand increase in the capital projects fund and a \$156 thousand reduction 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.

Proprietary Funds

The Town reports the Sewer Authority as a proprietary fund (Exhibit G, H, and I). Under this presentation, the operating loss was \$65 thousand, which included depreciation expense of \$66 thousand. Net fund position at year end included \$1.3 million of net capital investment and \$294 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 \$108 thousand in revenues over budget.
- All departments expended less than the budgeted amounts with the largest savings in the general government.
- The \$730 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, 2022, the Town had approximately \$8.9 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 decrease (including additions and deductions) of \$67 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	
		2022	2021
Land	\$	448,223	448,223
Construction in progress		-	1,697,203
Buildings and improvements		981,327	988,751
Land improvements		1,023,234	659,837
Machinery and equipment		740,073	657,754
Infrastructure		4,397,066	2,889,427
Totals	\$	<u>7,589,923</u>	<u>7,341,195</u>

		Business-type Activities	
		2022	2021
Sewer collection system	\$	<u>1,267,257</u>	<u>1,333,087</u>

Long-Term Liabilities

At June 30, 2022, the Town had \$971,834 in long-term liabilities versus \$575,980 last year. The Increase is the result of the reduction of the investments in the pension trust funds and the start of a new defined benefit plan for the Morris Fire Company.

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 top 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.
- Board of Selectmen continue to be diligent in ensuring that services are provided to Morris residents and the assets are well maintained while managing costs.
- In June 30, 2022, 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 taken into account 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, 2022

	Governmental Activities	Business-type Activities	Total*
Assets:			
Cash and cash equivalents	\$ 3,670,579	280,316	3,950,895
Investments	300,104	-	300,104
Receivables, net	368,398	13,326	381,724
Prepaid expenses	-	-	-
Internal balances	-	-	-
Capital assets:			
Capital assets, not being depreciated	448,223	-	448,223
Capital assets, being depreciated, net	7,141,700	1,267,257	8,408,957
Total assets	\$ 11,929,004	1,560,899	13,489,903
Deferred outflows on resources:			
Deferred pension expenses	\$ 341,196	-	341,196
Total deferred outflows on resources	\$ 341,196	-	341,196
Liabilities:			
Accounts payable and other current liabilities	\$ 274,049	-	274,049
Unearned revenues	417,757	-	417,757
Noncurrent liabilities:			
Due in more than one year	971,834	-	971,834
Total liabilities	\$ 1,663,640	-	1,663,640
Deferred inflows on resources:			
Deferred pension credit	\$ 83,237	-	83,237
Total deferred inflows on resources	\$ 83,237	-	83,237
Net position:			
Invested in capital assets, net of related debt	\$ 7,589,923	1,267,257	8,857,180
Restricted	1,725	-	1,725
Unrestricted	2,931,675	293,642	3,225,317
Total net position	\$ 10,523,323	1,560,899	12,084,222

* After internal balances have been eliminated

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

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022

		Program Revenues			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	\$ (1,073,596)	211,674	33,192		(828,730)	-	(828,730)
Public safety	(663,243)	38,059		242,586	(382,598)	-	(382,598)
Public works	(1,365,607)	30,607		178,161	(1,156,839)	-	(1,156,839)
Public health	(19,725)				(19,725)	-	(19,725)
Culture and recreation	(392,575)				(392,575)	-	(392,575)
Education	(5,578,650)		132,148		(5,446,502)	-	(5,446,502)
Total governmental activities	<u>\$ (9,093,396)</u>	<u>280,340</u>	<u>165,340</u>	<u>420,747</u>	<u>(8,226,969)</u>	<u>-</u>	<u>(8,226,969)</u>
Business-type activities:							
Sewer Authority	<u>\$ (161,685)</u>	<u>93,490</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(68,195)</u>	<u>(68,195)</u>
Total business-type activities	<u>\$ (161,685)</u>	<u>93,490</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(68,195)</u>	<u>(68,195)</u>
Total primary government	<u>\$ (9,255,081)</u>	<u>373,830</u>	<u>165,340</u>	<u>420,747</u>	<u>(8,226,969)</u>	<u>(68,195)</u>	<u>(8,295,164)</u>
General revenues:							
Property taxes					\$ 8,556,236		8,556,236
Grants and contributions not restricted for specific programs					27,440		27,440
Unrestricted investment earnings					5,157		5,157
Other unrestricted income					<u>12,787</u>	<u>2,913</u>	<u>15,700</u>
Total general revenues					<u>\$ 8,601,620</u>	<u>2,913</u>	<u>8,604,533</u>
Change in net position					\$ 374,651	(65,282)	309,369
Net position, beginning					<u>10,148,672</u>	<u>1,626,181</u>	<u>11,774,853</u>
Net position, ending					<u>\$ 10,523,323</u>	<u>1,560,899</u>	<u>12,084,222</u>

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

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2022

	General	Capital & Nonrecurring	Other Governmental Funds	Total Governmental Funds
Assets:				
Cash and cash equivalents	\$ 2,200,826	1,423,222	46,531	3,670,579
Investments	11,502	264,782	23,820	300,104
Receivables, net	169,796	-	198,602	368,398
Due from other funds	61,745	-	308,772	370,517
Total assets	<u>\$ 2,443,869</u>	<u>1,688,004</u>	<u>577,725</u>	<u>4,709,598</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts and other payables	\$ 244,609	29,440	-	274,049
Grant payments in advance	-	-	417,757	417,757
Due to other funds	-	370,517	-	370,517
Total liabilities	<u>\$ 244,609</u>	<u>399,957</u>	<u>417,757</u>	<u>1,062,323</u>
Deferred inflows of resources:				
Unavailable receipts	\$ 172,989	-	-	172,989
Total deferred inflows of resources	<u>\$ 172,989</u>	<u>-</u>	<u>-</u>	<u>172,989</u>
Fund balances:				
Nonspendable	\$ -	-	-	-
Restricted for donor's intentions	1,725	-	-	1,725
Committed for:				
Specified use	383,526	1,214,409	89,617	1,687,552
Assigned	-	73,638	70,351	143,989
Unassigned	1,641,020	-	-	1,641,020
Total fund balances	<u>\$ 2,026,271</u>	<u>1,288,047</u>	<u>159,968</u>	<u>3,474,286</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,443,869</u>	<u>1,688,004</u>	<u>577,725</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.	7,589,923
Other long-term assets are not available to pay for current period expenditures, and therefore, are deferred in the funds.	172,989
Long-term liabilities , including bonds payable, are not due and payable in the current period, and therefore, are not reported in the funds.	(971,834)
Pension costs , including differences between expected and actual pension experiences, change in pension assumptions and net difference between projected and actual pension earnings.	257,959
Net position of governmental activities (Exhibit A)	<u>\$ 10,523,323</u>

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2022

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes and assessments	\$ 8,579,109			8,579,109
Intergovernmental	192,780	128,205	292,542	613,527
Charges for services	242,281		11,750	254,031
Investment income	4,206	2,542	(1,591)	5,157
Miscellaneous	12,787		26,309	39,096
Total revenues	<u>\$ 9,031,163</u>	<u>130,747</u>	<u>329,010</u>	<u>9,490,920</u>
Expenditures:				
Current:				
General government	\$ 957,830	-	-	957,830
Public safety	471,485	-	114,381	585,866
Public works	951,440	-	136,266	1,087,706
Public health	18,102	-	-	18,102
Culture and recreation	295,322	-	44,494	339,816
Education	5,578,650	-	-	5,578,650
Other	184,600	-	-	184,600
Capital outlay	-	508,583	-	508,583
Total expenditures	<u>\$ 8,457,429</u>	<u>508,583</u>	<u>295,141</u>	<u>9,261,153</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 573,734</u>	<u>(377,836)</u>	<u>33,869</u>	<u>229,767</u>
Other financing sources (uses):				
Transfer from other funds	\$ -	730,000	-	730,000
Transfer to other funds	(730,000)	-	-	(730,000)
Total other financing sources (uses)	<u>\$ (730,000)</u>	<u>730,000</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	<u>\$ (156,266)</u>	<u>352,164</u>	<u>33,869</u>	<u>229,767</u>
Fund balances (deficits) - beginning	<u>2,182,537</u>	<u>935,883</u>	<u>126,099</u>	<u>3,244,519</u>
Fund balances (deficits) - ended	<u>\$ 2,026,271</u>	<u>1,288,047</u>	<u>159,968</u>	<u>3,474,286</u>

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, 2022**

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)	\$	229,767
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.		248,728
Revenues previously recognized in the statement of activities that provided current financial resources in the current year.		(22,873)
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.		(395,854)
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>314,883</u>
Change in net position of governmental activities (Exhibit B)	\$	<u><u>374,651</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, 2022**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive/ (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 8,470,619	8,470,619	8,579,109	108,490
Intergovernmental	154,198	154,198	192,780	38,582
Charges for services	139,325	139,325	242,281	102,956
Investment income	3,050	3,050	4,206	1,156
Other revenues	4,724	4,724	13,037	8,313
Total revenues	<u>\$ 8,771,916</u>	<u>8,771,916</u>	<u>9,031,413</u>	<u>259,497</u>
Expenditures:				
Current:				
General government	\$ 1,039,407	1,054,178	957,830	96,348
Public safety	469,991	488,678	471,485	17,193
Public works	975,994	990,236	951,440	38,796
Health and welfare	18,802	18,802	18,102	700
Culture and recreation	306,922	306,922	295,322	11,600
Education	5,578,650	5,578,650	5,578,650	-
Other	235,150	187,450	184,600	2,850
Total expenditures	<u>\$ 9,104,916</u>	<u>9,354,916</u>	<u>8,457,429</u>	<u>167,487</u>
Revenues over (under) expenditures	<u>\$ (333,000)</u>	<u>(583,000)</u>	<u>573,984</u>	<u>426,984</u>
Other financing sources (uses):				
Capital improvement	(480,000)	(730,000)	(730,000)	-
Proceeds from surplus	\$ 333,000	583,000	-	-
Total other financing sources (uses)	<u>\$ 333,000</u>	<u>583,000</u>	<u>(730,000)</u>	<u>-</u>
Revenues over expenditures and other financing sources (uses)	<u>\$ -</u>	<u>-</u>	<u>(156,016)</u>	<u>426,984</u>

Appropriations from surplus:Committed for subsequent year's operating budget \$ (383,526)**Net change in unassigned fund balance** \$ (539,542)**Unassigned fund balance, July 1, 2021** 2,180,562**Unassigned fund balance, June 30, 2022** \$ 1,641,020

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

STATEMENT OF NET FUND POSITION
 PROPRIETARY FUNDS
 June 30, 2022

	Business-type Activities	Sewer Authority
Assets:		
Current assets:		
Cash and cash equivalents	\$ 280,316	
Receivables, net of allowance	13,326	
Total current assets	\$ 293,642	
Noncurrent assets:		
Capital assets, net of accumulated depreciation	\$ 1,267,257	
Total noncurrent assets	\$ 1,267,257	
Total assets	\$ 1,560,899	
Net fund position:		
Invested in capital assets, net of related debt	\$ 1,267,257	
Unrestricted	293,642	
Total net fund position	\$ 1,560,899	

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, 2022

	Business-type Activities
	Sewer Authority
Operating revenues:	
Charges for services and other revenues	\$ 93,490
Total operating revenues	<u>\$ 93,490</u>
Operating expenses:	
Administration and operation	\$ 95,855
Depreciation and amortization	65,830
Total operating expenses	<u>\$ 161,685</u>
Operating income (loss)	<u>\$ (68,195)</u>
Nonoperating revenues (expenses):	
Interest income	\$ 2,913
Total nonoperating revenues (expenses)	<u>\$ 2,913</u>
Change in net fund position	\$ (65,282)
Net fund position, beginning	<u>1,626,181</u>
Net fund position, ending	<u><u>\$ 1,560,899</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, 2022

	Business-type Activities
	Sewer Authority
Cash flows from operating activities:	
Receipts from customers and users	\$ 103,316
Payments to suppliers	(95,855)
Net cash flows from operating activities	\$ 7,461
Cash flows from investing activities:	
Transfer from investments	\$ -
Interest received on investments	2,913
Net cash provided by investing activities	\$ 2,913
Net increase (decrease) in cash and cash equivalents	\$ 10,374
Cash and cash equivalents, beginning	269,942
Cash and cash equivalents, ending	\$ 280,316
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:	
Operating income (loss)	\$ (68,195)
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	9,826
Net cash flows from operating activities	\$ 7,461

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

TOWN OF MORRIS, CONNECTICUT**EXHIBIT J**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2022

	Pension Trust Funds
Assets:	
Cash and cash equivalents	\$ 103,212
Investments, at fair value	<u>1,482,441</u>
Total assets	<u>\$ 1,585,653</u>
Liabilities:	
Accrued expenses	\$ <u>21</u>
Net position:	
Held in trust for benefits and other purposes	<u>\$ 1,585,632</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, 2022

	<u>Pension Trust Funds</u>
Additions:	
Contributions:	
Contributions and donations	\$ 146,300
Total contributions	<u>\$ 146,300</u>
Investment earnings:	
Net increase in fair value of investments	\$ (306,084)
Interest and dividends	82,864
Less: investment expenses	<u>(125)</u>
Total investment earnings	<u>\$ (223,345)</u>
Total additions	<u>\$ (77,045)</u>
Deductions:	
Administrative	\$ 18,800
Benefits	<u>172,106</u>
Total deductions	<u>\$ 190,906</u>
Change in net position	<u>\$ (267,951)</u>
Net position, beginning	<u>1,853,583</u>
Net position, ending	<u><u>\$ 1,585,632</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, 2022

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 more 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 of 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.

As a general rule, the effect of inter-fund activity, or internal balances, has been eliminated from the 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, 2022

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 they are 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.

TOWN OF MORRIS, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

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 the fair value using quoted market prices.

TOWN OF MORRIS, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

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, 2022

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, 2022

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 are not restricted for any project or other purpose.

TOWN OF MORRIS, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

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, that was considered to be the Board of Selectmen.

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.

TOWN OF MORRIS, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

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.
- 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.

A reconciliation of General Fund operations and fund balance presented on a budgetary basis to the amounts presented in accordance with accounting principles generally accepted in the United States of America (GAAP) is as follows:

	<u>Revenues</u>	<u>Expenditures and Encumbrances</u>
Balance, budgetary basis	\$ 9,031,163	9,187,429
Expenditures of committed funds		
reclassified as other financing uses	-	(730,000)
Balance, GAAP basis	\$ <u>9,031,163</u>	<u>8,457,429</u>

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.

TOWN OF MORRIS, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

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>7,141,700</u>
Net adjustment to increase fund balance to arrive at net position of government activities	\$	<u>7,589,923</u>

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	\$	(79,506)
Net pension obligation		(685,512)
Landfill closure		<u>(206,816)</u>
Net adjustment to reduce fund balance to arrive at net position of government activities	\$	<u>(971,834)</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	\$	<u>172,989</u>
Net adjustment to increase fund balance to arrive at net position of government activities	\$	<u>172,989</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:

Changes in assumptions	\$	118,383
Net difference between projected and actual earnings		99,787
Difference between expected and actual experiences		<u>39,789</u>
Net adjustment to increase fund balance to arrive at net position of the government activities	\$	<u>257,959</u>

TOWN OF MORRIS, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

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	\$ 623,711
Disposals	-
Depreciation	<u>(374,983)</u>
Net adjustment to increase net changes in fund balances to arrive at changes in net position of governmental activities	\$ <u>248,728</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. 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	\$ (14,602)
Net change in landfill closure	12,004
Net change in pension obligation	<u>(393,256)</u>
Net adjustment to reduce net changes in fund balances to arrive at changes in net position of governmental activities	\$ <u>(395,854)</u>

TOWN OF MORRIS, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

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	\$ 3,670,579	-	3,670,579
Business-type activities	280,316	-	280,316
Fiduciary funds	103,212	-	103,212
Investments:			
Governmental funds	-	300,104	300,104
Fiduciary funds	-	1,473,315	1,473,315
Total deposits and investments	<u>\$ 4,054,107</u>	<u>1,773,419</u>	<u>5,827,526</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, 2022, consist of the following:

Bank deposit accounts	\$ 3,846,032
Certified deposits	207,925
Cash on hand	<u>150</u>
Total deposits	<u>\$ 4,054,107</u>

Custodial credit risk

As of June 30, 2022, the carrying amount of the Town's deposits had bank balances of approximately \$4,354,000. The amount of the bank balance covered under federal depository insurance was approximately \$400,000. 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, 2022, approximately \$400,000 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).

TOWN OF MORRIS, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

As of June 30, 2022, the Town held the following investments:

Investment Type	Fund	Fair Value	Maturities Less Than 1 Year	Risk
State Investment Fund	General Fund	\$ 11,502	11,502	Na
State Investment Fund	Capital Reserve	264,782	264,782	Na
Money Market	Library Fund	282	282	Na
Mutual Funds	Library Fund	23,537	23,537	Na
Money Market	Trust Funds	44,840	44,840	Na
Common Stock	Trust Funds	157,901	157,901	Na
Mutual Funds	Trust Funds	1,270,575	1,270,575	Na
Total Investments		\$ 1,773,419	1,773,419	

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 an 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 Revenue and Payables

Receivables

The receivables as of June 30, 2022, 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:

	Governmental Funds			Sewer Authority	Total
	General Fund	Capital Fund	Nonmajor Funds		
Property taxes	\$ 123,935				123,935
Property tax interest	50,979				50,979
Governmental Accounts			198,602	3,274	201,876
Assessments				10,052	10,052
Less: allowance	(5,118)				(5,118)
Net total receivables	\$ 169,796	-	198,602	13,326	381,724

TOWN OF MORRIS, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

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:

	<u>Unavailable</u>	<u>Payments in Advance</u>
Delinquent property taxes and interest	\$ 172,989	-
Government grants	-	417,757
Total	\$ 172,989	417,757

Payables

Payables as of June 30, 2022, for the Town's individual major funds and non-major funds were as follows:

	<u>Vendors</u>	<u>Payroll</u>	<u>Total</u>
General Fund	\$ 223,564	21,045	244,609
Capital Projects Fund	29,440	-	29,440
Total payables	\$ 253,004	21,045	274,049

Note 6 - Inter-fund Receivables, Payables and Transfers

Inter-fund Receivables and Payables

Inter-fund receivables and payables at June 30, 2022, consisted of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Projects	\$ 61,421
ARPA Grant Fund	Capital Projects	219,155
Town Road Aid	Capital Projects	89,941
Total		\$ 370,517

Inter-fund Transfers

The Town transferred \$730,000 from the general fund to the capital projects fund to be committed for future capital projects.

TOWN OF MORRIS, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

Note 7 - Capital Assets

Capital assets activity for the year ended June 30, 2022, was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 448,223	-	-	448,223
Construction in progress	1,697,203	-	1,697,203	-
Total capital assets, not being deprec.	\$ 2,145,426	-	1,697,203	448,223
Capital assets being depreciated:				
Buildings and improvements	\$ 2,416,718	35,800	-	2,452,518
Land improvements	983,753	393,406	-	1,377,159
Machinery and equipment	2,748,578	159,595	-	2,908,173
Infrastructure	7,445,894	1,732,113	-	9,178,007
Total capital assets being depreciated	\$ 13,594,943	2,320,914	-	15,915,857
Less: accumulated depreciation:				
Buildings and improvements	\$ 1,427,967	43,224	-	1,471,191
Land improvements	323,916	30,009	-	353,925
Machinery and equipment	2,090,834	77,266	-	2,168,100
Infrastructure	4,556,457	224,484	-	4,780,941
Total accumulated depreciation	\$ 8,399,174	374,983	-	8,774,157
Net capital assets, being depreciated	\$ 5,195,769	1,945,931	-	7,141,700
Total capital assets, governmental	\$ 7,341,195	1,945,931	1,697,203	7,589,923

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

Governmental activities:	
General government	\$ 27,626
Public safety	24,851
Public works	300,213
Recreation	22,293
Total depreciation expense	\$ 374,983

	Beginning Balance	Additions	Disposals	Ending Balance
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	1,948,511	65,830	-	2,014,341
Total capital assets, business-type	\$ 1,333,087	(65,830)	-	1,267,257

TOWN OF MORRIS, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

Note 8 - Long-Term Liabilities

Long-term debt liabilities activity for the year ended June 30, 2022, was as follows:

	Beginning Balance	Additions	Reductions	Balance	Due In One Year
Governmental activities:					
Compensated absences	\$ 64,904	14,602	-	79,506	-
Net pension liability	292,256	393,256	-	685,512	-
Landfill closure	218,820	-	12,004	206,816	-
Total governmental activities long-term liabilities	\$ 575,980	407,858	12,004	971,834	-

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.

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.

TOWN OF MORRIS, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

The spread of the COVID-19 virus has caused business disruption throughout the United States and in the State of Connecticut specifically through the State of Connecticut Executive Orders. While disruption is expected to be temporary, there is a considerable uncertainty concerning the duration and financial impact of this disruption. Although the Town does not expect this matter to negatively impact its financial condition, results of operation, or cash flow, the extent of the financial impact and duration cannot be reasonably estimated.

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, 2022, the outstanding bonded indebtedness of the District was \$1,790,000. The Town of Morris's share of this debt is 32.2%. These are general obligations of the Regional School District and its Town members.

Note 10 - Fund Balance

As of June 30, 2022, the governmental fund balance is composed of the following:

	<u>General</u>	<u>Capital</u>	<u>Nonmajor</u>	<u>Total</u>
Restricted:				
Morris Volunteer Monument Fund	\$ 1,725	-	-	1,725
Committed:				
Town roads			89,617	89,617
Capital projects	-	1,214,409	-	1,214,409
Subsequent years expenses	383,526	-	-	383,526
Assigned:				
Capital projects		73,638		73,638
Culture and recreation	-	-	70,351	70,351
Unassigned	<u>1,641,020</u>	<u>-</u>	<u>-</u>	<u>1,641,020</u>
Total fund balance	<u>\$ 2,026,271</u>	<u>1,288,047</u>	<u>159,968</u>	<u>3,474,286</u>

Note 11 - Employee Retirement Plans

Plan description and benefits provided

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

TOWN OF MORRIS, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

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 a 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.

The Morris Fire Company

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 includes \$15.00 per month for each year of credited service. Credited service years are those years when the member receives 100 points.

TOWN OF MORRIS, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

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

	Town Plan	MVDF	Fire Company
Retirees and beneficiaries currently receiving benefits	11	6	-
Terminated plan members entitled to, but not yet receiving benefits	2	15	-
Active plan members	9	-	30
Total	22	21	30

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 actuarial determined employer contribution or 80% of the prior year's actual contribution up to 100% of the actuarially determined employer contribution.

Investments

Investment Policy

The pension plan's policy in regard to 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.

TOWN OF MORRIS, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

Rate of Return

For the year ended June 30, 2022, the money-weighted rate of return on the pension plan investments, net of pension plan investment expense, was -14.62% for the Town Plan, -11.85% for the Volunteer Fire Department Plan, and .04% 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 Town and MVFD Plan net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022.

The components of the net pension liability of the Town at June 30, 2022, were as follows:

	Town Plan	MVFD Plan	Fire Company Plan
Total pension liability	\$ 2,124,532	126,641	47,866
Plan fiduciary net position	1,463,587	102,940	10,000
Net pension liability	\$ 660,945	23,701	37,866
Plan fiduciary net position as a percentage of the total pension liability	136.26%	103.31%	26.09%

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	Fire Company Plan
Inflation	2.25	2.50	2.50
Salary increase	3.50	Na	Na
Investment rate of return	6.75	6.25	6.25

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

The actuarial assumptions used in the July 1, 2022; 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

TOWN OF MORRIS, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

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 and the MVFD 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.

Changes in the net pension liability

<u>Town Plan</u>	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (a)-(b)</u>
Balances as of June 30, 2021	\$ 2,015,058	1,720,260	294,798
Changes for the year:			
Service cost	\$ 56,821	-	56,821
Interest cost on total pension liability	121,521	-	121,521
Difference between expected and actual experience	17,059	-	17,059
Change in assumptions	55,520	-	55,520
Employer contributions	-	125,100	(125,100)
Net investment income	-	(232,526)	232,526
Administrative expenses	-	(7,800)	7,800
Benefit payments, including refund of employee contributions	(141,447)	(141,447)	-
Net changes	\$ 109,474	(256,673)	366,147
Balances as of June 30, 2022	\$ 2,124,532	1,463,587	660,945

TOWN OF MORRIS, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS June 30, 2022

MVFD Plan

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances as of June 30, 2021	\$ 130,802	133,344	(2,542)
Changes for the year:			
Service cost	\$ 10,625	-	10,625
Interest cost on total pension liability	7,217	-	7,217
Difference between expected and actual experience	(21,477)	-	(21,477)
Effects of assumption changes or inputs	3,133	-	3,133
Employer contributions	-	7,200	(7,200)
Net investment income	-	(13,941)	13,941
Administrative expenses	-	6,996	(6,996)
Benefit payments, including refund of employee contributions	(30,659)	(30,659)	-
Net changes	\$ (31,161)	(30,404)	757
Balances as of June 30, 2022	\$ 99,641	102,940	3,299

Fire Company Plan

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances as of June 30, 2021	\$ 55,509	-	55,509
Changes for the year:			
Service cost	\$ 17,402	-	17,402
Interest cost on total pension liability	3,469	-	3,469
Difference between expected and actual experience	(30,537)	-	(30,537)
Net investment income	-	(4)	4
Employer Contributions	-	14,000	(14,000)
Change in assumption	2,023	-	2,023
Administrative expenses	-	(3,996)	3,996
Net changes	\$ (7,643)	10,000	(17,643)
Balances as of June 30, 2022	\$ 47,866	10,000	37,866

TOWN OF MORRIS, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

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 6.75%, as well as what the net pension liabilities would be if it were calculated using a discount rate that is 1 percent point lower (5.50%) or 1 percent higher (7.50%) than the current rate:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Town Plan net pension liability	\$ 2,355,289	2,124,532	1,930,174
MVFD Plan net pension liability	113,040	99,641	88,650
Fire Company net pension liability	56,913	47,866	40,595

Pension trust funds

The Town maintains two pension trust funds (Town Employees' Plan and Morris Volunteer Fire Department Plan) to account for its fiduciary responsibility. The following schedules present the net position held in trust for pension benefits at June 30, 2022, and the changes in net position for the year then ended.

Schedule of Net Position

	Town	MVFD	Fire Company	Total
Assets:				
Cash and cash equivalents	\$ 272	102,940	-	103,212
Investments	1,473,315	-	9,126	1,482,441
Total assets	\$ 1,473,587	102,940	9,126	1,585,653
Liabilities:				
Accrued expenses	-	21	-	21
Net assets held in trust for pension benefits	\$ 1,473,587	102,919	9,126	1,585,632

TOWN OF MORRIS, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

Schedule of Changes in Net Position

	Town Retirement Plan	Morris Volunteer Fire Department Plan	Fire Company	Total
Additions:				
Contributions:				
Employer	\$ 125,100	7,200	14,000	14,000
Total	\$ 125,100	7,200	14,000	14,000
Investment income:				
Net appreciation (depreciation) in fair value of investments	\$ (304,874)	-	(1,210)	(304,874)
Interest and dividends	82,472	56	336	82,528
Less: investment expense	(125)	-	-	(125)
Total	\$ (222,527)	56	(874)	(222,471)
Deductions:				
Administrative costs	\$ 7,800	7,000	4,000	14,800
Benefits	141,247	30,659	-	172,106
	\$ 149,247	37,659	4,000	186,906
Net increase	\$ (246,674)	(30,403)	9,126	(277,077)
Net position at beginning of year	1,720,261	133,322	-	1,853,583
Net position at end of year	\$ 1,473,587	102,919	9,126	1,576,506

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

For the year ended June 30, 2022, the Town recognized pension expense of \$257,962 for the Town, Fire Department and Fire Company plans.

Plan Deferred Outflows of Resources

	Town Plan	MVFD Plan	Fire Company Plan
Differences between expected and actual experience	\$ 115,182	7,844	-
Net difference between projected and actual earnings on pension plan investments	99,787	-	-
Changes of assumptions	94,751	21,754	1,878
Total	\$ 309,720	29,598	1,878

Plan Deferred Inflows of Resources

	Town Plan	MVFD Plan	Fire Company Plan
Differences between expected and actual experience	\$ -	(54,895)	(28,342)
Total	\$ -	(54,895)	(28,342)

TOWN OF MORRIS, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

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	Total
2023	\$	50,146	2,111	(2,049)	50,208
2024		45,542	1,660	(2,049)	45,153
2025		33,127	779	(2,049)	31,857
2026		91,543	4,746	(2,050)	94,239
2027		24,769	(512)	(2,050)	22,207
Thereafter		64,593	(34,081)	(16,214)	14,298
	\$	<u>309,720</u>	<u>(25,297)</u>	<u>(26,461)</u>	<u>257,962</u>

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 materially affect to the Town's net position.

Management has evaluated events subsequent to the date of the financial statements through October 12, 2022, the date the financial statements were available to be issued. No events have occurred subsequent to the Statement of Net Position date through October 12, 2022 that would require readjustment to the financial statements.

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS - TOWN PLAN
For the Nine Years Ended June 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability:									
Service cost	\$ 56,821	48,021	42,924	46,640	38,395	12,708	19,484	19,484	21,082
Interest on total pension liability	121,521	118,538	114,145	116,145	103,218	96,471	85,093	79,074	75,595
Differences between expected and actual exp.	17,059	27,162	78,313	(96,229)	114,002	68,571	(15,867)	54,326	(1,078)
Effect of assumption changes or inputs	55,520	49,366	(5,066)	(5,437)	22,442	-	193,463	-	-
Benefit payments	(141,447)	(103,379)	(91,994)	(89,502)	(83,605)	(71,972)	(65,211)	(68,596)	(23,193)
Net change in total pension liability	\$ 109,474	139,708	138,322	(28,383)	194,452	105,778	216,962	84,288	72,406
Total pension liability - beginning	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 - ending	\$ 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	\$ 125,100	166,150	166,150	156,461	74,800	69,000	48,755	49,584	42,072
Net investment income	(232,526)	402,640	23,789	45,522	30,893	94,965	(10,637)	(19,837)	121,356
Benefit payments	(141,447)	(103,379)	(91,994)	(89,502)	(83,605)	(71,972)	(65,211)	(68,596)	(23,193)
Administrative expenses	(7,800)	(4,800)	(5,170)	(5,795)	(4,091)	-	-	-	-
Net change in plan fiduciary net position	\$ (256,673)	460,611	92,775	106,686	17,997	91,993	(27,093)	(38,849)	140,235
Plan fiduciary net position - beginning	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 - ending	\$ 1,463,587	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 - ending	\$ 660,945	294,798	615,701	570,154	705,223	528,768	514,983	270,928	147,791
Plan fiduciary net position/total pension liability	68.89%	85.37%	67.17%	67.18%	60.05%	66.34%	64.85%	78.29%	87.30%
Covered-employee payroll	\$ 485,078	491,701	544,916	45,789	466,832	388,213	167,017	270,616	315,112
Net pension liability/covered-employee payroll	136.26%	59.95%	112.99%	124.52%	151.07%	136.21%	308.34%	100.12%	46.90%

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

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS - MVFD PLAN
For the Nine Years Ended June 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability:									
Service cost	\$ 10,625	-	-	-	2,345	2,347	2,347	2,347	2,347
Interest on total pension liability	7,217	9,040	10,912	11,306	11,604	10,694	10,694	10,694	10,694
Differences between expected and actual exp	(21,477)	(3,435)	(11,347)	(5,710)	(12,456)	5,686	5,686	5,686	5,686
Effect of assumption changes or inputs	3,133	3,171	(489)	(538)	2,899	-	-	-	-
Benefit payments	(30,659)	(34,087)	(9,232)	(12,578)	(5,037)	(5,458)	(5,458)	(5,458)	(5,458)
Net change in total pension liability	\$ (31,161)	(25,311)	(10,156)	(7,520)	(645)	13,269	13,269	13,269	13,269
Total pension liability - beginning	130,802	156,113	166,269	173,789	174,434	161,165	161,165	161,165	161,165
Total pension liability - ending	\$ 99,641	130,802	156,113	166,269	173,789	174,434	174,434	174,434	174,434
Plan fiduciary net position:									
Contributions - employer	\$ 7,200	18,450	18,950	24,815	8,000	8,500	8,500	8,500	8,500
Net investment income	(13,941)	27,441	3,478	4,786	(3,832)	6,013	6,013	6,013	6,013
Benefit payments	(30,659)	(34,087)	(9,232)	(12,578)	(5,037)	(5,458)	(5,458)	(5,458)	(5,458)
Administrative expenses	6,996	(8,211)	(4,935)	(6,214)	(4,001)	-	-	-	-
Net change in plan fiduciary net position	\$ (30,404)	3,593	8,261	10,809	(4,870)	9,055	9,055	9,055	9,055
Plan fiduciary net position - beginning	133,344	129,751	121,490	110,681	115,551	106,496	106,496	106,496	106,496
Plan fiduciary net position - ending	\$ 102,940	133,344	129,751	121,490	110,681	115,551	115,551	115,551	115,551
Net pension liability - ending	\$ (3,299)	(2,542)	26,362	44,779	63,108	58,883	58,883	58,883	58,883
Plan fiduciary net position / total pension liab.	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
Net pension liability / covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	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 CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS - MFC Plan
For the One Years Ended June 30, 2022

	<u>2022</u>
Total pension liability:	
Service cost	\$ 17,402
Interest on total pension liability	3,469
Differences between expected and actual experience	(30,537)
Effect of assumption changes or inputs	2,023
Benefit payments	-
Net change in total pension liability	\$ (7,643)
Total pension liability - beginning	<u>55,509</u>
Total pension liability - ending	<u>\$ 47,866</u>
Plan fiduciary net position:	
Contributions - Town	\$ 14,000
Net investment income	(4)
Benefit payments	
Administrative expenses	<u>(3,996)</u>
Net change in plan fiduciary net position	\$ 10,000
Plan fiduciary net position - beginning	<u>-</u>
Plan fiduciary net position - ending	<u>\$ 10,000.00</u>
Net pension liability - ending	<u>\$ 37,866</u>
Plan fiduciary net position as a percentage of total pension liability	
Covered-employee payroll	N/A
Net pension liability as a percentage of its covered-employee payroll	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 Nine Years Ended June 30, 2022

	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered- employee Payroll	Contribution as a Percentage of Covered- employee Payroll
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	6.75%
Inflation	2.25%
Salary increases	3.50%
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 EMPLOYER CONTRIBUTIONS - MVFD PLAN

For the Nine Years Ended June 30, 2022

	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered- employee Payroll	Contribution as a Percentage of Covered- employee Payroll
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	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-2019

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

SCHEDULE OF EMPLOYER CONTRIBUTIONS - MFC PLAN

For the One Years Ended June 30, 2022

		Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered- employee Payroll	Contribution as a Percentage of Covered- employee Payroll
2021	\$	3,648	\$ 18,450	\$ (14,802)	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 Nine Years Ended June 30, 2022

	Net Money- Weighted Rate of Return
	<hr/>
2022	(14.62) %
2021	29.50
2020	1.87
2019	3.90
2018	3.04
2017	9.92
2016	(1.10)
2015	(1.97)
2014	13.71

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

SCHEDULE OF INVESTMENT RETURNS - MVFD PLAN

For the Nine Years Ended June 30, 2022

	Net Money- Weighted Rate of Return
2022	-11.85%
2021	19.71%
2020	2.63%
2019	4.03%
2018	-3.42%
2017	5.52%
2016	-2.97%
2015	4.94%
2014	9.45%

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

SCHEDULE OF INVESTMENT RETURNS - MFC PLAN
For the One Years Ended June 30, 2022

	Net Money- Weighted Rate of Return
2022	0.04%

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

GENERAL FUND REVENUES AND OTHER FINANCING SOURCES
BUDGETARY BASIS - BUDGET AND ACTUAL
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts - Budgetary Basis	Variance With Final Budget Positive / (Negative)
	Original	Final		
Property taxes:				
Current year's levy	\$ 8,365,219	8,365,219	8,485,752	120,533
Prior year's levy	75,000	75,000	47,769	(27,231)
Interest and penalties	30,400	30,400	45,588	15,188
Total property taxes	\$ 8,470,619	8,470,619	8,579,109	108,490
Intergovernmental:				
State grants for education	\$ 105,500	105,500	132,148	26,648
Other state grants	48,698	48,698	60,632	11,934
Total intergovernmental	\$ 154,198	154,198	192,780	38,582
Charges for services:				
Civil division	\$ 65,600	65,600	116,697	51,097
Charges for services	49,725	49,725	94,977	45,252
Other general government	28,724	28,724	30,607	1,883
Total charges for services	\$ 144,049	144,049	242,281	98,232
Investment income	\$ 3,050	3,050	4,206	1,156
Other revenues	\$ 333,000	583,000	13,037	(569,963)
Total revenue and other financing sources	\$ 9,104,916	9,354,916	9,031,413	(323,503)

**GENERAL FUND EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES -
BUDGETARY BASIS - BUDGET AND ACTUAL
For the Year Ended June 30, 2022**

	Budgeted Amounts		Actual Amounts - Budgetary Basis	Variance With Final Budget Positive / (Negative)
	Original	Final		
General government:				
Board of Finance	\$ 25,550	25,550	22,040	3,510
Board of Appeals - legal	1,000	1,000	-	1,000
Planning and zoning	40,400	41,680	41,330	350
Tax Collector	36,683	36,683	32,749	3,934
Treasurer	93,393	93,393	86,801	6,592
Inland wetland	7,820	9,102	8,986	116
Zoning Appeals Board	12,820	12,820	8,691	4,129
Town Clerk	103,711	103,711	102,176	1,535
Assessor	70,347	70,347	65,465	4,882
Insurance	83,000	83,000	74,054	8,946
Selectman - miscellaneous	47,968	47,968	44,668	3,300
Civil Division	74,645	74,645	73,645	1,000
Building Inspector	42,860	55,069	55,030	39
Other general government	399,210	399,210	342,195	57,015
Total general government	\$ 1,039,407	1,054,178	957,830	96,348
Public safety:				
Fire Department	\$ 113,402	113,402	100,228	13,174
Board of Selectmen - public safety	330,509	349,196	349,150	46
Fire Marshal	13,500	13,500	10,362	3,138
Dog Warden	12,580	12,580	11,745	835
Total public safety	\$ 469,991	488,678	471,485	17,193
Public works:				
Highway Department	\$ 664,678	664,678	659,831	4,847
LoCIP	22,000	36,242	36,241	1
Transfer Station	289,316	289,316	255,368	33,948
Total public works	\$ 975,994	990,236	951,440	38,796
Health and welfare:				
Board of Health	\$ 18,102	18,102	17,852	250
Morris Board of Health	700	700	250	450
Total health and welfare	\$ 18,802	18,802	18,102	700
Culture and recreation:				
Beach and recreation	\$ 45,475	45,475	42,229	3,246
Library	108,422	108,422	107,626	796
Community Hall	54,480	54,480	53,328	1,152
Senior Center	98,545	98,545	92,139	6,406
Total culture and recreation	\$ 306,922	306,922	295,322	11,600
Education:				
Board of Education	\$ 5,578,650	5,578,650	5,578,650	-
Total education	\$ 5,578,650	5,578,650	5,578,650	-

**GENERAL FUND EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES -
BUDGETARY BASIS - BUDGET AND ACTUAL
For the Year Ended June 30, 2022**

	Budgeted Amounts		Actual Amounts - Budgetary Basis	Variance With Final Budget Positive / (Negative)
	Original	Final		
Other:				
Contingency	\$ 50,000	2,300	-	2,300
Economic development	500	500	-	500
Bantam Lake Authority	50	50	-	50
Sandy Beach Commission	8,300	8,300	8,300	-
Pension Commissions	146,300	146,300	146,300	-
Bantam Lake weed control	30,000	30,000	30,000	-
Total other	<u>\$ 235,150</u>	<u>187,450</u>	<u>184,600</u>	<u>2,850</u>
Other financing uses:				
Capital improvements	\$ 480,000	730,000	730,000	-
Total other financing uses	<u>\$ 480,000</u>	<u>730,000</u>	<u>730,000</u>	<u>-</u>
Total expenditures, encumbrances and other financing uses	<u>\$ 9,104,916</u>	<u>9,354,916</u>	<u>9,187,429</u>	<u>167,487</u>

TOWN OF MORRIS, CONNECTICUT

SCHEDULE 3

COMBINING BALANCE SHEET
NONMAJOR FUNDS
June 30, 2022

	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	\$ -	12,852	5,353	22,753	5,573	-	-	46,531
Investments	-	23,820	-	-	-	-	-	23,820
Receivables, net	-	-	-	-	-	198,602	-	198,602
Due from other funds	89,617	-	-	-	-	-	219,155	308,772
Total assets	<u>\$ 89,617</u>	<u>36,672</u>	<u>5,353</u>	<u>22,753</u>	<u>5,573</u>	<u>198,602</u>	<u>219,155</u>	<u>577,725</u>
Liabilities:								
Payments in advance	\$ -	-	-	-	-	198,602	219,155	417,757
Total liabilities	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>198,602</u>	<u>219,155</u>	<u>417,757</u>
Fund balance (deficit):								
Committed	\$ 89,617	-	-	-	-	-	-	89,617
Assigned	-	36,672	5,353	22,753	5,573	-	-	70,351
Total fund balance (deficit)	<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>

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, 2022**

	Town Aid Road Fund	Library Fund	Senior Center Fund	Social Services Fund	Recreation Activities Fund	Small Cities Fund	Other Funds	Total
Revenues:								
Intergovernmental	\$ 178,161	-	-	-	-	-	114,381	292,542
Charges for services	-	-	-	-	11,750	-	-	11,750
Investment income	-	(1,608)	3	11	3	-	-	(1,591)
Other	-	18,305	2,891	5,113	-	-	-	26,309
Total revenues	<u>\$ 178,161</u>	<u>16,697</u>	<u>2,894</u>	<u>5,124</u>	<u>11,753</u>	<u>-</u>	<u>114,381</u>	<u>329,010</u>
Expenditures:								
Public safety	\$ -	-	-	-	-	-	114,381	114,381
Public works	136,266	-	-	-	-	-	-	136,266
Culture and recreation	-	26,699	4,127	2,687	10,981	-	-	44,494
Other	-	-	-	-	-	-	-	-
Total expenditures	<u>\$ 136,266</u>	<u>26,699</u>	<u>4,127</u>	<u>2,687</u>	<u>10,981</u>	<u>-</u>	<u>114,381</u>	<u>295,141</u>
Revenue over (under) exp.	<u>\$ 41,895</u>	<u>(10,002)</u>	<u>(1,233)</u>	<u>2,437</u>	<u>772</u>	<u>-</u>	<u>-</u>	<u>33,869</u>
Changes in fund balances	\$ 41,895	(10,002)	(1,233)	2,437	772	-	-	33,869
Fund balances - beginning	<u>47,722</u>	<u>46,674</u>	<u>6,586</u>	<u>20,316</u>	<u>4,801</u>	<u>-</u>	<u>-</u>	<u>126,099</u>
Fund balances - ending	<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>

COMBINING STATEMENT OF NET POSITION
PRIVATE PURPOSE TRUST FUNDS
June 30, 2022

	Town Employee's Plan Trust Fund	MVFD Plan Trust Fund	Morris Fire Company Plan Trust Fund	Total Trust Funds
Assets:				
Cash and cash equivalents	\$ 272	102,940		103,212
Investments at fair value	1,473,315	-	9,126	1,482,441
Total assets	<u>\$ 1,473,587</u>	<u>102,940</u>	<u>9,126</u>	<u>1,585,653</u>
Liabilities:				
Accrued expenses	\$ -	21	-	21
Net position:				
Held in trust for specific purposes	<u>\$ 1,473,587</u>	<u>102,919</u>	<u>9,126</u>	<u>1,585,632</u>

COMBINING STATEMENT OF CHANGES IN NET POSITION
PRIVATE PURPOSE TRUST FUNDS
For the Year Ended June 30, 2022

	Town Employees' Plan Trust Fund	Volunteer Fire Department Trust Fund	Morris Fire Company Trust Fund	Total Trust Funds
Additions:				
Contributions	\$ 125,100	7,200	14,000	146,300
Total contributions	<u>\$ 125,100</u>	<u>7,200</u>	<u>14,000</u>	<u>146,300</u>
Investment earnings:				
Net increase (decrease) in fair value	\$ (304,874)	-	(1,210)	(306,084)
Interest and dividends	82,472	56	336	82,864
Less: investment expense	(125)	-	-	(125)
Total investment earnings	<u>\$ (222,527)</u>	<u>56</u>	<u>(874)</u>	<u>(223,345)</u>
Deductions:				
Administrative	\$ 7,800	7,000	4,000	18,800
Benefits	141,447	30,659	-	172,106
Total deductions	<u>\$ 149,247</u>	<u>37,659</u>	<u>4,000</u>	<u>190,906</u>
Change in net position	<u>\$ (246,674)</u>	<u>(30,403)</u>	<u>9,126</u>	<u>(267,951)</u>
Net position - beginning	<u>1,720,261</u>	<u>133,322</u>	<u>-</u>	<u>1,853,583</u>
Net position - ending	<u><u>\$ 1,473,587</u></u>	<u><u>102,919</u></u>	<u><u>9,126</u></u>	<u><u>1,585,632</u></u>

TOWN OF MORRIS, CONNECTICUT

STATEMENT OF CHANGES IN FUND BALANCE - BY PROJECT
CAPITAL & NONRECURRING FUND

For the Year Ended June 30, 2022

	Beginning Fund Balance	Current Year Appropriations	Transfer In (Out)
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>
Committed fund balance:			
Energy grant	\$ 1,000	-	-
Fire Department - exterior steps	13,600	-	-
Fire Engine #5 upgrade	125,020	375,000	-
Fire Department - extraction unit	-	20,000	-
Fire Department - engine #3 replace	-	50,000	-
First Selectman - JMS generator	-	120,000	-
Highway - dump truck	236,088	-	-
Highway - E. Shore Road culverts	114,169	50,000	-
Highway amp - add basins	2,147	-	-
Highway building repairs	3,288	32,000	-
Highway - backhoe replacement	-	30,000	-
Highway - power washer	-	12,000	-
Municipal Building capital maintenance	3,743	25,000	-
Revaluation	53,143	-	-
Selectman - fire pond dredging	12,462	10,000	-
Selectman - Town Hall repairs	342	-	-
Senior side walks	1,300	-	-
Town Clerk upgrade	10,000	-	-
Transfer Station concrete wall replacement	294,484	-	-
Total committed fund balance	<u>\$ 870,786</u>	<u>724,000</u>	<u>-</u>
Assigned fund balance:			
Senior Center funds	\$ 183	-	-
Unspecified projects	67,360	6,000	-
Total assigned fund balance	<u>\$ 67,543</u>	<u>6,000</u>	<u>-</u>
Total Fund Balance	<u>\$ 935,883</u>	<u>730,000</u>	<u>-</u>

SCHEDULE 7

Other Revenues	Total Available	Current Year Expenditures	Ended Fund Balance	Eliminating Deficit Balances GASB 54	Reported Fund Balance
-	-	-	-	-	-
-	(2,446)	-	(2,446)	2,446	-
-	(2,446)	-	(2,446)	2,446	-
-	1,000	(1,000)	-	-	-
-	13,600	(6,400)	7,200	-	7,200
-	500,020	-	500,020	-	500,020
-	20,000	(18,000)	2,000	-	2,000
-	50,000	-	50,000	-	50,000
-	120,000	(3,515)	116,485	-	116,485
-	236,088	-	236,088	-	236,088
-	164,169	(23,175)	140,994	-	140,994
-	2,147	-	2,147	-	2,147
-	35,288	(35,288)	-	-	-
-	30,000	-	30,000	-	30,000
-	12,000	(9,269)	2,731	-	2,731
-	28,743	(23,288)	5,455	-	5,455
-	53,143	-	53,143	-	53,143
-	22,462	-	22,462	-	22,462
-	342	(342)	-	-	-
-	1,300	(1,300)	-	-	-
-	10,000	-	10,000	-	10,000
128,205	422,689	(387,006)	35,683	-	35,683
128,205	1,722,991	(508,583)	1,214,408	-	1,214,408
-	183	-	183	-	183
2,542	75,902	-	75,902	(2,446)	73,456
2,542	76,085	-	76,085	(2,446)	73,639
130,747	1,796,630	(508,583)	1,288,047	-	1,288,047

TOWN OF MORRIS, CONNECTICUT

SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING

For the Year Ended June 30, 2022

Grand List Year	Uncollected Balance & New Levy July 1, 2021	Lawful Corrections		Transfers to (Recoveries From) Suspense	Balance to be Collected
		Increases	Decreases		
2006	\$ 918	-	(918)	-	-
2007	413	-	(413)	-	-
2008	1,335	-	-	(1,053)	282
2009	1,239	-	-	(827)	412
2010	1,143	-	-	(820)	323
2011	3,626	-	-	(3,086)	540
2012	3,178	-	-	(2,942)	236
2013	700	-	(93)	(386)	221
2014	4,219	-	(411)	(3,952)	(144)
2015	9,640	-	(411)	(520)	8,709
2016	8,378	-	(579)	(542)	7,257
2017	14,998	-	(528)	(212)	14,258
2018	29,576	-	(4,641)		24,935
2019	69,911	772	(4,808)		65,875
Total	\$ 149,274	772	(12,802)	(14,340)	122,904
2020	8,556,112	12,535	(32,075)	(194)	8,536,378
Total	\$ 8,705,386	13,307	(44,877)	(14,534)	8,659,282

SCHEDULE 8

Collections				Uncollected
Taxes	Interest	Lien Fees	Total	Balance June 30, 2022
-	-	-	-	-
-	-	-	-	-
-	-	-	-	282
-	-	-	-	412
85	142	35	262	238
161	257	70	488	379
134	189	55	378	102
139	171	46	356	82
(332)	169	49	(114)	188
1,525	1,475	281	3,281	7,184
1,117	1,069	263	2,449	6,140
3,055	4,490	271	7,816	11,203
3,939	2,314	287	6,540	20,996
43,353	7,272	723	51,348	22,522
53,176	17,548	2,080	72,804	69,728
8,482,172	27,375	317	8,509,864	54,206
8,535,348	44,923	2,397	8,582,668	123,934

TOWN OF MORRIS, CONNECTICUT

SCHEDULE OF DEBT LIMITATION
For the Year Ended June 30, 2022

	General Purpose	Schools
Debt limitation:		
2 1/4 times base	\$ 19,311,003	
4 1/2 times base		38,622,006
3 3/4 times base		
3 1/4 times base		
3 times base		
7 times base		
Total debt limitation	\$ 19,311,003	38,622,006
Indebtedness:		
Bonds payable	\$ -	-
Bonds authorized and unissued	-	-
Total indebtedness	\$ -	-
Less: school construction grants receivable	-	-
Total indebtedness of the Town	\$ -	-
Debt limitation in excess of outstanding and authorized debt	\$ 19,311,003	38,622,006

SCHEDULE 9

Total tax collections (including interest and lien fees)
for the year ended June 30, 2022 \$ 8,582,668

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

Base \$ 8,582,668

<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Bonding</u>	<u>Total Debt</u>
32,185,005	27,893,671	25,748,004	60,078,676
<u>32,185,005</u>	<u>27,893,671</u>	<u>25,748,004</u>	<u>60,078,676</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>32,185,005</u>	<u>27,893,671</u>	<u>25,748,004</u>	<u>60,078,676</u>