TOWN OF MORRIS, CONNECTICUT

ANNUAL FINANCIAL REPORT

June 30, 2026

TOWN OF MORRIS, CONNECTICUT

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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, 2026, 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, 2026, and the respective changes in the financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis* on pages 4a through 4f and the required supplemental information relating to pension on pages 40-49, 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 and appropriate 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 and statistical tables are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major 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 20, 2026 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

Clermont & Associates, LLC

October 20, 2026

TOWN OF MORRIS, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2026

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, 2026. Please read this MD&A in conjunction with the Town's financial statements.

Financial Highlights

- The net position of our governmental activities increased by $1.0 million.
- The net position of our business-type activities decreased by $64 thousand.
- The General Fund reported a fund balance this year of $2.4 million. $77 thousand more than the General Fund balance reported in the prior year.
- The Town maintained a capital reserve fund balance of $1.0 million, this increased by $73 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 F, G, and H). 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 report information about the Town as a whole and about its activities for the current period. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report on the Town's net position and related changes. The Town's net position, the difference between assets and liabilities, is one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net position are one indicator of whether its financial health is improving or deteriorating. The reader needs to consider other non-financial 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 be readily 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 F, G, and H)* - 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 I and J)* - The Town is the trustee, or fiduciary, for its employees' pension plans. All the Town's fiduciary activities are reported in separate statements of fiduciary net assets and changes in fiduciary net position. These activities are excluded from the Town's other financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Government-Wide Financial Analysis

The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the Town's governmental activities. The Town's net position for governmental activities increased $1 million from $10.1 million in 2025 to $11.1 million in 2026.

Table 1: Net Position (In Thousands)

	Governmental Activities	
	2026	2025
Current and other assets	$ 4,832,284	4,356,314
Capital assets	8,124,423	7,687,633
Deferred outflows	134,030	227,468
Total assets & deferred outflows	$ 13,090,737	12,271,415
Current and other liabilities	$ 413,372	629,650
Deferred inflows	513,353	230,834
Long-term liabilities	1,003,207	1,262,003
Total liabilities & deferred inflows	$ 1,929,932	2,122,487
Net position:		
Investment in capital assets	$ 8,124,423	7,687,633
Restricted	252,048	181,133
Unrestricted	2,784,334	2,280,162
Total net position	$ 11,160,805	10,148,928

Table 2: Change In Net Assets (In Thousands)

	Governmental Activities	
	2026	2025
Revenues:		
Program revenues:		
Charges for services	$ 449,966	442,614
Operating grants and contributions	618,487	348,187
Capital grants and contributions	92,636	314,421
General revenues:		
Property taxes	9,208,148	8,299,960
Grants and contributions not restricted to specific purposes	44,986	23,689
Unrestricted investment earnings and other revenues	167,223	186,615
Other general revenues (and transfers)	3,100	14,663
Total revenues	$ 10,584,546	9,630,149
Program expenses:		
General government	$ 1,116,862	1,050,296
Public safety	624,423	610,289
Public works	1,526,861	1,613,865
Public health	38,543	31,160
Culture and recreation	401,256	449,488
Education	5,864,724	6,041,414
Total program expenses	$ 9,572,669	9,796,512
Increase (decrease) in net position	$ 1,011,877	(166,363)

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 $3.7 million which was a $182 thousand increase from the previous year. Included in this year's total change in fund balance was a $73 thousand increase in the capital projects fund and a $77 thousand increase in the general fund.

As of June 30, 2026, the entire American Recovery Plan Act fund has been expended.

Proprietary Funds

The report presents the Sewer Authority as a proprietary fund (Exhibit F, G, and H). Under this presentation, the operating loss was $71 thousand, which included depreciation expense of $65 thousand. Net fund position at year end included $1.0 million of net capital investment and $292 thousand unrestricted.

General Fund Budgetary Highlights

Schedules 1 and 2 show 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 fees were significantly more than expected, which provided an additional $87 thousand and charges for services were $240 thousand in revenues over budget.
- All departments expended less than the budgeted amounts with the largest savings in the general government.
- The general fund operations produced a surplus of $802 thousand, of this,$724 thousand was transferred into the capital fund. This was approximately 7% of the general funds revenues
- The unassigned fund balance was $1.85 million and available to appropriate. $550,000 of the general fund surplus was committed to reduce the 2026-2027 property taxes.

Capital Assets

At June 30, 2026, the Town had approximately $9.1 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 nominal increase (including additions and deductions) of $400 thousand, net of depreciation expenses.

Table 3: Capital Assets (Net of Depreciation)

	Governmental Activities	
	2026	2025
Land	$ 874,060	669,652
Buildings and improvements	1,365,143	999,534
Land improvements	1,365,143	977,610
Machinery and equipment	1,637,956	1,688,101
Infrastructure	3,466,832	3,322,736
Totals	$ 8,124,423	7,657,633

	Business-type Activities	
	2026	2025
Sewer collection system	$ 1,003,937	1,069,767

Long-Term Liabilities

At June 30, 2026, the Town had $1 million in long-term liabilities versus $1.3 million last year.

Other obligations include accrued vacation pay, sick leave, and net pension as well as costs associated with the closing of the Regional School District No 6. More detailed information about the Town's long-term liabilities is presented in Note 8 to the financial statements. The Town paid off all debt during the 2021 fiscal year and plans to fund future capital improvements through operating surplus to reduce the need for long-term borrowing.

Economic Factors and Next Year's Budgets and Rates

The Town's elected and appointed officials considered many factors when setting the fiscal-year 2026-27 budget tax rates.

- The economy in Connecticut and particularly Litchfield County impact development in the Town.
- The continual reductions in State of Connecticut grant revenues as well as the depletion of the American Recovery Funds.
- The Board of Selectmen continue to be diligent in ensuring that services are provided to the Town of Morris residents, and the assets are well maintained while managing costs.
- In June 30, 2024, the Town elected to be part of Regional School District No. 20 beginning for the 2024/2025 school year. The member Towns of this district will include Morris, Warren, Goshen, and Litchfield. The Town continues to work with the member Towns of Regional School District 6 to resolve all outstanding obligations remaining from the closing of Regional School District No. 6 as well as Regional School District 20 in resolving operating deficits.

These indicators along with a projected modest inflationary increase were considered when proposing the General Fund budget for 2026-27.

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 Street, Morris, Connecticut, 06763.

TOWN OF MORRIS, CONNECTICUT **EXHIBIT A**

STATEMENT OF NET POSITION
June 30, 2026

	Governmental Activities	Business-type Activities	Total*
Assets:			
Cash and cash equivalents	$ 3,716,308	289,198	4,005,506
Investments	380,576		380,576
Receivables, net	358,533	3,707	362,240
Pension asset	376,867		376,867
Capital assets:			
Capital assets, not being depreciated	874,060		874,060
Capital assets, being depreciated, net	7,250,363	1,003,937	8,254,300
Total assets	$ 12,956,707	1,296,842	14,253,549
Deferred outflows of resources:			
Deferred pension expenses	$ 134,030		134,030
Total deferred outflows of resources	$ 134,030	-	134,030
Liabilities:			
Accounts payable and other current liabilities	$ 266,713		266,713
Unearned revenues	146,659		146,659
Noncurrent liabilities:			
Due in one year	133,530		133,530
Due in more than one year	869,677		869,677
Total liabilities	$ 1,416,579	-	1,416,579
Deferred inflows of resources:			
Deferred pension credit	$ 513,353		513,353
Total deferred inflows of resources	$ 513,353	-	513,353
Net position:			
Invested in capital assets, net of related debt	$ 8,124,423	1,003,937	9,128,360
Restricted	252,048		252,048
Unrestricted	2,784,334	292,905	3,077,239
Total net position	$ 11,160,805	1,296,842	12,457,647

* After internal balances have been eliminated

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

TOWN OF MORRIS, CONNECTICUT

EXHIBIT B

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2026

Functions/programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Net (Expenses) Revenue and Changes in Net Position: Primary Government: Business-type Activities	Net (Expenses) Revenue and Changes in Net Position: Primary Government: Total
Primary government:							
Governmental activities:							
General government	$ (1,116,862)	395,433	54,050	82,236	(585,143)		(585,143)
Public safety	(624,423)				(624,423)		(624,423)
Public works	(1,526,861)	23,993	237,913	10,400	(1,254,555)		(1,254,555)
Public health	(38,543)		13,622		(24,921)		(24,921)
Culture and recreation	(401,256)	30,540	1,733		(368,983)		(368,983)
Education	(5,864,724)		311,169		(5,553,555)		(5,553,555)
Total governmental activities	$ (9,572,669)	449,966	618,487	92,636	(8,411,580)	-	(8,411,580)
Business-type activities:							
Sewer Authority	$ (159,337)	88,168				(71,169)	(71,169)
Total business-type activities	$ (159,337)	88,168	-	-	-	(71,169)	(71,169)
Total primary government	$ (9,732,006)	538,134	618,487	92,636	(8,411,580)	(71,169)	(8,482,749)
General revenues:							
Property taxes					$ 9,208,148		9,208,148
Grants and contributions not restricted for specific purposes					44,986		44,986
Unrestricted investment earnings					167,223		167,223
Other unrestricted income					3,100	7,159	10,259
Total general revenues					$ 9,423,457	7,159	9,430,616
Change in net position					$ 1,011,877	(64,010)	947,867
Net position, beginning					10,148,928	1,360,852	11,509,780
Net position, ended					$ 11,160,805	1,296,842	12,457,647

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

TOWN OF MORRIS, CONNECTICUT **EXHIBIT C**

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2026

	General	Capital & Nonrecurring	American Recovery Plan	Other Governmental Funds	Total Governmental Funds
Assets:					
Cash and cash equivalents	$ 2,554,354	1,063,741		98,213	3,716,308
Investments	13,764	316,863		49,949	380,576
Receivables, net	189,828			168,705	358,533
Due from other funds	61,100			203,939	265,039
Total assets	$ 2,819,046	1,380,604	-	520,806	4,720,456
Liabilities:					
Accounts and other payables	$ 196,319	70,394			266,713
Payments in advance	48,450			98,209	146,659
Due to other funds		264,715		324	265,039
Total liabilities	$ 244,769	335,109	-	98,533	678,411
Deferred inflows of resources:					
Unavailable receipts	$ 172,297			168,705	341,002
Total deferred inflows of resources	$ 172,297	-	-	168,705	341,002
Fund balances:					
Restricted for donor's intentions	$ 1,725			250,323	252,048
Committed for:					
Capital projects	550,000	795,915			1,345,915
Contingent liabilities		11,550			11,550
Assigned		238,030		3,245	241,275
Unassigned	1,850,255				1,850,255
Total fund balances	$ 2,401,980	1,045,495	-	253,568	3,701,043
Total liabilities, deferred inflows of resources and fund balances	$ 2,819,046	1,380,604	-	520,806	

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.	8,124,423
Other long-term assets are not available to pay for current period expenditures, and therefore, are deferred in the funds.	341,002
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore, are not reported in the funds.	(626,340)
Pension costs, including differences between expected and actual pension experiences, change in pension assumptions and net difference between projected and actual pension earnings.	(379,323)
Net position of governmental activities **(Exhibit A)**	$ 11,160,805

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

TOWN OF MORRIS, CONNECTICUT **EXHIBIT D**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2026

	General	Capital Projects	American Recovery Plan	Other Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes and assessments	$ 9,185,407				9,185,407
Intergovernmental	356,155		46,386	331,764	734,305
Charges for services	431,810			18,156	449,966
Investment income	113,044	47,111		6,047	166,202
Miscellaneous	10,570			15,355	25,925
Total revenues	$ 10,096,986	47,111	46,386	371,322	10,561,805
Expenditures:					
Current:					
General government	$ 1,108,602				1,108,602
Public safety	559,100				559,100
Public works	1,063,797			214,960	1,278,757
Public health	20,451			10,248	30,699
Culture and recreation	359,624			31,099	390,723
Education	5,864,724				5,864,724
Other	318,020			81,355	399,375
Capital outlay		698,343	48,552		746,895
Total expenditures	$ 9,294,318	698,343	48,552	337,662	10,378,875
Excess (deficiency) of revenues over (under) expenditures	$ 802,668	(651,232)	(2,166)	33,660	182,930
Other financing sources (uses):					
Transfer from other funds	$	724,906		28,506	753,412
Transfer to other funds	(724,906)		(28,506)		(753,412)
Total other financing sources (uses)	$ (724,906)	724,906	(28,506)	28,506	-
Net changes in fund balances	$ 77,762	73,674	(30,672)	62,166	182,930
Fund balances (deficits) - beginning	2,324,218	971,821	30,672	191,402	3,518,113
Fund balances (deficits) - ended	$ 2,401,980	1,045,495	-	253,568	3,701,043

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

TOWN OF MORRIS, CONNECTICUT **EXHIBIT E**

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, 2026

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)**	$	182,930
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.		436,790
Revenues previously recognized in the Statement of Activities that provided current financial resources in the current year.		22,741
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.		745,373
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.		(375,957)
Change in net position of governmental activities **(Exhibit B)**	$	1,011,877

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

TOWN OF MORRIS, CONNECTICUT **EXHIBIT F**

STATEMENT OF NET FUND POSITION
PROPRIETARY FUNDS
June 30, 2026

	Business-type Activities
	Sewer Authority
Assets:	
Current assets:	
Cash and cash equivalents	$ 289,198
Receivables, net of allowance	3,707
Total current assets	$ 292,905
Noncurrent assets:	
Capital assets, net of accumulated depreciation	$ 1,003,937
Total noncurrent assets	$ 1,003,937
Total assets	$ 1,296,842
Liabilities	
Accounts payable & accrued liabilities	$ -
Total liabilities	$ -
Net fund position:	
Invested in capital assets, net of related debt	$ 1,003,937
Unrestricted	292,905
Total net fund position	$ 1,296,842

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

TOWN OF MORRIS, CONNECTICUT **EXHIBIT G**

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET FUND POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2026

	Business-type Activities
	Sewer Authority
Operating revenues:	
Charges for services and other revenues	$ 88,168
Total operating revenues	$ 88,168
Operating expenses:	
Administration and operation	$ 93,507
Depreciation and amortization	65,830
Total operating expenses	$ 159,337
Operating income (loss)	$ (71,169)
Nonoperating revenues (expenses):	
Interest income	$ 7,159
Total nonoperating revenues (expenses)	$ 7,159
Change in net fund position	$ (64,010)
Net fund position, beginning	1,360,852
Net fund position, ended	$ 1,296,842

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

TOWN OF MORRIS, CONNECTICUT **EXHIBIT H**

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2026

	Business-type Activities
	Sewer Authority
Cash flows from operating activities:	
Receipts from customers and users	$ 85,965
Payments to suppliers	(93,598)
Net cash flows provided by (used in) operating activities	$ (7,633)
Cash flows from investing activities:	
Interest received on investments	7,159
Net cash provided by (used in) investing activities	$ 7,159
Net increase (decrease) in cash and cash equivalents	$ (474)
Cash and cash equivalents, beginning	289,672
Cash and cash equivalents, ended	$ 289,198
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:	
Operating income (loss)	$ (71,169)
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	(2,203)
Increase (decrease) in accounts payable	(91)
Net cash flows from operating activities	$ (7,633)

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

TOWN OF MORRIS, CONNECTICUT **EXHIBIT I**

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2026

		Pension Trust Funds
Assets:		
Cash and cash equivalents	$	122,626
Investments, at fair value		2,329,491
Total assets	$	2,452,117
Liabilities:		
Accrued expenses	$	12
Net position:		
Held in trust for benefits and other purposes	$	2,452,105

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

TOWN OF MORRIS, CONNECTICUT **EXHIBIT J**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Year Ended June 30, 2026

	Pension Trust Funds
Additions:	
Contributions:	
Employer's contributions	$ 168,400
Total contributions	$ 168,400
Investment earnings:	
Net increase in fair value of investments	$ 89,195
Interest and dividends	127,974
Total investment earnings	$ 217,169
Total additions	$ 385,569
Deductions:	
Administrative	$ 25,928
Benefits	143,914
Total deductions	$ 169,842
Change in net position	$ 215,727
Net position, beginning	2,236,378
Net position, ended	$ 2,452,105

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

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

Government-wide financial statements

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

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

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

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

Fund financial statements

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

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

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

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

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

The Town reports the following major governmental funds:

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

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

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

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 propriety fund financial statements subject to this same limitation. The Town has elected not to follow subsequent private-sector guidance.

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

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

Assets, Liabilities and Net Assets or Equity

Cash and cash equivalents

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

Investments

Investments are stated at fair value using quoted market prices.

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.

Asset	Years
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.

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 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.

Long-term obligations

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

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

Fund equity and net position

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

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

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

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

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

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

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

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

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

Fair value of financial instruments

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

- Level 1: Quoted market prices for identical assets or liabilities to which an entity has access to at the measurement date.

- Level 2: Inputs and information other than quoted market indices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:
  - Quoted prices for similar assets or liabilities in active markets;
  - Quoted prices for identical or similar assets in markets that are not active;
  - Observable inputs other than quoted prices for the asset or liability;
  - Inputs derived principally from, or corroborated by, observable market data by correlation or by other means.

- Level 3: Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

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

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

Note 2 - Budgets and Budgetary Accounting

General Fund

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

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

B. The Board of Finance is authorized to transfer budgeted amounts between appropriations as deemed appropriate.

C. Formal budgetary integration is employed as a management control device during the year.

D. Legal level of control (the level at which expenditures may not legally exceed appropriations) is at the department level.

E. All Town transfers $20,000 or greater require approval from the Board of Finance and the approval of the Town Meeting.

Special Revenue Funds

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

Capital Projects Funds

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

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

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

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

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

Land	$	874,060
Net capital assets being depreciated		7,250,363
Net adjustment to increase fund balance to arrive at net position of government activities	$	8,124,423

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	$	(99,337)
Net pension obligation		(79,220)
Net pension asset		376,867
Landfill closure		(158,124)
Contingencies and Commitments		(666,526)
Net adjustment to reduce fund balance to arrive at net position of government activities	$	(626,340)

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	$	172,297
Notes receivable – Small Cities Grant		168,705
Net adjustment to increase fund balance to arrive at net position of government activities	$	341,002

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

Town Plan	$	(352,268)
Morris Fire Company		(11,961)
Morris Volunteer Fire Department		(15,094)
Net adjustment to increase fund balance to arrive at net position of the government activities	$	(379,323)

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	$	811,815
Depreciation		(375,025)
Net adjustment to increase net changes in fund balances to arrive at changes in net position of governmental activities	$	436,790

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	$	(14,851)
Net change in landfill closure		12,342
Net change in pension obligation		481,664
Net change in commitment and contingencies		266,218
Net adjustment to reduce net changes in fund balances to arrive at changes in net position of governmental activities	$	745,373

Note 4 - Deposits and Investments

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

	Deposit	Investments	Total
Cash and cash equivalents:			
Governmental activities	$ 3,716,308		3,716,308
Business-type activities	289,198		289,198
Fiduciary funds	122,626		122,626
Investments:			
Governmental funds		380,576	380,576
Fiduciary funds		2,329,491	2,329,491
Total deposits & investments	$ 4,128,132	2,710,067	6,838,199

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, 2026, consist of the following:

Bank deposits - checking	$	3,881,107
Savings		38,662
Certificates of deposits		208,213
Cash on hand		150
Total deposits	$	4,128,132

Custodial credit risk

As of June 30, 2026, the carrying amount of the Town's deposits had bank balances of approximately $4,225,000. The amount of the bank balance covered under federal depository insurance was approximately $550 thousand.

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, 2026, approximately $410 thousand uninsured deposits were collateralized under the provision.

Investments

Investments are reported at fair value using quoted market prices (Level 1 in the fair value hierarchy). As of June 30, 2026, the Town held the following investments:

Investment Type	Fund	Fair Value	Maturities Less Than 1 Year	3 Year	Risk
State Investment Fund	Capital Reserve	$ 316,863	316,863		Na
State Investment Fund	General Fund	13,764	13,764		Na
Money Market	Library Fund	1,520	1,520		Na
Mutual Funds	Library Fund	48,429	48,429		Na
Money Market	Trust Funds	686,251	686,251		Na
Fixed Income	Trust Funds	155,595		155,959	AA2
Mutual Funds	Trust Funds	1,487,646	1,487,646		Na
Total Investments		$ 2,710,068	2,554,473	155,595	

Interest rate risk

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

Credit risk

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

Note 5 - Receivables, Deferred Payments, and Payables

Receivables

The receivables as of June 30, 2026, 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			
	General Fund	Other Funds	Sewer Authority	Total
Property taxes	$ 145,202			145,202
Property tax interest	49,744			49,744
Small city's loan program		168,705		168,705
State grants				
Sewer use charge			3,707	3,707
Less: allowance	(5,118)			(5,118)
Total receivables (net)	$ 189,828	168,705	3,707	362,240

Deferred Payments and Unavailable Receipts

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

	Unavailable	Payments in Advance
Delinquent property taxes and interest	$ 172,297	
Prepaid taxes		48,450
Government grants		98,209
Small city's loan program	168,705	
Total deferred payments and unavailable receipts	$ 341,002	146,659

Payables

Payables as of June 30, 2026 for the Town's individual major funds and non-major funds were as follows:

	Vendors	Payroll	Total
General Fund	$ 154,741	41,578	196,319
Capital Projects Fund	70,394		70,394
Total payables	$ 225,135	41,578	266,713

Note 6 - Inter-fund Receivables, Payables and Transfers

Inter-fund Receivables and Payables

Inter-fund receivables and payables at June 30, 2026, consisted of the following:

Receivable Fund	Payable Fund		Amount
General Fund	Capital Projects	$	60,776
General Fund	Town Road Aid		324
Nonmajor Town Road Aid	Capital Projects		73,979
Nonmajor Other Grants	Capital Projects		129,960
Total		$	265,039

Inter-fund Transfers

The Town transferred $724,906 from the general fund to the capital projects fund to be committed for future capital projects. An additional transfer of $28,506 of interest earned on the American Recovery Plan Act funding was transferred out to close the fund.

Note 7 - Capital Assets

Capital assets activity for the year ended June 30, 2026, was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 669,652	204,408		874,060
Total capital assets, not being deprec.	$ 669,652	204,408	-	874,060
Capital assets being depreciated:				
Buildings and improvements	$ 2,616,296	143,215		2,759,511
Land improvements	1,428,099	89,564		1,517,663
Machinery and equipment	4,183,388	97,697		4,281,085
Infrastructure	8,726,607	306,931		9,033,538
Total capital assets being depreciated	$ 16,954,390	637,407	-	17,591,797
Less: accumulated depreciation:				
Buildings and improvements	$ 1,354,762	39,606		1,394,368
Land improvements	712,489	24,742		737,231
Machinery and equipment	2,495,287	147,842		2,643,129
Infrastructure	5,403,871	162,835		5,566,706
Total accumulated depreciation	$ 9,966,409	375,025	-	10,341,434
Net capital assets, being depreciated	$ 6,987,981	262,382	-	7,250,363
Total capital assets, governmental	$ 7,657,633	466,790	-	8,124,423

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

Governmental activities:		
General government	$	37,372
Public safety		67,146
Public works		252,130
Public health		7,844
Recreation		10,533
Total depreciation expense	$	375,025

	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				
Less: accumulated depreciation	2,211,831	65,830		2,277,661
Total capital assets, business-type	$ 1,069,767	(65,830)	-	1,003,937

Note 8 - Long-Term Liabilities

Long-term liabilities activity for the year ended June 30, 2026, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due In One Year
Governmental activities:					
Compensated absences	$ 84,486	14,851		99,337	
Landfill closure	170,466		12,342	158,124	
Net pension liability	184,017		104,797	79,220	
Commitments and Contingencies	932,744		266,218	666,526	133,530
Total governmental activities long-term liabilities	$ 1,371,713	14,851	383,357	1,003,207	133,530

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 $11,750 per year. This amount is based on estimates that are subject to change due to inflation, technology, or applicable laws and regulations.

Regional School District

The Town is a member of Regional School District #20, which provides education for grades kindergarten through twelfth for the Towns of Morris, Goshen, Litchfield, and Warren. As of June 30, 2026, the Regional School District authorized outstanding bonded indebtedness of $3.4 million to be used to assume the existing debt of the Town of Litchfield's education ($1.8 million) and the Regional School District No 6 ($1.6 million) general obligation bonds. The Town of Morris's share of this debt is approximately 14.31%. These are the general obligations of the Regional School District and its Town members.

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; errors and omissions; injuries to employees; employee health; and natural disasters. The Town generally obtains commercial insurance for these risks. For all types of commercial coverage, settled claims have not exceeded coverage in any of the past three years.

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

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

Regional School District

Effective July 1, 2024, the Town of Morris joined the Regional School District No. 20 (RSD 20), along with Litchfield, Warren, and Goshen, to provide educational services for grades kindergarten through 12th grade This was previously provided by Regional School District No. 6 (RSD 6), which included the Towns of Morris, Warran and Goshen.

Upon RSD 6's dissolution, certain liabilities remain, of which the Town of Morris's estimated share is 32.2%. RSD 20 is expected to assume all general obligation debt, while pension obligations remain with former RSD 6 member towns.

The Town plans to enter an interlocal government agreement with Towns of Warren and Goshen to establish a Board of Trustees to oversee the transition and protect vested employee benefits. It is expected that the member Town will make annual contributions to meet the obligations of the outstanding net pension liability.

A summary of June 30, 2024, actuary valuation, which is the last available information, is as follows:

		Total	32.2%
Total Pension Liability	$	2,191,977	705,817
Total Net Position		527,383	169,817
Net Pension Liability		1,499,358	535,999
Actuary determined contribution (2026)		121,822	39,227

The Town of Morris paid $100,320 during June 30, 2026 fiscal year to reduce the debt.

Prior to June 30, 2026, RSD 20 notified its member towns of potential estimated operating deficit. The actual amount cannot be determined until the completion of the RSD financial audit.

Prior to June 30, 2025, RSD 20 notified its member towns of an estimated operating deficit of $2.7 million. Pursuant to a memorandum of understanding between RSD 20 and the member towns, the deficit will be paid over a three-year period. The Town of Morris's remaining payments under this agreement are as follows:

Fiscal year ended, June 30,		Scheduled Payment
2027	$	133,530
2028		133,530
Total	$	267,060

The RSD 6, Regional School District No 20 ("RSD 20") and the Town of Litchfield Board of Education ("LBE") (collectively referred to as the Associated Boards) entered a Memorandum of Agreement for the purposes of shared costs associated with the regionalization of Regional School District No 20. In accordance with the agreement, beginning July 1, 2023 member Towns of the Associated Board will provide resources and share the costs on-Behalf of RSD 20. The balance of this liability has not been determined but the Town of Morris's share of these costs is 14.71%.

Note 10 - Fund Balance

As of June 30, 2026, the governmental fund balance is composed of the following:

		General	Capital	Nonmajor	Total
Restricted:					
Monument Fund	$	1,725			1,725
Donors' intentions				250,323	250,323
Committed:					
Capital projects			795,915		795,915
Contingent liabilities			11,550		11,550
Subsequent years expenses		550,000			550,000
Assigned:					
Capital projects			238,030		238,030
				3,245	3,245
Unassigned		1,850,255			1,850,255
Total fund balance	$	2,401,980	1,045,495	28,278	3,701,043

Note 11 - Employee Retirement Plans

Plan description and benefits provided

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

Town Retirement Plan

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

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

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

Morris Volunteer Fire Department Plan

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

Morris Fire Company Plan

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

Membership in the plans consisted of the following at July 1, 2026, the date of the actuarial valuation applicable to the June 30, 2026, employer actuarially determined contribution:

	Town Plan	MVFD Plan	Morris Fire Company Plan
Retirees and beneficiaries currently receiving benefits	11	5	
Terminated plan members entitled to, but not yet receiving benefits	2	13	2
Active plan members	6	-	28
Total	19	18	30

Summary of significant accounting policies

Basis of Accounting

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

Investments

Investment Policy

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

Rate of Return

For the year ended June 30, 2026, the money-weighted rate of return on the pension plan investments, net of pension plan investment expense, was 9.91% for the Town Plan, 9.36% for the Morris Volunteer Fire Department Plan, and 19.55% for the Morris Fire Company Plan. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net pension liability of the plans

The following net pension liabilities were measured as of June 30, 2026, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2025.

The components of the net pension liability of the Town at June 30, 2026 were as follows:

	Town Plan	MVFD Plan	Morris Fire Company Plan
Total pension liability	$ 1,900,660	110,291	147,659
Plan fiduciary net position	2,277,527	100,968	77,762
Net pension liability (asset)	$ (376,867)	9,323	69,897
Plan fiduciary net position as a percentage of the total pension liability	119.83%	92%	-

Actuarial assumptions

The total pension liability was determined by actuarial data as of July 1, 2026, using the following actuarial assumption, applied to all periods included in the measurement:

	Town Plan	MVFD Plan	Morris Fire Company Plan
Inflation	2.50%	2.50%	2.50%
Salary increase	3.50%	N/A	N/A
Investment rate of return	6.00%	6.00%	6.00%

Mortality rates were based on the PubG-2010 adjusted for 2006 with MP-2021 mortality improvements.

The actuarial assumptions used in the July 1, 2026; data were based on the results of an actuarial experience study for the period July 1, 2020 - June 30, 2026.

Long-term rate of return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

Discount rate

The discount rate used to measure the total pension liability was 5.50% for the Town Plan, the MVFD Plan and the Morris Fire Company Plan.. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the net pension liability

Town Plan		Increase (Decrease)		
		Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances as of June 30, 2025	$	2,201,816	2,087,574	114,242
Changes for the year:				
Service cost	$	48,728		48,728
Interest cost on total pension liability		117,282		117,282
Difference between expected and actual experience		(262,414)		(262,414)
Change in assumptions		(65,913)		(65,913)
Employer contributions			150,000	(150,000)
Net investment income			183,642	(183,642)
Administrative expenses			(4,850)	4,850
Benefit payments, including refund of employee contributions		(138,839)	(138,839)	-
Net changes	$	(301,156)	189,953	(491,109)
Balances as of June 30, 2026	$	1,900,660	2,277,527	(376,867)

MVFD Plan		Increase (Decrease)		
		Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances as of June 30, 2025	$	107,017	107,016	1
Changes for the year:				
Interest cost on total pension liability	$	5,747		5,747
Difference between expected and actual experience		975		975
Effects of assumption changes or inputs		1,587		1,587
Employer contributions			4,200	(4,200)
Net investment income			(1,013)	1,013
Administrative expenses				
Benefit payments, including refund of employee contributions		(5,035)	(5,035)	-
Net changes	$	3,274	(2,362)	(8,410)
Balances as of June 30, 2026	$	110,291	100,968	9,323

Morris Fire Company Plan		Increase (Decrease)		
		Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances as of June 30, 2025	$	129,029	59,255	69,774
Changes for the year:				
Service cost	$	12,602		12,602
Interest cost on total pension liability		7,097		7,097
Difference between expected and actual experience		7,305		7,305
Net investment income			8,507	(8,507)
Employer contributions			14,200	(14,200)
Change in assumption		(8,374)		(8,374)
Administrative expenses			(4,200)	4,200
Net changes	$	18,630	18,507	123
Balances as of June 30, 2026	$	147,659	77,762	69,897

Changes in assumptions or other inputs

Mortality for Pre- and Post-Retirement is calculated using PubG-2010 (adjusted for 2006) with MP-2021 mortality rates, which is a change from the previously used MP-2021 projected to valuation date using Scale AA.

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

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

		1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Town Plan net pension liability	$	(152,254)	(376,867)	(563,769)
MVFD Plan net pension liability		23,239	9,323	(2,199)
Morris Fire Company Plan net pension liability		100,805	68,897	45,740

Pension trust funds

The Town maintains three pension trust funds (Town Employees' Plan, Morris Volunteer Fire Department Plan, and the Morris Fire Company Plan) to account for its fiduciary responsibility. The following schedules present the net position held in trust for pension benefits at June 30, 2026, and the changes in net position for the year then ended.

Schedule of Net Position

		Town Plan	MVFD Plan	Morris Fire Company Plan	Total
Assets:					
Cash and cash equivalents	$	62,078	60,248	300	122,626
Investments		2,211,287	40,574	77,630	2,329,491
Total assets	$	2,273,365	100,822	77,930	2,452,117
Net assets held in trust for pension benefits	$	2,273,365	100,822	77,930	2,452,117

Schedule of Changes in Net Position

		Town Retirement Plan	Morris Volunteer Fire Department Plan	Morris Fire Company Plan	Total
Additions:					
Contribution - Employer	$	150,000	4,200	14,200	168,400
Change in Fair market Value		84,825	994	3,376	89,195
Interest and dividends		118,596	3,158	6,220	127,974
Total additions	$	353,421	8,352	23,796	385,569
Deductions:					
Administrative costs	$	16,812	4,557	4,559	25,928
Benefits		138,839	5,075		143,914
Total deductions	$	155,651	9,632	4,559	169,842
Net increase	$	197,770	(1,280)	19,237	215,727
Net position at beginning of year		2,075,595	102,090	58,693	2,236,378
Net position at end of year	$	2,273,365	100,810	77,930	2,452,105

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

For the year ended June 30, 2026, the Town recognized pension expense of $46,729 for the Town, Fire Department and Fire Company plans.

	Plan Deferred Outflows of Resources		
	Town Plan	MVFD Plan	Morris Fire Company Plan
Net difference between projected and actual earnings on pension plan investments	$	5,831	
Changes of assumptions	108,631	17,358	2,210
Total	$ 108,631	23,189	2,210

	Plan Deferred Inflows of Resources		
	Town Plan	MVFD Plan	Morris Fire Company Plan
Net difference between projected and actual earnings of plan investments	$ (298,046)		(6,226)
Differences between expected and actual experience	(162,853)	(35,150)	(11,078)
Total	$ (460,899)	(35,150)	(17,304)

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

Year Ended June 30,		Town Retirement Plan	MVFD Retirement Plan	Fire Company Plan
2027	$	(79,872)	2,676	(3,132)
2028		(68,300)	189	(2,907)
2029		(55,211)	(283)	(1,716)
2030		(34,641)	459	(215)
2031		(24,297)	(996)	777
Thereafter		(89,947)	(14,006)	(7,901)
	$	(352,268)	(11,961)	(15,094)

Note 12 - Subsequent Events

Management has evaluated events subsequent to the date of the financial statements through October 20, 2026, the date the financial statements were available to be issued. No events have occurred subsequent to the Statement of Net Position date through October 20, 2026 that would require readjustment to the financial statements.

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN UNASSIGNED FUND BALANCE - BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND
For The Year Ended June 30, 2026

	Budget Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive/ (Negative)
	Original	Final		
Revenues:				
Property taxes	$ 9,097,849	9,097,849	9,185,407	87,558
Intergovernmental	277,062	277,062	356,155	79,093
Charges for services	191,675	191,675	431,810	240,135
Investment income	60,680	60,680	113,044	52,364
Other revenues	26,724	26,724	10,571	(16,153)
Total revenues	$ 9,653,990	9,653,990	10,096,987	442,997
Expenditures:				
Current:				
General government	$ 1,191,010	1,191,010	1,108,602	82,408
Public safety	570,172	570,172	559,100	11,072
Public works	1,075,901	1,075,901	1,063,797	12,104
Health and welfare	20,951	20,951	20,451	500
Culture and recreation	378,041	378,041	359,624	18,417
Education	5,917,209	5,917,209	5,864,724	52,485
Other	325,800	325,800	318,020	7,780
Total expenditures	$ 9,479,084	9,479,084	9,294,318	184,766
Revenues over (under) expenditures	$ 174,906	174,906	802,669	258,231
Other financing sources (uses):				
Capital improvement	$ (724,906)	(724,906)	(724,906)	-
Proceeds from surplus	550,000	550,000	550,000	-
Total other financing sources (uses)	$ (174,906)	(174,906)	(174,906)	-
Revenues over expenditures and other financing sources (uses)	$ -	-	627,763	258,231

Appropriations from surplus:		
Committed for subsequent year's operating budget	$	(550,000)
Net change in unassigned fund balance	$	77,763
Unassigned fund balance, July 1, 2025		1,772,492
Unassigned fund balance, June 30, 2026	$	1,850,255

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

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total pension liability:										
Service cost	$ 48,728	44,281	49,141	53,137	56,821	48,021	42,924	46,640	38,395	12,708
Interest on total pension liability	117,282	115,889	118,761	128,519	121,521	118,538	114,145	116,145	103,218	96,471
Differences between expected and actual exp.	(262,414)	39,577	(43,081)	(171,464)	17,059	27,162	78,313	(96,229)	114,002	68,571
Effect of assumption changes or inputs	(65,913)	58,533	53,962	51,796	55,520	49,366	(5,066)	(5,437)	22,442	-
Benefit payments	(138,839)	(143,859)	(141,464)	(136,444)	(141,447)	(103,379)	(91,994)	(89,502)	(83,605)	(71,972)
Net change in total pension liability	$ (301,156)	114,421	37,319	(74,456)	109,474	139,708	138,322	(28,383)	194,452	105,778
Total pension liability - beginning	2,201,816	2,087,395	2,050,076	2,124,532	2,015,058	1,875,350	1,737,028	1,765,411	1,570,959	1,465,181
Total pension liability - ended	$ 1,900,660	2,201,816	2,087,395	2,050,076	2,124,532	2,015,058	1,875,350	1,737,028	1,765,411	1,570,959
Plan fiduciary net position:										
Contributions - employer	$ 150,000	160,000	160,000	160,000	125,100	166,150	166,150	156,461	74,800	69,000
Net investment income	183,642	194,411	219,259	156,747	(222,526)	402,640	23,789	45,522	30,893	94,965
Benefit payments	(138,839)	(143,859)	(141,464)	(136,444)	(141,447)	(103,379)	(91,994)	(89,502)	(83,605)	(71,972)
Administrative expenses	(4,850)	(4,850)	(4,975)	(4,838)	(7,800)	(4,800)	(5,170)	(5,795)	(4,091)	-
Net change in plan fiduciary net position	$ 189,953	205,702	232,820	175,465	(246,673)	460,611	92,775	106,686	17,997	91,993
Plan fiduciary net position - beginning	2,087,574	1,881,872	1,649,052	1,473,587	1,720,260	1,259,649	1,166,874	1,060,188	1,042,191	950,198
Plan fiduciary net position - ended	$ 2,277,527	2,087,574	1,881,872	1,649,052	1,473,587	1,720,260	1,259,649	1,166,874	1,060,188	1,042,191
Net pension liability - ended	$ (376,867)	114,242	205,523	401,024	650,945	294,798	615,701	570,154	705,223	528,768
Plan fiduciary net position/total pension liability	119.83%	94.81%	90.15%	80.44%	69.36%	85.37%	67.17%	67.18%	60.05%	66.34%
Covered-employee payroll	$ 367,564	433,778	417,886	457,360	485,078	491,701	544,916	45,789	466,832	388,213
Net pension liability/covered-employee payroll	102.53%	26.34%	49.18%	87.68%	134.19%	59.95%	112.99%	124.52%	151.07%	136.21%

TOWN OF MORRIS, CONNECTICUT

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

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total pension liability:										
Service cost	$ -	-	-	-	-	-	-	-	2,345	2,347
Interest on total pension liability	5,747	5,826	5,848	5,835	7,217	9,040	10,912	11,306	11,604	10,694
Differences between expected and actual expense	975	502	670	(4,186)	(10,852)	(3,435)	(11,347)	(5,710)	(12,456)	5,686
Effect of assumption changes or inputs	1,587	3,071	3,107	2,995	3,133	3,171	(489)	(538)	2,899	-
Benefit payments	(5,035)	(7,423)	(4,095)	(4,774)	(30,659)	(34,087)	(9,232)	(12,578)	(5,037)	(5,458)
Net change in total pension liability	$ 3,274	1,976	5,530	(130)	(31,161)	(25,311)	(10,156)	(7,520)	(645)	13,269
Total pension liability - beginning	107,017	105,041	99,511	99,641	130,802	156,113	166,269	173,789	174,434	161,165
Total pension liability - ended	$ 110,291	107,017	105,041	99,511	99,641	130,802	156,113	166,269	173,789	174,434
Plan fiduciary net position:										
Contributions - employer	$ 4,200	4,200	4,000	10,900	7,200	18,450	18,950	24,815	8,000	8,500
Net investment income	(1,013)	9,785	4,044	89	(13,941)	27,441	3,478	4,786	(3,832)	6,013
Benefit payments	(5,035)	(7,423)	(4,095)	(4,774)	(30,659)	(34,087)	(9,232)	(12,578)	(5,037)	(5,458)
Administrative expenses	(4,200)	(4,200)	(4,100)	(4,350)	6,996	(8,211)	(4,935)	(6,214)	(4,001)	-
Net change in plan fiduciary net position	$ (6,048)	2,362	(151)	1,865	(30,404)	3,593	8,261	10,809	(4,870)	9,055
Plan fiduciary net position - beginning	107,016	104,654	104,805	102,940	133,344	129,751	121,490	110,681	115,551	106,496
Plan fiduciary net position - ended	$ 100,968	107,016	104,654	104,805	102,940	133,344	129,751	121,490	110,681	115,551
Net pension liability - ended	$ 9,323	1	387	(5,294)	(3,299)	(2,542)	26,362	44,779	63,108	58,883
Plan fiduciary net position/total pension liability	92%	100%	99.63%	105.32%	103.31%	101.94%	83.11%	73.07%	66.24%	66.24%
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability/covered - employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

	2026	2025	2024	2023	2022
Total pension liability:					
Service cost	$ 12,602	14,714	14,364	10,869	17,402
Interest on total pension liability	7,097	6,531	4,851	2,992	3,469
Differences between expected and actual experience	7,305	(11,821)	7,999	19,267	(30,537)
Effect of assumption changes or inputs	(8,374)	6,016	5,519	(138)	2,023
Benefit payments			-	-	-
Net change in total pension liability	$ 18,630	15,440	32,733	32,990	(7,643)
Total pension liability - beginning	129,029	113,589	80,856	47,866	55,509
Total pension liability - ended	$ 147,659	129,029	113,589	80,856	47,866
Plan fiduciary net position:					
Contributions - Town	$ 14,200	14,500	14,000	14,100	14,000
Net investment income	8,507	9,857	7,327	1,771	(4)
Administrative expenses	(4,200)	(4,200)	(4,100)	(4,000)	(3,996)
Net change in plan fiduciary net position	$ 18,507	20,157	17,227	11,871	10,000
Plan fiduciary net position - beginning	59,255	39,098	21,871	10,000	-
Plan fiduciary net position - ended	$ 77,762	59,255	39,098	21,871	10,000
Net pension liability - ended	$ 69,897	69,774	74,491	58,985	37,866
Plan fiduciary net position as a percentage of total pension liability					
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A
Net pension liability as a percentage of its covered-employee payroll	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

TOWN OF MORRIS, CONNECTICUT

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

	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered-employee Payroll	Contribution as a Percentage of Covered-employee Payroll
2026	$ 51,714	150,000	98,286	367,564	40.81 %
2025	72,076	160,000	87,924	433,778	36.89
2024	97,137	160,000	(62,863)	417,886	38.29
2023	72,586	160,000	(87,414)	457,360	34.98
2022	94,185	155,100	(60,915)	485,078	31.97
2021	84,523	166,150	(81,627)	491,701	33.79
2020	93,815	166,150	(72,335)	544,916	30.49
2019	71,837	156,461	(84,624)	457,890	34.17
2018	58,775	74,800	(16,025)	466,832	16.02
2017	52,626	69,000	(16,374)	388,213	17.77

Notes to Schedule

Valuation date	July 1, 2025
Measurement date	June 30, 2025
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	6.00%, changed from 6.50% in 2024
Inflation	2.25%
Salary increases	4.00%
Investment rate of return	6.00%, changed from '6.55% in 2024
Retirement age	65
Mortality table	RP 2014 adjusted to 2006
Mortality projection scale (to valuation date)	MP-2021, changed from MP-2020 in 2024

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

	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered-employee Payroll	Contribution as a Percentage of Covered-employee Payroll
2026	$ 31	4,200	4,169	N/A	N/A
2025	-	4,200	4,200	N/A	N/A
2024	-	4,000	(4,000)	N/A	N/A
2023	-	10,900	(10,900)	N/A	N/A
2022	2,178	7,200	(5,022)	N/A	N/A
2021	3,648	18,450	(14,802)	N/A	N/A
2020	5,075	18,950	(13,875)	N/A	N/A
2019	6,815	24,815	(18,000)	N/A	N/A
2018	6,784	8,000	(1,216)	N/A	N/A
2017	4,354	8,500	(4,146)	N/A	N/A

Notes to Schedule

Valuation date	July 1, 2025
Measurement date	June 30, 2025
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	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	6.00%, changed from 6.50% in 2024
Inflation	2.50%, changed from 2.75% in 2024
Salary increases	N/A
Investment rate of return	6.00%, changed from 6.50% in 2024
Retirement age	65-70
Mortality table	RP 2014 adjusted to 2006
Mortality projection scale (to valuation date)	MP-2021, changed from MP-2020 in 2024

TOWN OF MORRIS, CONNECTICUT

SCHEDULE OF EMPLOYER CONTRIBUTIONS - MFC PLAN
For the Last Five Fiscal Years

	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered-employee Payroll	Contribution as a Percentage of Covered-employee Payroll
2026	$ 16,626	14,200	(2,426)	N/A	N/A
2025	15,656	14,500	(1,156)	N/A	N/A
2024	11,224	14,000	(2,776)	N/A	N/A
2023	17,119	14,100	3,019	N/A	N/A
2022	13,995	14,000	(5)	N/A	N/A

Notes to Schedule

Valuation date	July 1, 2025
Measurement date	June 30, 2025
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	30 years from 7/1/16
Asset valuation method	Fair market value
Discount rate	6.00%, changed from 6.50% in 2024
Inflation	2.50%, changed from 2.75% in 2024
Salary increases	N/A
Investment rate of return	6.00%, changed from 6.50% in 2024
Retirement age	65
Mortality table	RP 2014 adjusted to 2006
Mortality projection scale (to valuation date)	MP-2021, changed from MP-2020 in 2024

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

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

	Net Money-Weighted Rate of Return	
2026	8.51	%
2025	9.91	
2024	12.67	
2023	10.07	
2022	(12.60)	
2021	29.50	
2020	1.87	
2019	3.90	
2018	3.04	
2017	9.92	

TOWN OF MORRIS, CONNECTICUT

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

	Net Money-Weighted Rate of Return
2026	(0.95) %
2025	9.36
2024	3.86
2023	0.08
2022	0.05
2021	19.71
2020	2.63
2019	4.03
2018	(3.42)
2017	5.52

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

	Net Money-Weighted Rate of Return
2026	12.1 %
2025	19.55
2024	22.35
2023	8.40
2022	0.04

TOWN OF MORRIS, CONNECTICUT **SCHEDULE 1**

GENERAL FUND REVENUES AND OTHER FINANCING SOURCES
BUDGETARY BASIS - BUDGET AND ACTUAL
For the Year Ended June 30, 2026

	Budgeted Amounts		Actual Amounts - Budgetary Basis	Variance With Final Budget Positive / (Negative)
	Original	Final		
Property taxes:				
Current year's levy	$ 9,017,449	9,017,449	9,066,635	49,186
Prior year's levy	40,000	40,000	72,465	32,465
Interest and penalties	40,400	40,400	46,302	5,902
Total property taxes	$ 9,097,849	9,097,849	9,185,402	87,553
Intergovernmental:				
State grants for education	$ 250,614	250,614	311,169	60,555
Other state grants	26,448	26,448	44,986	18,538
Total intergovernmental	$ 277,062	277,062	356,155	79,093
Charges for services:				
Licenses and permits	$ 107,100	107,100	282,271	175,171
Charges for services	57,575	57,575	125,546	67,971
Transfer station	27,000	27,000	23,993	(3,007)
Total charges for services	$ 191,675	191,675	431,810	240,135
Investment income	$ 60,680	60,680	113,044	52,364
Other revenues	$ 26,724	26,724	10,377	(16,347)
Other financing sources:				
Proceeds from surplus	$ 550,000	550,000	550,000	-
Total revenue and other financing sources	$ 10,203,990	10,203,990	10,646,788	442,798

TOWN OF MORRIS, CONNECTICUT

SCHEDULE 2
Page 1 of 2

GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
BUDGETARY BASIS - BUDGET AND ACTUAL
For the Year Ended June 30, 2026

	Budgeted Amounts		Actual Amounts - Budgetary Basis	Variance With Final Budget Positive / (Negative)
	Original	Final		
General government:				
Board of Finance	$ 20,250	20,250	20,039	211
Board of Appeals - Legal	1,000	1,000	-	1,000
Planning and Zoning	48,739	48,739	41,892	6,847
Tax Collector	39,190	39,190	36,602	2,588
Treasurer	91,584	91,584	83,918	7,666
Inland Wetland	7,820	7,820	1,571	6,249
Zoning Appeals Board	3,660	3,660	130	3,530
Town Clerk	93,031	93,031	89,987	3,044
Assessor	87,614	87,614	82,922	4,692
Insurance	113,300	113,300	73,295	40,005
Selectman - Miscellaneous	54,604	54,604	54,431	173
Civil Division	86,235	86,235	85,797	438
Building Inspector	105,750	105,750	105,464	286
Other General Government	438,233	438,233	432,554	5,679
Total general government	$ 1,191,010	1,191,010	1,108,602	82,408
Public safety:				
Fire Department	$ 127,227	127,227	122,746	4,481
Fire Marshal	14,600	14,600	9,680	4,920
Board of Selectmen - Safety	412,545	412,545	412,154	391
Dog Warden	15,800	15,800	14,520	1,280
Total public safety	$ 570,172	570,172	559,100	11,072
Public works:				
Highway Department	$ 798,952	798,952	798,007	945
Transfer station	276,949	276,949	265,790	11,159
Total public works	$ 1,075,901	1,075,901	1,063,797	12,104
Health and welfare:				
Board of Health	$ 20,951	20,951	20,451	500
Total health and welfare	$ 20,951	20,951	20,451	500
Culture and recreation:				
Beach and recreation	$ 56,262	56,262	46,142	10,120
Library	131,180	131,180	130,520	660
Community Hall	63,080	63,080	59,779	3,301
Senior Center	127,519	127,519	123,183	4,336
Total culture and recreation	$ 378,041	378,041	359,624	18,417
Education:				
Board of Education	$ 5,917,209	5,917,209	5,864,724	52,485
Total education	$ 5,917,209	5,917,209	5,864,724	52,485

TOWN OF MORRIS, CONNECTICUT

SCHEDULE 2
Page 2 of 2

GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
BUDGETARY BASIS - BUDGET AND ACTUAL
For the Year Ended June 30, 2026

	Budgeted Amounts		Actual Amounts - Budgetary Basis	Variance With Final Budget Positive / (Negative)
	Original	Final		
Other:				
Contingency	$ 4,000	4,000	-	4,000
Bantam Lake Authority	50	50	-	50
Sandy Beach Commission	9,300	9,300	9,300	-
Town of Morris 401k Contribution	5,000	5,000	5,000	
Pension Commission	164,200	164,200	164,200	-
Pension Commission Fire Department	4,200	4,200	4,200	-
Economic Development	50	50	-	50
Bantam Lake Weed Control	35,000	35,000	35,000	-
Region 6 Pension	104,000	104,000	100,320	3,680
Total other	$ 325,800	325,800	318,020	7,780
Other financing uses:				
Capital improvements	$ 724,906	724,906		724,906
Total other financing uses	$ 724,906	724,906	-	724,906
Total expenditures and other financing uses	$ 10,203,990	10,203,990	9,294,318	909,672

TOWN OF MORRIS, CONNECTICUT **SCHEDULE 3**

COMBINING BALANCE SHEET
NONMAJOR FUNDS
June 30, 2026

	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	$	22,756	6,898	27,990	10,672	29,897		98,213
Investments		49,949						49,949
Receivables, net						168,705		168,705
Due from other funds	73,979						129,960	203,939
Total assets	$ 73,979	72,705	6,898	27,990	10,672	198,602	129,960	520,806
Liabilities:								
Due to other funds	$ 324							324
Payments in advance							98,209	98,209
Total liabilities	$ 324	-	-	-	-	-	98,209	98,533
Deferred inflows of resources:								
Unavailable receipts	$					168,705		168,705
Total deferred inflows of resources	$ -	-	-	-	-	168,705	-	168,705
Fund balance (deficit):								
Restricted	$ 73,655	72,705	6,898	27,990	10,672	29,897	28,506	250,323
Assigned							3,245	3,245
Total fund balance (deficit)	$ 73,655	72,705	6,898	27,990	10,672	29,897	31,751	253,568

SCHEDULE 4

TOWN OF MORRIS, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (DEFICITS) - NONMAJOR FUNDS
For the Year Ended June 30, 2026

	Town Aid Road Fund	Library Fund	Senior Center Fund	Social Services Fund	Recreation Activities Fund	Small Cities Fund	Other Funds	Total
Revenues:								
Intergovernmental	$ 237,913	1,215					92,636	331,764
Charges for services		12,130			6,026			18,156
Investment income		6,007	9	31				6,047
Other		1,723	8,984	4,638	10			15,355
Total revenues	$ 237,913	21,075	8,993	4,669	6,036	-	92,636	371,322
Expenditures:								
Public works	204,560						10,400	214,960
Public health	$			10,248				10,248
Culture and recreation		15,763	7,270		8,066			31,099
Other							81,355	81,355
Total expenditures	$ 204,560	15,763	7,270	10,248	8,066	-	91,755	337,662
Revenue over (under) expenditures	$ 33,353	5,312	1,723	(5,579)	(2,030)	-	881	33,660
Other financing sources (uses):								-
Transfer from other funds	$						28,506	28,506
Transfer to other funds							28,506	28,506
Total other financing sources (uses)	$ -	-	-	-	-	-		
Changes in fund balances	$ 33,353	5,312	1,723	(5,579)	(2,030)	-	29,387	62,166
Fund balances - beginning	40,302	67,393	5,175	33,569	12,702	29,897	2,364	191,402
Fund balances - ended	$ 73,655	72,705	6,898	27,990	10,672	29,897	31,751	253,568

TOWN OF MORRIS, CONNECTICUT **SCHEDULE 5**

COMBINING STATEMENT OF NET POSITION
PENSION TRUST FUNDS
June 30, 2026

	Town Plan	MVFD Plan	Morris Fire Company Plan	Total Pension Trust Funds
Assets:				
Cash and cash equivalents	$ 62,078	60,248	300	122,626
Investments at fair value	2,211,287	40,574	77,630	2,329,491
Total assets	$ 2,273,365	100,822	77,930	2,452,117
Liabilities:				
Accrued expenses	$ -	12	-	12
Net position:				
Held in trust for specific purposes	$ 2,273,365	100,810	77,930	2,452,105

TOWN OF MORRIS, CONNECTICUT

SCHEDULE 6

COMBINING STATEMENT OF CHANGES IN NET POSITION
PENSION TRUST FUNDS
For the Year Ended June 30, 2026

	Town Plan	MVFD Plan	Morris Fire Company Plan	Total Pension Trust Funds
Additions:				
Contributions	$ 150,000	4,200	14,200	168,400
Total contributions	$ 150,000	4,200	14,200	168,400
Investment earnings:				
Net increase (decrease) in fair value	$ 84,825	994	3,376	89,195
Interest and dividends	118,596	3,158	6,220	127,974
Total investment earnings	$ 203,421	4,152	9,596	217,169
Deductions:				
Administrative	$ 16,812	4,557	4,559	25,928
Benefits	138,839	5,075		143,914
Total deductions	$ 155,651	9,632	4,559	169,842
Change in net position	$ 197,770	(1,280)	19,237	215,727
Net position - beginning	2,075,595	102,090	58,693	2,236,378
Net position - ended	$ 2,273,365	100,810	77,930	2,452,105

TOWN OF MORRIS, CONNECTICUT

SCHEDULE 7

STATEMENT OF CHANGES IN FUND BALANCE - BY PROJECT
CAPITAL & NONRECURRING FUND
For the Year Ended June 30, 2026

	Beginning Fund Balance	Current Year Appropriations	Transfer In (Out)	Other Revenues	Total Available	Current Year Expenditures	Ended Fund Balance
Committed for capital projects:							
Fire Department - Fire Engine #5 upgrade	20	-	(20)		-		-
Fire Department - engine #3 replace	200,000	50,000			250,000	-	250,000
Fire Department - Floor	-	50,000			50,000	(45,440)	4,560
Fire Department - Utility Truck	-	20,000			20,000	-	20,000
Fire Department - 2 SCBA packs	736	-	(736)		-	-	-
First Selectman - JMS generator	51,718	-	(51,718)		-	-	-
Highway - Stoddard Mill & Pave	-	75,000			75,000		75,000
Highway - E. Shore Road paving	1	-	(1)		-		-
Senior Center - Vinyl Floor Replacement	-	11,000			11,000	(11,000)	-
Highway - 2008 int dump replacement	100,000	50,000			150,000		150,000
Highway - Multi use Mower	353	-	(353)		-		-
Highway - Fuel tank system	14	-	(14)		-		-
Highway - Equipment trailer	251	-	(251)		-		-
Highway - John Weik Bridge	30,339	100,000			130,339	(72,803)	57,536
Highway - Replace Utility Truck	30,000	30,000			60,000	(59,610)	390
Highway - Looking Glass Reclaim & Pave	76,750	125,000			201,750	(191,908)	9,842
Municipal Building capital maintenance	24,971	25,000			49,971	(29,713)	20,258
Beach & Rec - Recreational Outdor Courts	25,000	25,000			50,000		50,000
Revaluation	27,868	-			27,868	(949)	26,919
Selectman - Fire Pond Dredging	234	15,000			15,234	(15,000)	234
Selectman - Elderidge generator	20,000	-			20,000		20,000
Selectman - Cyber security upgrades	1,921	-			1,921		1,921
Selectman - CH Bathroom Renovation	1	-	(1)		-		-
Selectman - CH Parking Lot Sealcoating	825	-	(825)		-		-
Town Clerk upgrade	9,020	-	(9,020)		-		-
Transfer Station concrete wall replacement	421	-	(421)		-		-
Transfer Station - South Wall Replacement	9,060	40,000			49,060	(49,060)	-
Transfer Station - Utility Vehicle	465	-	(465)		-		-
Highway - Town garage repairs	682	-			682		682
Senior Center - Shed & Sidewalk	4,701	-			4,701	(128)	4,573
Senior Center - Dishwasher	4,545	-	(4,545)		-		-
Committed for debt payments							
Town - Litchfield Debt	-	39,593			39,593		39,593
Town - Region 20 Debt	-	69,054			69,054		69,054
Town - Region 6 Unemployment	-	13,376			13,376	(13,376)	-
Town - Region 20 Deficit (1/3 of Debt)	-	111,780			111,780	(109,710)	2,070
Town - Unpaid Invoices Region 6	-	104,479			104,479	(99,646)	4,833
Total committed fund balance	619,896	954,282	(68,370)	-	1,505,808	(698,343)	807,465
Assigned fund balance:							
Senior Center funds	183				183		183
Unspecified projects	351,742	(954,282)	793,276	47,111	237,847		237,847
Total assigned fund balance	351,925	(954,282)	793,276	47,111	238,030	-	238,030
Total Fund Balance	971,821	-	724,906	47,111	1,743,838	(698,343)	1,045,495

TOWN OF MORRIS, CONNECTICUT

SCHEDULE 8

STATEMENT OF CHANGES IN FUND BALANCE - BY PROJECT
AMERICAN RECOVERY PLAN ACT
For the Year Ended June 30, 2025

	Total Appropriations	Previous Year Expenditures	Current Year Expenditures	Transfers	Total Available
Grant Payments in Advance					
Mini excavator	$ 100,631	(100,631)			-
NW Transit District	10,000	(10,000)			-
Greenwoods	10,000	(10,000)			-
Affordable Housing	140,000	(140,000)			-
Firehouse HVAC	13,823	(13,823)			-
Firehouse bath/showers	50,658	(50,100)			558
Morris Fresh Food Grant	8,300	(8,300)			-
Engine 5 replacement	150,000	(150,000)			-
Community Hall HVAC	22,149	(22,149)			-
Recreation access	24,733	(24,733)			-
Morris Historical Society	33,000	(33,000)			-
Friends and Neighbors	8,000	(8,000)			-
MP Library Fund	863	(863)			-
Munson House Remodeling	20,000	(15,730)	(4,240)		30
CH Bathroom Remodel	20,000	(6,467)	(5,866)		7,667
Generator - Affordable Housing	66,000	(26,890)	(38,446)		664
Total Appropriated	678,157	(620,686)	(48,552)	-	8,919
Less: Appropriations from interest	(11,085)		2,166		(8,919)
Total grant payments in advance	$ 667,072	(620,686)	(46,386)	-	-
Restricted Funds					
Unspecified projects	$ 30,672		(2,166)	(28,506)	-
Total restricted funds	$ 30,672	-	(2,166)	(28,506)	-
Total remaining funds	$ 697,744	(620,686)	(48,552)	(28,506)	-

TOWN OF MORRIS, CONNECTICUT

SCHEDULE 9

SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
For the Year Ended June 30, 2026

Grand List Year	Uncollected Balance & New Levy July 1, 2025	Lawful Corrections		Transfers to (Recoveries From) Suspense	Balance to be Collected	Collections				Uncollected Balance June 30, 2026
		Increases	Decreases			Taxes	Interest	Lien Fees	Total	
2010					-					
2011					-				-	-
2012					-				-	-
2013					-				-	-
2014					-				-	-
2015	4,223			(841)	3,382	14	23	6	43	3,368
2016	3,523			(298)	3,225				-	3,225
2017	3,674			(581)	3,093				-	3,093
2018	4,040			(1,082)	2,958	180	206	58	444	2,778
2019	2,630			(851)	1,779	186	183	55	424	1,593
2020	3,314				3,314	279	217	77	573	3,035
2021	1,188	4,234			5,422	608	472	11	1,091	4,814
2022	12,497	4	(11)	(505)	11,985	2,179	1,133	47	3,359	9,806
2023	82,796	640	(1,995)	(420)	81,021	67,185	12,314	1,140	80,639	13,836
Total	$ 117,885	4,878	(2,006)	(4,578)	116,179	70,631	14,548	1,394	86,573	45,548
2024	9,162,912	5,078	(15,182)	(158)	9,152,650	9,052,996	32,289	927	9,086,212	99,654
Total	$ 9,280,797	9,956	(17,188)	(4,736)	9,268,829	9,123,627	46,837	2,321	9,172,785	145,202

TOWN OF MORRIS, CONNECTICUT

SCHEDULE 10

SCHEDULE OF DEBT LIMITATION
For the Year Ended June 30, 2026

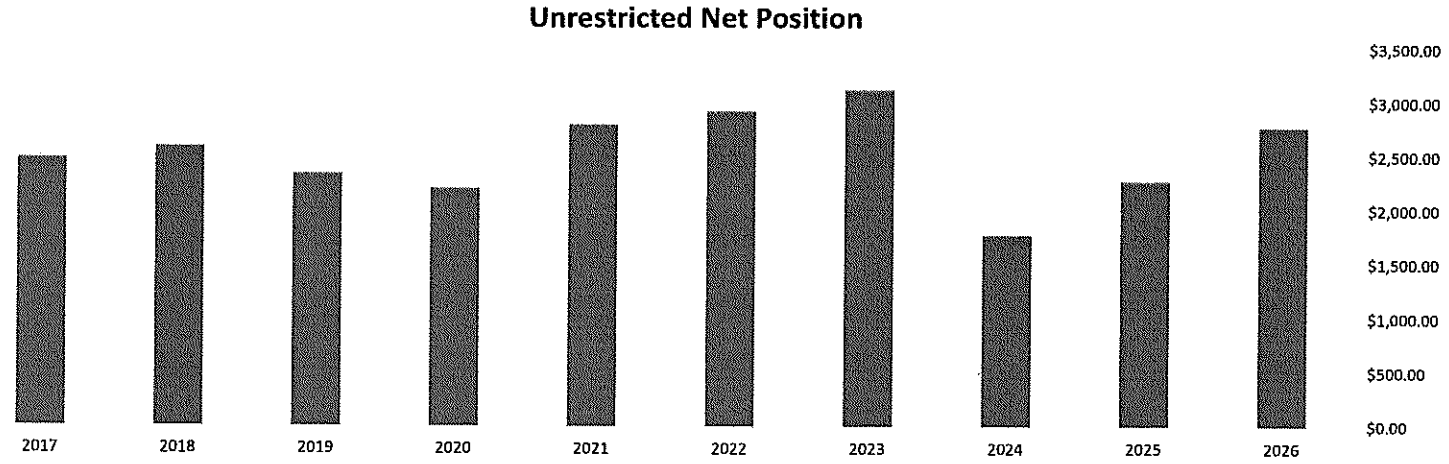
Total tax collections (including interest and lien fees) for the year ended June 30, 2026	$ 9,172,785
Reimbursement for revenue loss on: Elderly Tax Relief - Freeze	-
Base	$ 9,172,785

	General Purpose	Schools	Sewers	Urban Renewal	Pension Bonding	Total Debt
Debt limitation:						
2 1/4 times base	$ 20,638,766					
4 1/2 times base		41,277,533				
3 3/4 times base			34,397,944			
3 1/4 times base				29,811,551		
3 times base					27,518,355	
7 times base						64,209,495
Total debt limitation	$ 20,638,766	41,277,533	34,397,944	29,811,551	27,518,355	64,209,495
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	$ 20,638,766	41,277,533	34,397,944	29,811,551	27,518,355	64,209,495

TABLE A-1

TOWN OF MORRIS, CONNECTICUT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(IN THOUSANDS)
(UNAUDITED)

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Governmental Activities:										
Net invested in capital assets	$ 8,124	7,688	7,500	7,817	7,590	7,341	7,386	5,346	4,876	4,807
Restricted	252	181	1,036	46	2	2				
Unrestricted	2,784	2,280	1,780	3,125	2,927	2,806	2,207	2,343	2,594	2,488
Total Governmental Activities Net Position	$ 11,160	10,149	10,316	10,988	10,519	10,149	9,593	7,689	7,470	7,295
Business-Type Activities:										
Net invested in capital assets	$ 1,004	1,070	1,136	1,201	1,267	1,333	1,333	1,378	1,424	1,470
Restricted										
Unrestricted	293	291	317	322	294	293	397	426	432	424
Total Business-Type Activities Net Position	$ 1,297	1,361	1,453	1,523	1,561	1,626	1,730	1,804	1,856	1,894
Total Primary Government Net Position	$ 12,457	11,510	11,769	12,511	12,080	11,775	11,323	9,493	9,326	9,189



NOTES:
(1) Schedule prepared on the accrual basis of accounting.

TOWN OF MORRIS, CONNECTICUT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(IN THOUSANDS)
(UNAUDITED)

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
EXPENSES										
Governmental Activites:										
General Government	$ 1,117	1,050	1,126	1,115	1,078	1,170	1,354	1,096	899	914
Public Safety	624	610	547	526	663	611	412	480	330	336
Public Works	1,527	1,614	3,078	1,691	1,366	1,239	1,571	1,609	1,140	1,335
Health and Social Services	39	31	36	63	20	27	15	15	47	27
Parks and Recreation	401	450	431	364	392	361	336	406	316	321
Education	5,865	6,041	5,819	5,535	5,579	5,398	5,975	6,131	6,597	6,382
Total Governemntal Activities	$ 9,573	9,796	11,037	9,294	9,098	8,806	9,663	9,737	9,329	9,315
Business-Type Activities:										
Sewer Authority	$ 159	187	165	139	162	193	163	144	135	134
Interest on Long-term Debt						1	2	2	2	2
Total Business-type Acitivites	$ 159	187	165	139	162	194	165	146	137	136
TOTAL EXPENSES	$ 9,732	9,983	11,202	9,433	9,260	9,000	9,828	9,883	9,466	9,451
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services	$ 450	442	256	343	280	282	199	187	182	163
Operating Grants and Contributions	618	348	510	171	165	155	227	422	263	284
Capital Grants and Contributions	93	314	644	322	421	231	1,832	68	62	64
Total Program Revenues	$ 1,161	1,104	1,410	836	866	668	2,258	677	507	511
Business-Type Activities:										
Charges for Services	$ 88	86	92	101	93	87	86	90	94	75
Total Bussines-Type Activities Revenue	$ 88	86	92	101	93	87	86	90	94	75
NET (EXPENSE) REVENUE										
Governmental Activities	$ (8,412)	(8,692)	(9,627)	(8,458)	(8,232)	(8,138)	(7,405)	(9,060)	(8,822)	(8,804)
Business-Type Activities	(71)	(101)	(73)	(38)	(69)	(107)	(79)	(56)	(43)	(61)
Total Net Cost of Services	$ (8,483)	(8,793)	(9,700)	(8,496)	(8,301)	(8,245)	(7,484)	(9,116)	(8,865)	(8,865)

TOWN OF MORRIS, CONNECTICUT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(IN THOUSANDS)
(UNAUDITED)

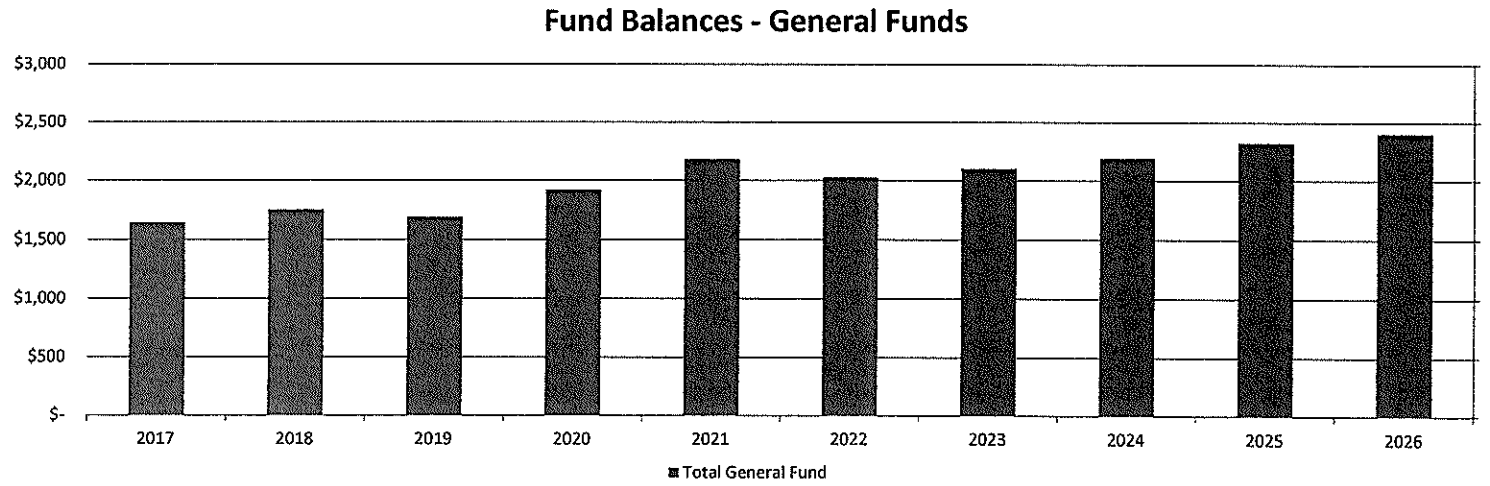
	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental Activities:										
Property Taxes	$ 9,208	8,300	8,495	8,689	8,556	8,661	9,058	9,010	8,929	8,603
Grants & Contributions Not Restricted	45	24	73	74	27	27	52	27	22	29
Investment Income	167	187	211	147	5	5	49	77	41	20
Sale of Asset						(21)	9	36	-	-
Other Income	3	15	175	13	13	21	4	129	4	1
Total Governmental Activities	$ 9,423	8,526	8,954	8,923	8,601	8,693	9,172	9,279	8,996	8,653
Business-Type Activities:										
Other Income	7	10	2	1	3	4	4	5	5	2
Total Business-Type Activities	$ 7	10	2	1	3	4	4	5	5	2
CHANGES IN NET POSITION										
Governmental Activities	$ 1,011	(166)	(673)	465	369	555	1,767	219	174	(151)
Business-Type Activites	(64)	(91)	(71)	(37)	(66)	(103)	(75)	(51)	(38)	(59)
Total	$ 947	(257)	(744)	428	303	452	1,692	168	136	(210)

Notes:
(1) Schedule prepared on the accrual basis of accounting.

TABLE A-3

TOWN OF MORRIS, CONNECTICUT
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(IN THOUSANDS)
(UNAUDITED)

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
General Fund:										
Nonspendable	$		851	1					2	4
Restricted	2	2	2	2	2	2				
Committed	550	550	558	474	384		33	103	94	9
Unassigned	1,850	1,772	784	1,620	1,641	2,181	1,886	1,589	1,655	1,627
Total General Fund	$ 2,402	2,324	2,195	2,097	2,027	2,183	1,919	1,692	1,751	1,640
All Other Governmental Funds:										
Restricted	$ 250	220	93	44						
Committed	808	620	478	1,210	1,304	939	251	476	446	253
Assigned	241	354	364	213	144	123	480	841	989	1,149
Total All Other Governmental Funds	$ 1,299	1,194	935	1,467	1,448	1,062	731	1,317	1,435	1,402
Total Fund Balance	$ 3,701	3,518	3,130	3,564	3,475	3,245	2,650	3,009	3,186	3,042



NOTES:
(1) Schedule prepared on the modified accrual basis of accounting.

TABLE A-4

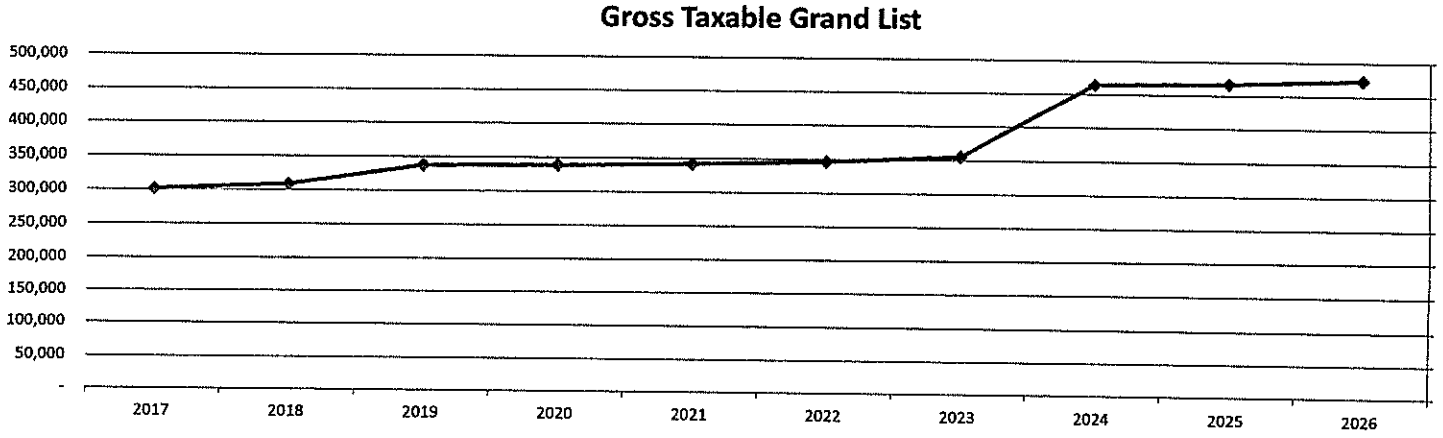
TOWN OF MORRIS, CONNECTICUT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(IN THOUSANDS)
(UNAUDITED)

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
REVENUES										
Property Taxes and Assessments	$ 9,185	8,229	8,527	8,583	8,579	8,753	8,965	9,049	8,889	8,570
Intergovernmental	734	667	1,189	567	614	412	2,111	511	347	373
Licenses, Permits, and Fees	282									
Charge for Services	168	427	252	262	254	269	177	164	153	134
Investment Income	166	187	211	147	5	6	49	77	41	20
Micellaneous	26	50	218	95	39	33	35	206	33	33
Total Revenues	$ 10,561	9,560	10,397	9,654	9,491	9,473	11,337	10,007	9,463	9,130
EXPENDITURES										
General Government	$ 1,109	980	957	982	958	1,032	1,039	969	861	837
Public Safety	559	536	509	487	586	664	399	464	338	302
Public Works	1,279	1,225	1,141	1,326	1,088	960	1,308	1,228	900	1,045
Health and Social Services	30	30	21	52	18	15	15	16	16	25
Parks and Recreation	391	402	364	314	340	317	311	321	294	280
Education	5,865	5,109	5,819	5,535	5,579	5,398	5,975	6,131	6,597	6,382
Other	399	227	467	253	185	218	443	219	116	120
Capital Outlay	747	664	1,551	615	508	275	2,207	834	200	110
Total Expenditures	$ 10,379	9,173	10,829	9,564	9,262	8,879	11,697	10,182	9,322	9,101
EXCESS (DEFICIENCY) OF REVNUES OVER (UNDER) EXPENDITURES	$ 182	387	(432)	90	229	594	(360)	(175)	141	29
OTHER FINANCING SOURCES (USES)										
Transfers From Other Funds	753	700	400	506	730	649	230	300	90	121
Transfers To Other Funds	(753)	(700)	(400)	(506)	(730)	(649)	(230)	(300)	(90)	(121)
Total Other Financing Sources (Uses)	$ -	-	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE	$ 182	387	(432)	90	229	594	(360)	(175)	141	29
Fund Balances - Beginning	$ 3,518	3,131	3,563	3,474	3,245	2,651	3,011	3,185	3,043	3,014
FUND BALANCES - ENDING	$ 3,700	3,518	3,131	3,564	3,474	3,245	2,651	3,010	3,184	3,043
Capital Outlays / Noncapital Expenditures	7.8%	7.8%	16.7%	6.9%	5.8%	3.2%	23.3%	8.9%	2.2%	1.2%

TABLE A-5

TOWN OF MORRIS, CONNECTICUT
ASSESSED VALUE AND ESTIMATED ACTUAL OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(IN THOUSANDS)
(UNAUDITED)

Fiscal Year	Grand List	Residential Real Property	Commercial & Industrial Real Property	Personal Property	Motor Vehicle	Gross Taxable Grand List	Exemptions Veterans Relief & Disabled	Net Taxable Grand List	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value	Total Direct Rate
2026	2024	408,703	19,845	15,158	28,858	472,564	3,783	468,781	328,147	69.44 %	19.23 %
2025	2023	404,307	19,375	11,399	31,055	466,136	3,870	462,266	323,586	69.42	17.37
2024	2022	401,937	19,175	10,734	31,726	463,572	2,827	460,745	322,522	69.57	18.13
2023	2021	299,826	15,685	10,566	29,061	355,138	2,837	352,301	246,611	69.44	23.71
2022	2020	297,672	15,718	9,236	23,764	346,390	1,565	344,825	241,378	69.68	24.26
2021	2019	296,013	15,629	8,076	21,945	341,663	1,747	339,916	237,941	69.64	24.61
2020	2018	294,842	15,594	7,808	20,547	338,791	1,519	337,272	236,090	69.69	26.13
2019	2017	294,528	15,235	7,077	20,667	337,507	1,258	336,249	235,374	69.74	26.41
2018	2016	275,559	6,985	6,665	19,771	308,980	1,237	307,743	215,420	69.72	28.38
2017	2015	267,978	6,850	6,402	19,602	300,832	1,196	299,636	209,745	69.72	28.05



*Data gathered from CT. Open Data; data.ct.gov

TABLE A-6

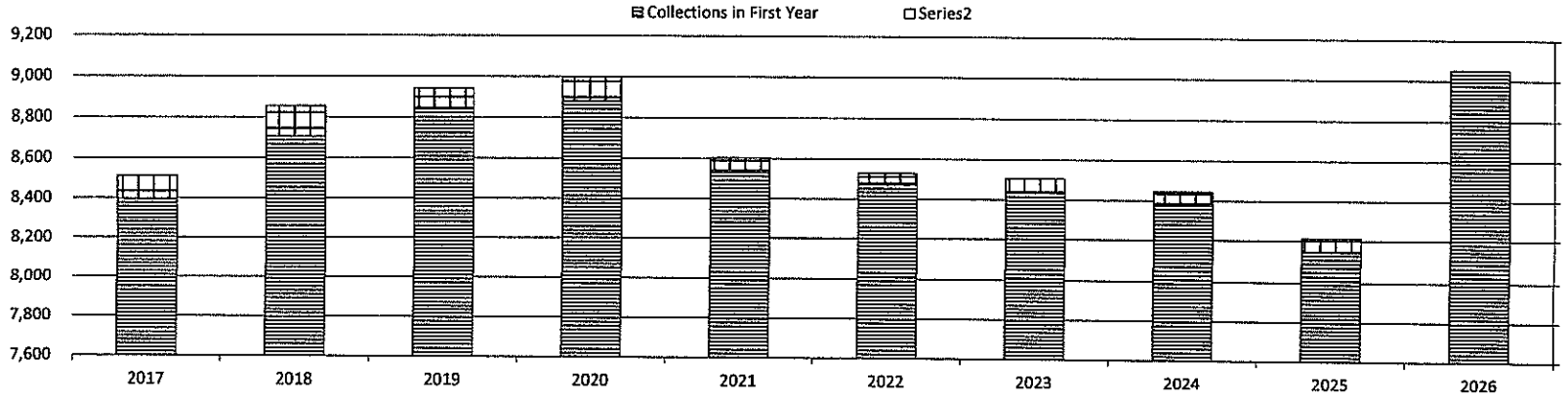
TOWN OF MORRIS, CONNECTICUT
PRINCIPAL PROPERTY TAXPAYERS
GRANDLIST OCTOBER 1, 2024 AND OCTOBER 1, 2013
(IN THOUSANDS)
(UNAUDITED)

		October 1, 2024		
Taxpayer	Nature of Business	Net Taxable Assessed Value	Rank	Percentage of Net Taxable Assessed Value
Dunn LLC	Real Estate	$ 7,825,680	1	18.76 %
City of Waterbury	Real Estate	6,681,850	2	16.02
White Memorial Foundation	Real Estate	6,510,590	3	15.61
Connecticut Light & Power Co.	Personal Property	4,724,160	4	11.32
White Flower Farms Inc.	Real Estate & Personal	3,222,060	5	7.72
Rella, Gerarda M	Real Estate	2,915,530	6	6.99
Connecticut Social Equites	Personal Property	2,758,970	7	6.61
Zampini Family LLC	Real Estate	2,633,230	8	6.31
Dufour, John R Trustee	Real Estate	2,333,380	9	5.59
Downes, Robert W & Mary Ann G	Real Estate	2,109,440	10	5.07
Total		$ 41,714,890		100.00 %

TABLE A-7

TOWN OF MORRIS, CONNECTICUT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(IN THOUSANDS)
(UNAUDITED)

Fiscal Year	Grand List	Net Taxable Grand List	Mill Rate	Original Tax Levy	Adjusted Annual Levy	Collections Within the Fiscal Year of Levy		Tax Collections in Subsequent	Total Collections to Date	
						Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
2026	2024	468,781	19.43 %	9,163	9,153	9,053	98.80 %	na	na	na
2025	2023	462,266	17.58	8,165	8,229	8,147	99.78	67	8,214	99.82 %
2024	2022	460,745	18.30	8,432	8,457	8,386	99.46	61	8,447	99.88
2023	2021	352,301	23.99	8,452	8,503	8,443	99.90	63	8,506	100.04
2022	2020	344,825	24.63	8,493	8,535	8,482	99.87	46	8,528	99.92
2021	2019	339,916	25.17	8,556	8,605	8,542	99.84	61	8,603	99.98
2020	2018	337,272	26.54	8,951	8,988	8,882	99.23	115	8,997	100.10
2019	2017	336,249	26.57	8,934	8,946	8,844	98.99	98	8,942	99.96
2018	2016	307,743	29.62	9,115	8,858	8,706	95.51	147	8,853	99.94
2017	2015	299,636	27.83	8,339	8,511	8,396	100.69	114	8,510	99.99
			Average Collection Rate				99.21 %			99.96 %



*Data provided by Town Tax Collector