

*TOWNSHIP OF MORRIS*

*COUNTY OF MORRIS*

*REPORT OF AUDIT*

*2014*

*NISIVOCCIA LLP  
CERTIFIED PUBLIC ACCOUNTANTS*

TOWNSHIP OF MORRIS  
COUNTY OF MORRIS  
REPORT OF AUDIT  
2014

TOWNSHIP OF MORRIS  
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TOWNSHIP OF MORRIS

PART I

FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2014



Mount Arlington Corporate Center  
200 Valley Road, Suite 300  
Mt. Arlington, NJ 07856  
973-328-1825 | 973-328-0507 Fax  
Lawrence Business Center  
11 Lawrence Road  
Newton, NJ 07860  
973-383-6699 | 973-383-6555 Fax

## Independent Auditors' Report

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

### ***Report on the Financial Statements***

We have audited the financial statements – *regulatory basis* – of the various funds of the Township of Morris in the County of Morris (the "Township") as of, and for the years ended December 31, 2014 and 2013, and the related notes to financial statements, as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

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

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

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

The Honorable Mayor and Members  
of the Township Committee  
Township of Morris  
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***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1, the financial statements are prepared by the Township on the basis of accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for the Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above, do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Township as of December 31, 2014 and 2013, and the changes in financial position or, where applicable, cash flows thereof for the years then ended.

***Basis for Qualified Opinion***

The Township's general fixed assets account group is stated at historical cost or estimated historical cost in the accompanying financial statements. The basis of accounting is not in conformity with U.S. generally accepted accounting principles but is in accordance with the accounting practices prescribed or permitted by the Division. We were unable to obtain sufficient evidence to support the cost of the fixed assets of the general fixed assets account group. As more fully described in Note 1, due to the length of time over which these fixed assets were acquired, it is not practical to determine their actual costs. Therefore, based upon the underlying accounting records, we have not audited the general fixed assets account group.

***Qualified Opinion on Regulatory Basis of Accounting***

In our opinion, except for the effects on the December 31, 2014 and 2013 financial statements of the matter described in the *Basis for Qualified Opinion* paragraph, the financial statements referred to above, present fairly, in all material respects, the financial position of the various funds of the Township of Morris as of December 31, 2014 and 2013, and the results of operations and changes in fund balance, where applicable, of such funds, thereof for the years then ended on the basis of the accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, as described in Note 1.

***Other Matters***

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements of the various funds that collectively comprise the Township's financial statements. The supplementary data schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedules of expenditures of federal and state awards, as required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey's OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the financial statements.

The Honorable Mayor and Members  
of the Township Committee  
Township of Morris  
Page 3

The supplementary data schedules and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the various fund financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the various fund financial statements or to the various fund financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary data schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 10, 2015 on our consideration of the Township of Morris'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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Morris's internal control over financial reporting and compliance.

Mount Arlington, New Jersey  
April 10, 2015



NISIVOCIA LLP



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David H. Evans  
Registered Municipal Accountant No. 98  
Certified Public Accountant

TOWNSHIP OF MORRIS  
COUNTY OF MORRIS  
2014  
CURRENT FUND

**TOWNSHIP OF MORRIS**  
**CURRENT FUND**  
**COMPARATIVE BALANCE SHEET - REGULATORY BASIS**

		December 31,	
<u>ASSETS</u>	<u>Ref.</u>	2014	2013
Regular Fund:			
Cash and Cash Equivalents		\$ 13,712,131.19	\$ 13,435,366.59
Investments		1,515,954.64	1,514,713.04
	A-4	15,228,085.83	14,950,079.63
Change Fund		700.00	1,000.00
		15,228,785.83	14,951,079.63
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-7	581,863.96	615,871.20
Tax Title Liens Receivable	A-8	71,987.67	65,371.76
Property Acquired for Taxes at Assessed Valuation		36,475.00	36,475.00
Revenue Accounts Receivable	A-9	16,493.91	20,203.70
Other Accounts Receivable		1,681.44	
Due Other Trust Funds	B	467.83	
Due General Capital Fund	C		111,854.42
Due Sewer Utility Operating Fund	E	56,000.00	
Due Parking Lot Utility Operating Fund	G	1,000.00	
		765,969.81	849,776.08
Deferred Charges:			
Special Emergency Authorization (NJSA 40A:4-53)		986,000.00	279,000.00
		16,980,755.64	16,079,855.71
Federal and State Grant Fund:			
Due Current Fund	A	203,941.60	366,552.94
Grants Receivable	A-10	111,636.13	111,352.72
		315,577.73	477,905.66
<b>TOTAL ASSETS</b>		<b>\$ 17,296,333.37</b>	<b>\$ 16,557,761.37</b>

**TOWNSHIP OF MORRIS**  
**CURRENT FUND**  
**COMPARATIVE BALANCE SHEET - REGULATORY BASIS**  
**(Continued)**

		December 31,	
	Ref.	2014	2013
<b><u>LIABILITIES, RESERVES AND FUND BALANCE</u></b>			
Regular Fund:			
Appropriation Reserves:			
Encumbered	A-3;A-11	\$ 1,903,277.37	\$ 1,291,508.50
Unencumbered	A-3;A-11	1,611,690.82	1,325,949.02
		3,514,968.19	2,617,457.52
Other Encumbrances		760,722.80	660,191.42
Third Party Tax Title Lien Payable		3,817.35	3,806.28
Due State of New Jersey:			
Senior Citizens' and Veterans' Deductions		6,198.27	7,198.95
County Added and Omitted Taxes Payable		26,462.72	33,985.81
Regional School District Taxes Payable	A-12	186,122.13	232,917.13
Prepaid Taxes		690,710.23	848,921.72
Special Deposits		56,600.00	56,600.00
Due Federal and State Grant Fund	A	203,941.60	366,552.94
Due Other Trust Funds	B	263,549.96	182,356.96
Due General Capital Fund	C	2,917.41	
Due Sewer Utility Operating Fund	E		19,750.00
Due Swimming Pool Utility Operating Fund	F	81,836.00	
Due Parking Lot Utility Operating Fund	G		535.00
Appropriated Reserve for:			
Parking Lot		15,870.00	15,870.00
Tree Planting		16,679.82	15,679.82
Signs		10,590.87	10,590.87
Sidewalks - New, Replacement, Repairs		55,885.00	55,885.00
Reserve for Pending Tax Appeals		2,406,204.63	2,000,000.00
		8,303,076.98	7,128,299.42
Reserve for Receivables and Other Assets	A	765,969.81	849,776.08
Fund Balance	A-1	7,911,708.85	8,101,780.21
Total Regular Fund		16,980,755.64	16,079,855.71
Federal and State Grant Fund:			
Appropriated Reserves:			
Unencumbered	A-13	248,210.56	260,535.16
Encumbered		8,569.20	217,370.50
Unappropriated Reserves	A-14	58,797.97	
Total Federal and State Grant Fund		315,577.73	477,905.66
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>		<b>\$ 17,296,333.37</b>	<b>\$ 16,557,761.37</b>

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

**TOWNSHIP OF MORRIS**  
**CURRENT FUND**  
**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN**  
**FUND BALANCE - REGULATORY BASIS**

	Ref.	Year Ended December 31,	
		2014	2013
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 5,079,076.00	\$ 4,100,000.00
Miscellaneous Revenue Anticipated		6,310,390.71	6,457,088.84
Receipts from:			
Delinquent Taxes		619,691.38	701,315.46
Current Taxes		91,622,873.06	91,088,904.96
Nonbudget Revenue		497,374.49	1,009,245.14
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		1,287,401.44	1,531,135.77
Cancellations:			
Other Encumbrances		21,466.76	50,759.29
Third Party Tax Title Lien Payable		3,806.78	
Tax Overpayments			125,027.84
Federal and State Grant Fund Appropriated Reserves		24,108.41	33,731.92
Due Other Trust Funds - Premium on Tax Sale Certificates			21,400.00
Prior Year Senior Citizens' and Veterans' Deductions Allowed			250.00
Interfunds Returned		111,854.42	1,244.85
		105,578,043.45	105,120,104.07
<u>Expenditures</u>			
Budget and Emergency Appropriations:			
Municipal Purposes		32,245,403.35	30,501,358.22
County Taxes		12,487,816.86	13,235,449.44
Regional School District Taxes		55,899,265.00	55,085,850.00
Local Open Space Taxes		73,785.44	75,688.68
Reserve for Pending Tax Appeals		564,231.08	1,000,000.00
Federal and State Grant Fund Receivables Canceled		7,991.21	32,773.05
Prior Year Senior Citizens' and Veterans' Deductions Disallowed		4,132.19	3,509.59
Appropriated Reserve for Tree Planting		1,000.00	
Refund of Prior Year Revenue:			
Taxes		144,307.90	
Other		1,956.51	16,664.15
Interfunds and Other Receivables Advanced		59,149.27	111,854.42
		101,489,038.81	100,063,147.55
Excess in Revenue		4,089,004.64	5,056,956.52
Adjustments Before Fund Balance:			
Expenditures Included Above Which Are by Statute			
Deferred Charges to Budget of Succeeding Year		800,000.00	
Statutory Excess to Fund Balance		4,889,004.64	5,056,956.52
<u>Fund Balance</u>			
Balance January 1		8,101,780.21	7,144,823.69
		12,990,784.85	12,201,780.21
Decreased by - Utilized as Anticipated Revenue		5,079,076.00	4,100,000.00
Balance December 31	A	\$ 7,911,708.85	\$ 8,101,780.21

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

**TOWNSHIP OF MORRIS**  
**CURRENT FUND**  
**STATEMENT OF REVENUE - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2014**

	<u>Budget</u>	<u>Added by NJSA 40A:4-87</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Fund Balance Anticipated	\$ 5,079,076.00		\$ 5,079,076.00	
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	14,000.00		24,000.00	\$ 10,000.00
Other	17,000.00		18,682.00	1,682.00
Fees and Permits - Other	676,650.00		826,510.00	149,860.00
Fines and Costs - Municipal Court	250,000.00		273,273.84	23,273.84
Interest and Costs on Taxes	175,000.00		174,158.84	841.16 *
Interest on Investments and Deposits	50,000.00		86,479.63	36,479.63
Consolidated Municipal Property Tax Relief Aid	565,227.00		565,227.00	
Energy Receipts Tax	2,714,714.00		2,714,714.00	
Uniform Construction Code Fees	500,000.00		973,221.60	473,221.60
Drunk Driving Enforcement Fund	7,845.45		7,845.45	
Clean Communities Grant		\$ 43,803.00	43,803.00	
Alcohol Education and Rehabilitation Fund		2,835.85	2,835.85	
Municipal Alliance on Alcoholism and Drug Abuse	46,639.50	2,000.00	48,639.50	
Click It or Ticket	4,000.00		4,000.00	
COPS in Shops	2,000.00		2,000.00	
Distracted Driving Crackdown	5,000.00		5,000.00	
Parking Lot Utility Operating Surplus of Prior Year	40,000.00		40,000.00	
Sewer Utility Operating Surplus of Prior Year	250,000.00		250,000.00	
General Capital Fund - Fund Balance	40,000.00		40,000.00	
Reimbursement for Expenses:				
Recycling Trust Fund	140,000.00		70,000.00	70,000.00 *
Police Outside Detail Trust Fund	160,000.00		140,000.00	20,000.00 *
	<u>5,658,075.95</u>	<u>48,638.85</u>	<u>6,310,390.71</u>	<u>603,675.91</u>
Receipt from Delinquent Taxes	<u>600,000.00</u>		<u>619,691.38</u>	<u>19,691.38</u>
Amount to be Raised by Taxes for Support of Municipal Budget				
Local Tax for Municipal Purposes	21,975,598.39		25,047,061.24	3,071,462.85
Minimum Library Tax	1,709,196.00		1,709,196.00	
Total Amount to be Raised by Taxes for Support of Municipal Budget	<u>23,684,794.39</u>		<u>26,756,257.24</u>	<u>3,071,462.85</u>
Budget Totals	<u>35,021,946.34</u>	<u>48,638.85</u>	<u>38,765,415.33</u>	<u>\$ 3,694,830.14</u>
Nonbudget Revenue			497,374.49	
	<u>\$35,021,946.34</u>	<u>\$ 48,638.85</u>	<u>\$39,262,789.82</u>	

**TOWNSHIP OF MORRIS**  
**CURRENT FUND**  
**STATEMENT OF REVENUE - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2014**  
**(Continued)**

Allocation of Current Tax Collections:

Revenue from Collection of Current Taxes	\$91,622,873.06
Allocated to County, Regional School District and Local Open Space Taxes	68,460,867.30
Balance for Support of Municipal Budget	23,162,005.76
Add: Appropriation "Reserve for Uncollected Taxes"	3,594,251.48
Realized for Support of Municipal Budget	\$26,756,257.24

Analysis of Fees and Permits - Other:

Collected/Received by Treasurer	\$ 835,210.00
Less: Refunds	8,700.00
	\$ 826,510.00

Analysis of Interest on Investments and Deposits:

Collected/Received by Treasurer	\$ 85,679.41
Due from General Capital Fund	332.39
Due from Other Trust Funds	467.83
	\$ 86,479.63

Analysis of Uniform Construction Code Fees:

Construction Code Official	\$ 974,666.00
Less: Refunds	1,444.40
	\$ 973,221.60

Analysis of Nonbudget Revenue:

Miscellaneous Revenue Not Anticipated:

Treasurer:

Cable TV Franchise Fees	\$ 321,579.96
Sale of Property/Auction	48,185.00
Cell Tower	43,170.91
Federal Emergency Management Agency Reimbursements:	
Superstorm Sandy	10,495.11
Reimbursements	24,218.03
Payments in Lieu of Taxes	13,268.86
State of New Jersey:	
Motor Vehicle Inspections	11,013.49
Senior Citizens' and Veterans' Deductions Administrative Reimbursement	3,081.89
AT&T Fiber Optic	6,000.00
Hanover Township Traffic Signal	5,362.36
Construction Code Penalties	3,250.00
Other Miscellaneous Revenue	7,748.88

\$ 497,374.49

**TOWNSHIP OF MORRIS**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2014**

	<u>Appropriation</u>		<u>Expended By</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
GENERAL GOVERNMENT:					
General Administration:					
Salaries and Wages	\$ 241,921.00	\$ 241,921.00	\$ 229,179.84	\$ 12,741.16	
Other Expenses	142,300.00	142,300.00	131,514.95	10,785.05	
Mayor and Council:					
Salaries and Wages	30,215.00	30,215.00	30,214.30	0.70	
Other Expenses	500.00	500.00	443.75	56.25	
Municipal Clerk:					
Salaries and Wages	127,613.00	127,613.00	122,741.76	4,871.24	
Other Expenses	40,360.00	40,360.00	27,241.28	13,118.72	
Financial Administration:					
Salaries and Wages	175,659.00	175,659.00	171,431.06	4,227.94	
Other Expenses	86,700.00	101,700.00	90,946.10	10,753.90	
Annual Audit	34,110.00	34,110.00	34,110.00		
Computer Information Technology:					
Salaries and Wages	76,687.00	76,687.00	72,445.22	4,241.78	
Other Expenses	132,000.00	132,000.00	96,598.21	35,401.79	
Revenue Administration (Tax Collection):					
Salaries and Wages	77,531.00	77,531.00	74,523.06	3,007.94	
Other Expenses	14,000.00	14,000.00	6,706.32	7,293.68	
Tax Assessment Administration:					
Salaries and Wages	137,398.00	137,398.00	132,496.25	4,901.75	
Other Expenses	17,900.00	17,900.00	14,835.71	3,064.29	
Revaluation of Property (NJSA 40A:4-53 +\$800,000.00)		800,000.00	552,100.00	247,900.00	
Legal Services and Costs:					
Other Expenses	285,000.00	320,000.00	289,000.00	31,000.00	
Joint Municipal Court:					
Other Expenses	275,000.00	275,000.00	249,910.00	25,090.00	
Engineering Services and Costs:					
Salaries and Wages	352,556.00	342,556.00	313,690.05	28,865.95	
Other Expenses	64,775.00	64,775.00	55,656.41	9,118.59	

**TOWNSHIP OF MORRIS**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2014**  
**(Continued)**

	<u>Appropriation</u>		<u>Expended By</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
GENERAL GOVERNMENT (Cont'd):					
Historic Preservation Commission:					
Other Expenses	\$ 500.00	\$ 500.00	\$ 500.00		
Municipal Land Use Law (NJSA 40:55D-1):					
Planning Board:					
Salaries and Wages	45,991.00	40,991.00	38,079.75	\$ 2,911.25	
Other Expenses	51,700.00	56,700.00	51,700.57	4,999.43	
Board of Adjustment:					
Salaries and Wages	23,436.00	23,436.00	21,960.82	1,475.18	
Other Expenses	5,950.00	5,950.00	5,240.50	709.50	
Insurance:					
General Liability	426,000.00	365,500.00	365,500.00		
Workers Compensation	607,000.00	587,000.00	587,000.00		
Group Insurance - Hospital and Medical	2,335,682.00	2,335,682.00	2,294,058.79	41,623.21	
PUBLIC SAFETY:					
County Communications Expense	316,400.00	316,400.00	316,400.00		
Traffic Lights Maintenance Expense	35,000.00	35,000.00	19,633.25	15,366.75	
Aid to Volunteer Ambulance Company	55,000.00	55,000.00	55,000.00		
Fire:					
Salaries and Wages	1,979,444.00	1,979,444.00	1,883,720.27	95,723.73	
Other Expenses	152,950.00	152,950.00	147,551.84	5,398.16	
Fire Hydrant Services	15,000.00	15,000.00	10,641.96	4,358.04	
Municipal Prosecutor:					
Other Expenses	25,000.00	25,000.00	25,000.00		
Police:					
Salaries and Wages	4,566,029.00	4,601,029.00	4,524,436.44	76,592.56	
Other Expenses	210,252.00	200,252.00	184,065.21	16,186.79	
Purchase of Police Vehicle	110,500.00	110,500.00	108,773.00	1,727.00	
Emergency Management Services:					
Other Expenses	11,550.00	11,550.00	7,558.83	3,991.17	

**TOWNSHIP OF MORRIS**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2014**  
**(Continued)**

	Appropriation		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
<b>PUBLIC WORKS:</b>					
Road Repair and Maintenance:					
Salaries and Wages	\$ 1,865,383.00	\$ 1,865,383.00	\$ 1,829,126.55	\$ 36,256.45	
Other Expenses	631,730.00	601,730.00	544,807.59	56,922.41	
Garbage and Trash Removal:					
Salaries and Wages	1,297,267.00	1,297,267.00	1,221,465.39	75,801.61	
Other Expenses	949,500.00	954,500.00	923,588.11	30,911.89	
Public Buildings and Grounds:					
Salaries and Wages	56,637.00	56,637.00	54,719.64	1,917.36	
Other Expenses	29,925.00	39,925.00	34,439.56	5,485.44	
Vehicle Maintenance:					
Salaries and Wages	500,904.00	500,904.00	493,088.36	7,815.64	
Other Expenses	312,500.00	357,500.00	317,635.80	39,864.20	
Community Services Act-Condo Costs:					
Other Expenses	50,000.00	50,000.00	48,880.03	1,119.97	
<b>HEALTH AND HUMAN SERVICES:</b>					
Board of Health:					
Salaries and Wages	225,198.00	225,198.00	207,811.13	17,386.87	
Other Expenses	92,272.00	92,272.00	78,217.94	14,054.06	
Environmental Commission:					
Salaries and Wages	3,656.00	5,156.00	4,779.16	376.84	
Other Expenses	3,450.00	1,950.00	498.00	1,452.00	
Animal Control:					
Other Expenses	24,500.00	24,500.00	24,500.00		
Cooperative Transportation:					
Other Expenses	8,000.00	8,500.00	8,457.16	42.84	
<b>RECREATION AND EDUCATION:</b>					
Recreation Services and Programs:					
Salaries and Wages	210,242.00	210,242.00	209,915.28	326.72	
Other Expenses	66,600.00	66,600.00	51,536.94	15,063.06	
Handicapped Person's Recreation Opportunity Act - Township of Morris Share	3,259.00	3,259.00	3,259.00		
Maintenance of Parks:					
Salaries and Wages	353,256.00	353,256.00	351,218.57	2,037.43	
Other Expenses	94,000.00	94,000.00	86,246.18	7,753.82	

**TOWNSHIP OF MORRIS**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2014**  
(Continued)

	Appropriation		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
OTHER COMMON OPERATING FUNCTIONS:					
Accumulated Leave Compensation - Salaries and Wages	\$ 187,000.00	\$ 187,000.00	\$ 187,000.00		
UTILITIES:					
Electricity	177,400.00	177,400.00	123,162.68	\$ 54,237.32	
Street Lighting	165,000.00	165,000.00	145,071.09	19,928.91	
Telephone	113,200.00	113,200.00	88,549.05	24,650.95	
Water	17,200.00	17,200.00	10,405.25	6,794.75	
Natural Gas	99,000.00	99,000.00	74,825.88	24,174.12	
Gasoline, Diesel Fuel	449,500.00	449,500.00	321,203.68	128,296.32	
UNCLASSIFIED:					
Project Pride - Other Expenses	55,000.00	55,000.00	55,000.00		
UNIFORM CONSTRUCTION CODE:					
Construction Official:					
Salaries and Wages	538,172.00	543,172.00	530,789.93	12,382.07	
Other Expenses	99,850.00	104,850.00	104,229.38	620.62	
Total Operations Within "CAPS"	<u>21,965,210.00</u>	<u>22,790,210.00</u>	<u>21,477,032.83</u>	<u>1,313,177.17</u>	
Detail:					
Salaries and Wages	13,072,195.00	13,098,695.00	12,704,832.83	393,862.17	
Other Expenses	<u>8,893,015.00</u>	<u>9,691,515.00</u>	<u>8,772,200.00</u>	<u>919,315.00</u>	
Deferred Charges & Statutory Expenditures - Municipal Within "CAPS":					
Deferred Charges:					
Anticipated Deficit Swimming Pool Utility Operating Fund	152,836.00	152,836.00	152,836.00		
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	652,998.00	652,998.00	544,157.67	108,840.33	
Social Security System (O.A.S.I.)	1,008,904.00	1,008,904.00	911,694.76	97,209.24	
Police and Firemen's Retirement System of NJ	1,418,151.00	1,393,151.00	1,304,255.00	88,896.00	
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	<u>3,232,889.00</u>	<u>3,207,889.00</u>	<u>2,912,943.43</u>	<u>294,945.57</u>	
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>25,198,099.00</u>	<u>25,998,099.00</u>	<u>24,389,976.26</u>	<u>1,608,122.74</u>	

**TOWNSHIP OF MORRIS**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2014**  
**(Continued)**

	Appropriation		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Excluded from "CAPS":					
Maintenance of Free Public Library - Proportionate Share (R.S. 40:54-29.17)	\$ 1,709,196.00	\$ 1,709,196.00	\$ 1,709,196.00		
Recycling Tax (PL 2007, c.311)	26,000.00	26,000.00	23,161.48	\$ 2,838.52	
Public and Private Programs Offset by Revenue:					
Drunk Driving Enforcement Fund	7,845.45	7,845.45	7,845.45		
Clean Communities Program (NJSA 40A:4-87 +\$43,803.00)		43,803.00	43,803.00		
Municipal Alliance on Alcoholism and Drug Abuse (NJSA 40A:4-87 +\$2,000.00)	46,639.50	48,639.50	48,639.50		
Click It or Ticket	4,000.00	4,000.00	4,000.00		
COPS in SHOPS	2,000.00	2,000.00	2,000.00		
Distracted Driving Crackdown - U Drive, U Text, U Pay	5,000.00	5,000.00	5,000.00		
Alcohol Education, Rehabilitation and Enforcement Fund (NJSA 40A:4-87 +\$2,835.85)		2,835.85	2,835.85		
Matching Funds for Grants:					
Municipal Alliance on Alcoholism and Drug Abuse	11,659.88	11,659.88	11,659.88		
Total Public and Private Programs Offset by Revenues	77,144.83	125,783.68	125,783.68		
Total Operations Excluded from "CAPS"	1,812,340.83	1,860,979.68	1,858,141.16	2,838.52	
Detail:					
Salaries and Wages	18,845.45	65,484.30	65,484.30		
Other Expenses	1,793,495.38	1,795,495.38	1,792,656.86	2,838.52	
Capital Improvements - Excluded from "CAPS":					
Capital Improvement Fund	369,638.00	369,638.00	369,638.00		
Police Equipment	54,740.00	54,740.00	54,010.44	729.56	
Fire Department Equipment	21,000.00	21,000.00	21,000.00		
Firehouse Improvements	90,000.00	90,000.00	90,000.00		
DPW Equipment	65,000.00	65,000.00	65,000.00		
Park Improvements and Equipment	171,500.00	171,500.00	171,500.00		
Total Capital Improvements - Excluded from "CAPS"	771,878.00	771,878.00	771,148.44	729.56	

**TOWNSHIP OF MORRIS**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2014**  
(Continued)

	Appropriation		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Municipal Debt Service - Excluded from "CAPS":					
Payment of Bond Principal	\$ 2,420,000.00	\$ 2,442,000.00	\$ 2,442,000.00		
Interest on Bonds	473,002.50	451,002.50	420,072.14		\$ 30,930.36
Interest on Notes	101,374.53	101,374.53	101,374.53		
Total Municipal Debt Service - Excluded from "CAPS"	<u>2,994,377.03</u>	<u>2,994,377.03</u>	<u>2,963,446.67</u>		<u>30,930.36</u>
Deferred Charges - Excluded from "CAPS":					
Special Emergency Authorizations - 5 Years	93,000.00	93,000.00	93,000.00		
Deferred Charges to Future Taxation Unfunded - Refunding Tax Appeal Ordinance	558,000.00	558,000.00	558,000.00		
Total Deferred Charges - Excluded from "CAPS"	<u>651,000.00</u>	<u>651,000.00</u>	<u>651,000.00</u>		
Total General Appropriations - Excluded from "CAPS"	<u>6,229,595.86</u>	<u>6,278,234.71</u>	<u>6,243,736.27</u>	\$ 3,568.08	<u>30,930.36</u>
Subtotal General Appropriations	31,427,694.86	32,276,333.71	30,633,712.53	1,611,690.82	30,930.36
Reserve for Uncollected Taxes	3,594,251.48	3,594,251.48	3,594,251.48		
Total General Appropriations	<u>\$ 35,021,946.34</u>	<u>\$ 35,870,585.19</u>	<u>\$ 34,227,964.01</u>	<u>\$ 1,611,690.82</u>	<u>\$ 30,930.36</u>

Ref.

A

**TOWNSHIP OF MORRIS**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2014**  
**(Continued)**

		Analysis of	
	<u>Ref.</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>
Adopted Budget		\$ 35,021,946.34	
Added by NJSA 40A:4-87		48,638.85	
Special Emergency Appropriation NJSA 40A:4-53		800,000.00	
		\$ 35,870,585.19	
Reserve for Uncollected Taxes			\$ 3,594,251.48
Reserve for Encumbrances	A		1,903,277.37
Deferred Charges			93,000.00
Due Federal and State Grant Fund			125,783.68
Due General Capital Fund			3,249.80
Due Swimming Pool Utility Operating Fund			152,836.00
Cash Disbursed			28,512,268.85
			34,384,667.18
Less: Appropriation Refunds Received			156,703.17
			\$ 34,227,964.01

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

TOWNSHIP OF MORRIS  
COUNTY OF MORRIS  
2014  
TRUST FUNDS

**TOWNSHIP OF MORRIS**  
**TRUST FUNDS**  
**COMPARATIVE BALANCE SHEET - REGULATORY BASIS**

	Ref.	December 31,	
		2014	2013
<b><u>ASSETS</u></b>			
Animal Control Fund:			
Cash and Cash Equivalents:			
Treasurer	B-4	\$ 45,571.10	\$ 36,128.37
Collector	B-4A	244.71	206.83
		<u>45,815.81</u>	<u>36,335.20</u>
Other Trust Funds:			
Cash and Cash Equivalents	B-4	9,790,826.44	7,836,060.23
Due Current Fund	A	263,549.96	182,356.96
Due General Capital Fund	C		2,191,980.82
		<u>10,054,376.40</u>	<u>10,210,398.01</u>
<b>TOTAL ASSETS</b>		<u><u>\$ 10,100,192.21</u></u>	<u><u>\$ 10,246,733.21</u></u>

**TOWNSHIP OF MORRIS**  
**TRUST FUNDS**  
**COMPARATIVE BALANCE SHEET - REGULATORY BASIS**  
**(Continued)**

		December 31,	
	Ref.	2014	2013
<b><u>LIABILITIES AND RESERVES</u></b>			
Animal Control Fund:			
Due State of New Jersey		\$ 3.60	\$ 1.20
Reserve for Animal Control Expenditures	B-6	45,812.21	36,334.00
		45,815.81	36,335.20
Other Trust Funds:			
Due State of New Jersey:			
Department of Community Affairs State Training Fees		34,825.34	21,705.34
Marriage License Fees			900.00
Due Current Fund	A	467.83	
Due General Capital Fund	C	558,000.00	
Special Deposits		148,139.99	145,639.99
Developers' Escrow Deposits		596,424.86	763,156.12
Clients' Escrow Deposits		546,260.54	535,047.12
Premium on Tax Sale Certificates		263,400.00	180,400.00
Reserve for:			
State Unemployment Insurance		267,355.80	260,407.63
Police Outside Detail		29,132.53	161,140.48
Recycling		21,674.68	140,725.28
Police Forfeited Assets		30,990.85	40,525.20
Municipal Court:			
Parking Offense Adjudication Act		10,840.51	10,298.51
Public Defender Fees		2,004.85	2,004.85
Municipal Drug Alliance		97,659.43	97,659.43
Municipal Open Space		5,105,987.40	6,277,740.84
Uniform Fire Safety Act		5,607.62	4,315.66
Recreation		412,239.29	341,935.56
C.O.A.H.		469,393.36	113,599.60
Accumulated Absences		232,201.75	177,337.96
Snow Removal		1,221,769.77	935,858.44
		10,054,376.40	10,210,398.01
<b>TOTAL LIABILITIES AND RESERVES</b>		<b>\$ 10,100,192.21</b>	<b>\$ 10,246,733.21</b>

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

**TOWNSHIP OF MORRIS**  
**ASSESSMENT TRUST FUND**  
**STATEMENT OF FUND BALANCE - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2014**

NOT APPLICABLE

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

**TOWNSHIP OF MORRIS**  
**ASSESSMENT TRUST FUND**  
**STATEMENT OF REVENUE - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2014**

NOT APPLICABLE

**ASSESSMENT TRUST FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2014**

NOT APPLICABLE

TOWNSHIP OF MORRIS  
COUNTY OF MORRIS  
2014  
GENERAL CAPITAL FUND

**TOWNSHIP OF MORRIS**  
**GENERAL CAPITAL FUND**  
**COMPARATIVE BALANCE SHEET - REGULATORY BASIS**

	Ref.	December 31,	
		2014	2013
<b><u>ASSETS</u></b>			
Cash and Cash Equivalents		\$ 6,444,272.04	\$ 8,372,483.30
Investments		405,832.39	405,500.00
	C-2	<u>6,850,104.43</u>	<u>8,777,983.30</u>
Deferred Charges to Future Taxation:			
Funded		24,381,000.00	13,566,000.00
Unfunded	C-4	1,674,504.35	13,493,453.50
Due Current Fund	A	2,917.41	
Due Other Trust Funds	B	<u>558,000.00</u>	
<b>TOTAL ASSETS</b>		<u><u>\$ 33,466,526.19</u></u>	<u><u>\$ 35,837,436.80</u></u>
 <b><u>LIABILITIES, RESERVES AND FUND BALANCE</u></b>			
Serial Bonds Payable	C-8	\$ 24,381,000.00	\$ 13,566,000.00
Bond Anticipation Notes Payable	C-7		10,137,452.85
Improvement Authorizations:			
Funded	C-5	7,372,319.82	2,312,584.06
Unfunded	C-5	40,523.53	4,972,609.68
Capital Improvement Fund	C-6	369,638.00	
Due Current Fund	A		111,854.42
Due Other Trust Funds	B		2,191,980.82
Reserve for:			
Encumbrances		849,070.13	1,724,007.42
Memorial Bricks		6,050.00	6,000.00
Traffic Lights		12,364.78	12,364.78
Kahdena Road		11,200.00	11,200.00
Sidewalks		2,450.00	
Trees		3,250.00	
Preliminary Engineering Costs - Western Ave Reservoir		3,000.66	3,000.66
Fund Balance	C-1	<u>415,659.27</u>	<u>788,382.11</u>
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>		<u><u>\$ 33,466,526.19</u></u>	<u><u>\$ 35,837,436.80</u></u>

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

**TOWNSHIP OF MORRIS**  
**GENERAL CAPITAL FUND**  
**STATEMENT OF FUND BALANCE - REGULATORY BASIS**

	<u>Ref.</u>	
Balance December 31, 2013	C	\$ 788,382.11
Increased by:		
Premium on Sale of Bonds		\$ 121,512.49
Improvement Authorizations Canceled		70,864.67
		192,377.16
		980,759.27
Decreased by:		
Anticipated in Current Fund Budget		\$ 40,000.00
Appropriated to Finance Improvement Authorizations		525,100.00
		565,100.00
Balance December 31, 2014	C	\$ 415,659.27

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

TOWNSHIP OF MORRIS  
COUNTY OF MORRIS  
2014  
WATER UTILITY FUND

NOT APPLICABLE

TOWNSHIP OF MORRIS  
COUNTY OF MORRIS  
2014  
SEWER UTILITY FUND

**TOWNSHIP OF MORRIS**  
**SEWER UTILITY FUND**  
**COMPARATIVE BALANCE SHEET - REGULATORY BASIS**

		December 31,	
	Ref.	2014	2013
<b><u>ASSETS</u></b>			
Operating Fund:			
Cash and Cash Equivalents:			
Treasurer	E-4	\$ 13,512,077.74	\$ 5,384,327.04
Due Current Fund	A		19,750.00
Due Sewer Utility Capital Fund	E		5,999,860.00
		<u>13,512,077.74</u>	<u>11,403,937.04</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	E-6	5,204,331.69	4,831,749.75
Deferred Charges:			
Emergency Authorizations	E-3	133,567.00	146,492.03
Total Operating Fund		<u>18,849,976.43</u>	<u>16,382,178.82</u>
Capital Fund:			
Cash and Cash Equivalents		3,075,749.22	6,146,681.10
Investments		1,454,185.78	1,452,994.76
	E-4	<u>4,529,935.00</u>	<u>7,599,675.86</u>
Due Sewer Utility Operating Fund	E	1,208.98	
NJ Environmental Infrastructure Loans Receivable		404,234.00	5,762,020.00
Fixed Capital	E-7	82,053,785.03	79,406,038.65
Fixed Capital Authorized and Uncompleted	E-8	3,939,838.53	5,035,940.40
Total Capital Fund		<u>90,929,001.54</u>	<u>97,803,674.91</u>
<b>TOTAL ASSETS</b>		<u><u>\$ 109,778,977.97</u></u>	<u><u>\$114,185,853.73</u></u>

**TOWNSHIP OF MORRIS**  
**SEWER UTILITY FUND**  
**COMPARATIVE BALANCE SHEET - REGULATORY BASIS**  
**(Continued)**

	Ref.	December 31,	
		2014	2013
<b><u>LIABILITIES, RESERVES AND FUND BALANCE</u></b>			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	E-3;E-9	\$ 358,235.73	\$ 323,786.78
Encumbered	E-3;E-9	1,712,255.36	749,573.79
		<u>2,070,491.09</u>	<u>1,073,360.57</u>
Accounts Payable - Vendors		194,530.68	
Sewer User Charge Overpayments		216.88	1,856.71
Prepaid Sewer User Charges		51,766.94	71,873.56
Accrued Interest on Bonds		66,562.51	60,342.57
Accrued Interest on Loans		25,213.54	23,248.20
Accrued Interest on Notes			19,750.00
Due Current Fund	A	56,000.00	
Due Sewer Utility Capital Fund	E	1,208.98	
Reserve for Engineering Inspection Fees		4,242.23	4,242.23
		<u>2,470,232.85</u>	<u>1,254,673.84</u>
Reserve for Receivables	E	5,204,331.69	4,831,749.75
Fund Balance	E-1	11,175,411.89	10,295,755.23
Total Operating Fund		<u>18,849,976.43</u>	<u>16,382,178.82</u>
Capital Fund:			
Serial Bonds Payable	E-15	11,276,000.00	7,161,000.00
NJ Environmental Infrastructure Trust Loans Payable	E-16	5,506,635.09	6,039,227.93
Bond Anticipation Notes Payable	E-14		4,049,547.15
Improvement Authorizations:			
Funded	E-10	3,340,511.93	838,373.15
Unfunded	E-10	599,326.60	4,197,567.25
Capital Improvement Fund	E-11	77,866.93	77,866.93
Due Sewer Utility Operating Fund	E		5,999,860.00
Reserve for Encumbrances		962,407.17	3,052,364.74
Reserve for Amortization	E-12	67,293,000.87	64,251,667.97
Deferred Reserve for Amortization	E-13	1,318,661.00	1,278,216.00
Fund Balance	E-1A	554,591.95	857,983.79
Total Capital Fund		<u>90,929,001.54</u>	<u>97,803,674.91</u>
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>		<u><u>\$ 109,778,977.97</u></u>	<u><u>\$114,185,853.73</u></u>

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

**TOWNSHIP OF MORRIS**  
**SEWER UTILITY OPERATING FUND**  
**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN**  
**FUND BALANCE - REGULATORY BASIS**

	Ref.	Year Ended December 31,	
		2014	2013
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 1,192,443.00	
Sewer User Charges		6,118,701.59	\$ 6,282,965.29
Connection Fees and Permits		258,150.00	56,014.49
Miscellaneous Revenue Anticipated		580,544.27	539,069.56
Sewer User Charges - Borough of Morris Plains Contract		1,519,966.59	1,565,240.71
Township of Randolph - Annual Sewer User Charges		523,747.07	506,765.49
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		277,413.46	82,089.20
Accounts Payable Canceled			128,643.50
		<u>10,470,965.98</u>	<u>9,160,788.24</u>
<u>Expenditures</u>			
Operating		4,814,767.00	4,638,800.84
Capital Improvements		1,510,000.00	615,275.00
Debt Service		1,515,070.29	1,560,135.52
Deferred Charges and Statutory Expenditures		440,196.03	290,004.65
Refund of Prior Year Revenue		2,400.00	140.00
		<u>8,282,433.32</u>	<u>7,104,356.01</u>
Total Expenditures			
Excess in Revenue		2,188,532.66	2,056,432.23
Adjustments Before Fund Balance:			
Expenditures Included Above Which Are by Statute			
Deferred Charges to Budget of Succeeding Year		133,567.00	146,492.03
		<u>133,567.00</u>	<u>146,492.03</u>
Statutory Excess to Fund Balance		2,322,099.66	2,202,924.26
<u>Fund Balance</u>			
Balance January 1		10,295,755.23	8,342,830.97
		<u>12,617,854.89</u>	<u>10,545,755.23</u>
Decreased by:			
Utilized as Anticipated Revenue:			
Sewer Utility Operating Budget		1,192,443.00	
Current Fund Budget		250,000.00	250,000.00
		<u>1,442,443.00</u>	<u>250,000.00</u>
Balance December 31	E	<u>\$ 11,175,411.89</u>	<u>\$ 10,295,755.23</u>

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

**TOWNSHIP OF MORRIS**  
**SEWER UTILITY CAPITAL FUND**  
**STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS**

	<u>Ref.</u>	
Balance December 31, 2013	E	\$ 857,983.79
Increased by:		
Premium on Sale of Bonds	\$ 43,793.22	
Improvement Authorizations Canceled	152,814.94	
		<u>196,608.16</u>
		<u>1,054,591.95</u>
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>500,000.00</u>
Balance December 31, 2014	E	<u><u>\$ 554,591.95</u></u>

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

**TOWNSHIP OF MORRIS**  
**SEWER UTILITY OPERATING FUND**  
**STATEMENT OF REVENUE - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2014**

	<u>Budget</u>	<u>Realized</u>	<u>Excess</u>
Fund Balance Anticipated	\$ 1,192,443.00	\$ 1,192,443.00	
Sewer User Charges	5,012,000.00	6,118,701.59	\$ 1,106,701.59
Connection Fees and Permits	8,000.00	258,150.00	250,150.00
Miscellaneous Revenue	141,628.00	580,544.27	438,916.27
Sewer User Charges:			
Borough of Morris Plains Contract	1,400,000.00	1,519,966.59	119,966.59
Township of Randolph:			
Annual Sewer User Charges	400,000.00	523,747.07	123,747.07
	<u>\$ 8,154,071.00</u>	<u>\$ 10,193,552.52</u>	<u>\$ 2,039,481.52</u>

Analysis of Sewer User Charges

Collections	\$ 6,045,188.20	
Sewer User Charge Overpayments Applied	1,639.83	
Prepaid Sewer User Charges Applied	71,873.56	
		<u>\$ 6,118,701.59</u>

Analysis of Miscellaneous Revenue

Collector:		
Sewer Allocations	\$ 447,267.28	
Interest and Costs on Delinquent Sewer User Charges	34,222.09	
		\$ 481,489.37
Treasurer:		
Interest on Investments and Deposits:		
Collected/Received by Treasurer	49,713.88	
Due from Sewer Utility Capital Fund	1,191.02	
Industrial Pretreatment Program	48,000.00	
Miscellaneous	150.00	
		99,054.90
		<u>\$ 580,544.27</u>

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

**TOWNSHIP OF MORRIS**  
**SEWER UTILITY OPERATING FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2014**

	Appropriation		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operating:					
Salaries and Wages	\$ 1,619,536.00	\$ 1,619,536.00	\$ 1,558,706.38	\$ 60,829.62	
Other Expenses	3,195,231.00	3,195,231.00	2,901,850.68	293,380.32	
Capital Improvements:					
Capital Outlay	1,510,000.00	1,510,000.00	1,510,000.00		
Debt Service:					
Payment of Bond Principal	660,000.00	666,000.00	666,000.00		
Interest on Bonds	240,857.00	234,857.00	234,857.00		
Interest on Notes	28,346.00	28,346.00	20,743.83		\$ 7,602.17
NJ Environmental Infrastructure Trust Loans:					
Principal (Emergency +\$133,567.00)	389,888.00	532,592.84	532,592.84		
Interest	70,016.00	60,878.16	60,876.62		1.54
Deferred Charges:					
Emergency Authorizations	146,493.00	146,493.00	146,492.03		0.97
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	169,000.00	169,000.00	169,000.00		
Social Security System (O.A.S.I.)	124,704.00	124,704.00	120,678.21	4,025.79	
	<u>\$ 8,154,071.00</u>	<u>\$ 8,287,638.00</u>	<u>\$ 7,921,797.59</u>	<u>\$ 358,235.73</u>	<u>\$ 7,604.68</u>

Ref.

E

Adopted Budget		\$ 8,154,071.00
Emergency Appropriation		133,567.00
		<u>\$ 8,287,638.00</u>
Cash Disbursed		\$ 5,712,371.38
Deferred Charges:		
Emergency Authorizations		146,492.03
Accrued Interest on:		
Bonds		234,857.00
Notes		20,743.83
Loans		60,876.62
Due Current Fund		56,000.00
Encumbrances Payable	E	1,712,255.36
		<u>7,943,596.22</u>
Less: Appropriation Refunds		21,798.63
		<u>\$ 7,921,797.59</u>

TOWNSHIP OF MORRIS  
COUNTY OF MORRIS  
2014  
SWIMMING POOL UTILITY FUND

**TOWNSHIP OF MORRIS**  
**SWIMMING POOL UTILITY FUND**  
**COMPARATIVE BALANCE SHEET - REGULATORY BASIS**

	Ref.	December 31,	
		2014	2013
<b><u>ASSETS</u></b>			
Operating Fund:			
Cash and Cash Equivalents - Treasurer	F-4	\$ 17,929.18	\$ 4,363.42
Due Current Fund	A	81,836.00	
Deferred Charges:			
Emergency Authorizations	F-3	102,950.00	101,000.00
Operating Deficit		17,940.13	
Total Operating Fund		<u>220,655.31</u>	<u>105,363.42</u>
Capital Fund:			
Cash and Cash Equivalents	F-4	3,615,674.66	2,064,287.79
Due Swimming Pool Utility Operating Fund	F	102,950.00	
Fixed Capital	F-7	5,501,300.13	3,659,585.21
Fixed Capital Authorized and Uncompleted	F-8	2,010,704.68	1,803,419.60
Total Capital Fund		<u>11,230,629.47</u>	<u>7,527,292.60</u>
<b>TOTAL ASSETS</b>		<u><u>\$ 11,451,284.78</u></u>	<u><u>\$ 7,632,656.02</u></u>

**TOWNSHIP OF MORRIS**  
**SWIMMING POOL UTILITY FUND**  
**COMPARATIVE BALANCE SHEET - REGULATORY BASIS**  
**(Continued)**

	Ref.	December 31,	
		2014	2013
<b><u>LIABILITIES, RESERVES AND FUND BALANCE</u></b>			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	F-3;F-9	\$ 32,913.80	\$ 8,984.65
Encumbered	F-3;F-9	18,694.29	29,717.07
		51,608.09	38,701.72
Accrued Interest on Bonds		1,381.88	1,946.36
Due Swimming Pool Utility Capital Fund	F	102,950.00	
		155,939.97	40,648.08
Fund Balance	F-1	64,715.34	64,715.34
Total Operating Fund		220,655.31	105,363.42
Capital Fund:			
Serial Bonds Payable	F-15	4,032,000.00	219,000.00
Bond Anticipation Notes Payable	F-14		1,909,000.00
Improvement Authorizations:			
Funded	F-10	2,010,654.68	9,723.66
Unfunded	F-10	50.00	1,793,695.94
Capital Improvement Fund	F-11	45,344.68	45,344.68
Reserve for Encumbrances		1,596,537.68	184,559.80
Reserve for Amortization	F-12	3,274,004.81	3,232,004.81
Deferred Reserve for Amortization	F-13	205,950.00	103,000.00
Fund Balance	F-1A	66,087.62	30,963.71
Total Capital Fund		11,230,629.47	7,527,292.60
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>		<b>\$ 11,451,284.78</b>	<b>\$ 7,632,656.02</b>

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

**TOWNSHIP OF MORRIS**  
**SWIMMING POOL UTILITY OPERATING FUND**  
**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN**  
**FUND BALANCE - REGULATORY BASIS**

	Ref.	Year Ended December 31,	
		2014	2013
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized			\$ 50,000.00
Swimming Pool Fees	\$	448,466.50	501,943.50
Miscellaneous Revenue Anticipated		70,929.05	48,788.82
Deficit (General Budget)		152,836.00	
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		9,078.18	18,159.20
Total Income		681,309.73	618,891.52
<u>Expenditures</u>			
Operating		502,783.00	504,701.00
Capital Improvements		102,950.00	105,500.00
Debt Service		64,911.86	46,917.92
Deferred Charges and Statutory Expenditures		131,555.00	31,862.04
Total Expenditures		802,199.86	688,980.96
Deficit in Revenues		(120,890.13)	(70,089.44)
Adjustments Before Fund Balance:			
Expenditures Included Above Which Are by Statute			
Deferred Charges to Budget of Succeeding Year		102,950.00	101,000.00
Operating Deficit to be Raised in Budget of Succeeding Year		\$ 17,940.13	
Statutory Excess to Fund Balance			30,910.56
<u>Fund Balance</u>			
Balance January 1		\$ 64,715.34	83,804.78
		64,715.34	114,715.34
Decreased by - Utilized as Anticipated Revenue		-0-	50,000.00
Balance December 31	F	\$ 64,715.34	\$ 64,715.34

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

**TOWNSHIP OF MORRIS**  
**SWIMMING POOL UTILITY CAPITAL FUND**  
**STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS**

	<u>Ref.</u>	
Balance December 31, 2013	F	\$ 30,963.71
Increased by:		
Premium on Sale of Bonds		35,123.91
Balance December 31, 2014	F	\$ 66,087.62

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

**TOWNSHIP OF MORRIS**  
**SWIMMING POOL UTILITY OPERATING FUND**  
**STATEMENT OF REVENUE - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2014**

	<u>Budget</u>	<u>Realized</u>	<u>Excess</u>
Swimming Pool Fees	\$ 500,000.00	\$ 448,466.50	\$ 51,533.50 *
Miscellaneous Revenue	50,000.00	70,929.05	20,929.05
Deficit (General Budget)	152,836.00	152,836.00	
	<u>\$ 702,836.00</u>	<u>\$ 672,231.55</u>	<u>\$ 30,604.45 *</u>

Analysis of Swimming Pool Fees

Memberships	\$ 425,186.50
Guest Book	20,045.00
Babysitter	4,830.00
	<u>450,061.50</u>
Less: Refunds	1,595.00
	<u>\$ 448,466.50</u>

Analysis of Miscellaneous Revenue

Interest on Investments and Deposits:	
Collected/Received by Treasurer	\$ 10,740.23
Swim Team/Leases/Rentals	\$ 22,717.25
Swimming Lessons	20,148.00
Gate	8,825.00
Concession Stand/Vending Machine	7,745.00
Lost Cards	744.00
Other Miscellaneous	9.57
	<u>60,188.82</u>
	<u>\$ 70,929.05</u>

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

**TOWNSHIP OF MORRIS**  
**SWIMMING POOL UTILITY OPERATING FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2014**

	Appropriation		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operating:					
Salaries and Wages	\$ 280,583.00	\$ 293,583.00	\$ 286,710.43	\$ 6,872.57	
Other Expenses	222,700.00	209,200.00	183,330.42	25,869.58	
Capital Improvements:					
Capital Improvement Fund - (Emergency +\$102,950.00)		102,950.00	102,950.00		
Debt Service:					
Payment of Bonds	40,000.00	41,000.00	41,000.00		
Interest on Bonds	5,828.00	4,828.00	4,828.00		
Interest on Notes	22,670.00	22,670.00	19,083.86		\$ 3,586.14
Deferred Charges:					
Emergency Authorizations	101,000.00	101,000.00	101,000.00		
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	8,450.00	8,450.00	8,450.00		
Social Security System (O.A.S.I.)	21,605.00	22,105.00	21,933.35	171.65	
	<u>\$ 702,836.00</u>	<u>\$ 805,786.00</u>	<u>\$ 769,286.06</u>	<u>\$ 32,913.80</u>	<u>\$ 3,586.14</u>

Ref.

F

Adopted Budget	\$ 702,836.00
Emergency Appropriation	102,950.00
	<u>\$ 805,786.00</u>
Cash Disbursed	\$ 520,813.77
Due Current Fund	21,000.00
Due Swimming Pool Utility Capital Fund	102,950.00
Deferred Charges:	
Emergency Authorizations	101,000.00
Accrued Interest on Bonds	4,828.00
Encumbrances	18,694.29
	<u>\$ 769,286.06</u>

TOWNSHIP OF MORRIS  
COUNTY OF MORRIS  
2014  
PARKING LOT UTILITY FUND

**TOWNSHIP OF MORRIS**  
**PARKING LOT UTILITY FUND**  
**COMPARATIVE BALANCE SHEET - REGULATORY BASIS**

	Ref.	December 31,	
		2014	2013
<b><u>ASSETS</u></b>			
Operating Fund:			
Cash and Cash Equivalents - Treasurer	G-4	\$ 532,363.55	\$ 525,489.12
Due Current Fund	A		535.00
		<u>532,363.55</u>	<u>526,024.12</u>
Total Operating Fund			
		<u>532,363.55</u>	<u>526,024.12</u>
Capital Fund:			
Cash and Cash Equivalents	G-4	319,223.74	321,612.49
Fixed Capital	G-7	1,255,696.85	1,228,978.53
Fixed Capital Authorized and Uncompleted	G-8	299,400.62	304,388.14
		<u>1,874,321.21</u>	<u>1,854,979.16</u>
Total Capital Fund			
		<u>1,874,321.21</u>	<u>1,854,979.16</u>
TOTAL ASSETS		<u>\$ 2,406,684.76</u>	<u>\$ 2,381,003.28</u>

**TOWNSHIP OF MORRIS**  
**PARKING LOT UTILITY FUND**  
**COMPARATIVE BALANCE SHEET - REGULATORY BASIS**  
**(Continued)**

	Ref.	December 31,	
		2014	2013
<b><u>LIABILITIES, RESERVES AND FUND BALANCE</u></b>			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	G-3;G-9	\$ 15,039.57	\$ 99,696.13
Encumbered	G-3;G-9	24,737.41	22,622.90
		<u>39,776.98</u>	<u>122,319.03</u>
Accrued Interest on Bonds		4,162.33	4,450.20
Accrued Interest on Notes			535.00
Due Current Fund	A	1,000.00	
		<u>44,939.31</u>	<u>127,304.23</u>
Fund Balance	G-1	487,424.24	398,719.89
		<u>532,363.55</u>	<u>526,024.12</u>
Total Operating Fund			
Capital Fund:			
Serial Bonds Payable	G-15	664,000.00	462,000.00
Bond Anticipation Notes Payable	G-14		285,000.00
Improvement Authorizations:			
Funded	G-10		19,388.14
Unfunded	G-10	299,400.62	285,000.00
Capital Improvement Fund	G-11	9,550.00	9,550.00
Reserve for Encumbrances		1,341.17	1,341.17
Reserve for Amortization	G-12	866,097.47	761,366.67
Deferred Reserve for Amortization	G-13	25,000.00	25,000.00
Fund Balance	G-1A	8,931.95	6,333.18
		<u>1,874,321.21</u>	<u>1,854,979.16</u>
Total Capital Fund			
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>		<u><u>\$ 2,406,684.76</u></u>	<u><u>\$ 2,381,003.28</u></u>

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

**TOWNSHIP OF MORRIS**  
**PARKING LOT UTILITY OPERATING FUND**  
**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN**  
**FUND BALANCE - REGULATORY BASIS**

	Ref.	Year Ended December 31,	
		2014	2013
<u>Revenue and Other Income Realized</u>			
Parking Lot Fees and Permits		\$ 392,329.03	\$ 361,874.35
Nonbudget Revenue		3,783.09	3,325.57
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		31,754.23	20,269.85
Total Income		<u>427,866.35</u>	<u>385,469.77</u>
<u>Expenditures</u>			
Operating		187,423.00	180,771.00
Capital Improvements			33,000.00
Debt Service		98,083.00	103,555.31
Deferred Charges and Statutory Expenditures		13,656.00	13,382.77
Total Expenditures		<u>299,162.00</u>	<u>330,709.08</u>
Excess in Revenues/Statutory Excess to Fund Balance		128,704.35	54,760.69
<u>Fund Balance</u>			
Balance January 1		<u>398,719.89</u>	<u>383,959.20</u>
		527,424.24	438,719.89
Decreased by:			
Utilized as Anticipated Revenue:			
Current Fund Budget		<u>40,000.00</u>	<u>40,000.00</u>
Balance December 31	G	<u>\$ 487,424.24</u>	<u>\$ 398,719.89</u>

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

**TOWNSHIP OF MORRIS**  
**PARKING LOT UTILITY CAPITAL FUND**  
**STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS**

	<u>Ref.</u>	
Balance December 31, 2013	G	\$ 6,333.18
Increased by:		
Premium on Sale of Bonds		<u>2,598.77</u>
Balance December 31, 2014	G	<u>\$ 8,931.95</u>

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

**TOWNSHIP OF MORRIS**  
**PARKING LOT ENTERPRISE OPERATING FUND**  
**STATEMENT OF REVENUE - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2014**

	<u>Budget</u>	<u>Realized</u>	<u>Excess</u>
Parking Lot Fees and Permits	\$ 299,697.00	\$ 392,329.03	\$ 92,632.03
Nonbudget Revenue		3,783.09	3,783.09
	<u>\$ 299,697.00</u>	<u>\$ 396,112.12</u>	<u>\$ 96,415.12</u>

Analysis of Parking Lot Fees and Permits

Parking Permits	\$ 214,532.50	
Parking Meters	181,336.98	
Parking Meter Cards	<u>45.00</u>	
		\$ 395,914.48
Less: Refunds		<u>3,585.45</u>
		<u>\$ 392,329.03</u>

Analysis of Nonbudget Revenue

Interest on Investments and Deposits: Collected/Received by Treasurer		<u>\$ 3,783.09</u>
--	--	--------------------

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

**TOWNSHIP OF MORRIS**  
**PARKING LOT UTILITY OPERATING FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2014**

	Appropriation		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operating:					
Salaries and Wages	\$ 67,624.00	\$ 67,624.00	\$ 63,161.32	\$ 4,462.68	
Other Expenses	119,799.00	119,799.00	109,596.27	10,202.73	
Debt Service:					
Payment of Bonds	80,000.00	81,000.00	81,000.00		
Interest on Bonds	15,768.00	14,768.00	14,768.00		
Interest on Notes	2,850.00	2,850.00	2,315.00		\$ 535.00
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	8,450.00	8,450.00	8,450.00		
Social Security System (O.A.S.I.)	5,206.00	5,206.00	4,831.84	374.16	
	<u>\$ 299,697.00</u>	<u>\$ 299,697.00</u>	<u>\$ 284,122.43</u>	<u>\$ 15,039.57</u>	<u>\$ 535.00</u>

Ref.

G

Cash Disbursed		\$ 248,502.94
Due Current Fund		1,000.00
Accrued Interest on:		
Bonds		14,768.00
Notes		2,315.00
Encumbrances	G	24,737.41
		<u>291,323.35</u>
Less: Appropriation Refunds		<u>7,200.92</u>
		<u>\$ 284,122.43</u>

TOWNSHIP OF MORRIS  
COUNTY OF MORRIS  
2014  
PUBLIC ASSISTANCE FUND

**TOWNSHIP OF MORRIS**  
**PUBLIC ASSISTANCE FUND**  
**COMPARATIVE BALANCE SHEET - REGULATORY BASIS**

	Ref.	December 31,	
		<u>2014</u>	<u>2013</u>
<b><u>ASSETS</u></b>			
Cash and Cash Equivalents:			
Treasurer	H-1	\$ 55,815.79	\$ 55,815.79
TOTAL ASSETS		<u>\$ 55,815.79</u>	<u>\$ 55,815.79</u>
<b><u>RESERVES</u></b>			
Reserve for Public Assistance Expenditures		<u>\$ 55,815.79</u>	<u>\$ 55,815.79</u>
TOTAL RESERVES		<u>\$ 55,815.79</u>	<u>\$ 55,815.79</u>

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

TOWNSHIP OF MORRIS  
COUNTY OF MORRIS  
2014  
BOND AND INTEREST FUND

NOT APPLICABLE

TOWNSHIP OF MORRIS  
COUNTY OF MORRIS  
2014  
GENERAL FIXED ASSETS ACCOUNT GROUP  
(Unaudited)

**TOWNSHIP OF MORRIS**  
**GENERAL FIXED ASSETS ACCOUNT GROUP**  
**COMPARATIVE BALANCE SHEET - REGULATORY BASIS**  
**(Unaudited)**

	December 31,	
	2014	2013
<b><u>ASSETS</u></b>		
Land	\$ 24,052,455.00	\$ 24,052,455.00
Land Improvements	2,747,140.00	2,747,140.00
Buildings and Building Improvements	23,650,000.00	23,650,000.00
Equipment	1,522,197.00	1,026,889.00
<b>TOTAL ASSETS</b>	<b>\$ 51,971,792.00</b>	<b>\$ 51,476,484.00</b>
 <b><u>RESERVES</u></b>		
Investment in Fixed Assets	\$ 51,971,792.00	\$ 51,476,484.00
<b>TOTAL RESERVES</b>	<b>\$ 51,971,792.00</b>	<b>\$ 51,476,484.00</b>

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

TOWNSHIP OF MORRIS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

Except as noted below, the financial statements of the Township of Morris include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township of Morris, as required by N.J.S. 40A:5-5. Accordingly, the financial statements of the Township of Morris do not include the operations of the joint Municipal Library, Volunteer Fire and First Aid Squads.

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency and a resulting financial benefit or burden relationship, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e., benefit of economic resources, access/entitlement to resources, and significance) should be included in the financial reporting entities. As the financial reporting entity was established in accordance with New Jersey statutes, the requirements of GASB Codification Section 2100 were not followed and, accordingly, the reporting entity could be different from accounting principles generally accepted in the United States of America.

B. Description of Funds

The accounting policies of the Township of Morris conform to the accounting practices applicable to municipalities which have been prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Such practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township of Morris accounts for its financial transactions through the following separate funds:

Current Fund - Resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

Trust Fund - Receipt, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

General Capital Fund - Receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund.

Sewer Utility Operating and Capital Funds - Account for the operations and acquisition of capital facilities of the municipally owned sewer utility.

Swimming Pool Utility Operating and Capital Funds - Account for the operations and acquisition of capital facilities of the municipally owned swimming pool utility.

TOWNSHIP OF MORRIS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

B. Description of Funds (Cont'd)

Parking Lot Utility Operating and Capital Funds - Account for the operations and acquisition of capital facilities of the municipally owned parking lot utility.

Public Assistance Fund - Receipt and disbursement of funds that provide assistance to certain residents of the municipality pursuant to Title 44 of New Jersey Statutes.

General Fixed Assets Account Group (Unaudited) - Estimated values of land, buildings and certain fixed assets of the Township as discussed in Note 1E - "Other significant accounting policies".

C. Basis of Accounting

Basis of accounting refers to when revenue and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The following is a summary of the significant accounting policies.

Revenue is recorded when received in cash except for certain amounts which may be due from the State of New Jersey and for the prepayment of future years' revenue. Grant revenue is realized in the operating funds when it is budgeted and in the capital funds when improvements are authorized. The amounts recorded as property taxes and consumer accounts receivable have not been included in revenue. Amounts that are due to the municipality, which are susceptible of accrual, are recorded as receivables with offsetting reserves in the Current Fund.

Expenditures are charged to operations generally based on budgeted amounts. Exceptions to this general rule include:

1. Accumulated unpaid vacation, sick pay and other employee amounts are not accrued.
2. Prepaid expenses, such as insurance premiums applicable to subsequent periods, are charged to current budget appropriations in total.
3. Principal and interest on long-term debt are recognized when due.

TOWNSHIP OF MORRIS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
 (Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

C. Basis of Accounting (Cont'd)

Expenditures, if any, in excess of appropriations, appropriation reserves or ordinances become deferred charges which must be raised by future taxes. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the statutory appropriation reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31 of each year and recorded as liabilities, except for amounts which may be cancelled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

Had the Township's financial statements been prepared under accounting principles generally accepted in the United States of America, encumbrances would not be considered as expenditures; appropriation reserves would not be recorded; revenue susceptible to accrual would have been reflected without offsetting reserves; Federal and State grants and assistance would be recognized when earned, not when awarded; inventories would not be reflected as expenditures at the time of purchase; and fixed assets purchased by the Utility Capital Funds would be depreciated.

The cash basis of accounting is followed in the Trust Funds.

- D. Deferred Charges to Future Taxation - The General Capital Fund balance sheet includes both funded and unfunded deferred charges. Funded means that bonds have been issued and are being paid off on a serial basis. Unfunded means that debt has been authorized but not permanently financed. A municipality can eliminate an unfunded deferred charge by raising it in the budget, by collecting a grant, by selling bonds, by loans or by capital lease purchase agreements.
- E. Other significant accounting policies include:

Management Estimates - The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents - Amounts include petty cash, change funds, amounts on deposit, and short-term investments with original maturities of three months or less.

Investments - Investments are stated at cost or amortized cost, which approximates market.

Grants Receivable - Grants receivable represent total grant awards less amounts collected to date. Because the amount of grants funds to be collected are dependent on the total costs eligible for reimbursement, the actual amount collected may be less than the total amount awarded.

Allowance for Uncollectible Accounts - No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

TOWNSHIP OF MORRIS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
 (Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

E. Other significant accounting policies include: (Cont'd)

Compensated Absences - Expenditures relating to unused vested accumulated vacation and sick pay are not recorded until paid.

Foreclosed Property - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired, and is fully reserved.

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

Inventories of Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets.

General Fixed Assets (Unaudited)

General fixed assets are recorded at historical cost or estimated historical cost except for land which is recorded at the assessed value at the time the independent appraisal was completed. Infrastructure assets are not included in general fixed assets, as per state directive. Major renewals and betterments are charged to the asset accounts; maintenance and minor repairs and replacements, which do not improve or extend the lives of the respective assets, are expensed currently. Donated fixed assets are valued at their fair market value on the date donated. No depreciation has been provided on general fixed assets. The total value recorded for general fixed assets is offset by a "Investment in Fixed Assets." When properties are retired or otherwise disposed of, the asset and the reserve are adjusted accordingly. Assets recorded in the General Fixed Assets Account Group may also be recorded in the Current Fund, General Capital Fund and Utility Capital Funds. The values recorded in the General Fixed Assets Account Group and the Current and Capital Funds may not always agree due to differences in valuation methods, timing of recognition of assets, and the recognition of infrastructures. Fixed assets are reviewed for impairment.

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

- F. Budget/Budgetary Control - Annual appropriated budgets are usually prepared in the first quarter for the Current, Utility Operating, and Open Space Trust Funds. The budgets are submitted to the governing body and the Division of Local Government Services. Budgets are prepared using the cash basis of accounting. The legal level of budgetary control is established at the line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the flexible chart of accounts referenced in N.J.S.A. 40A. All budget amendments/transfers must be approved by the Township during the year.

TOWNSHIP OF MORRIS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

Note 2: Long-Term Debt

The Local Bond Law governs the issuance of bonds to finance general Township capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness. All bonds issued by the Township are general obligation bonds. The Township's full faith and credit and taxing power has been pledged to the payment of the general obligation debt principal and interest.

Summary of Municipal Debt

	<u>December 31,</u>		
	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>Issued:</u>			
General:			
Bonds and Notes	\$24,381,000	\$23,703,453	\$24,090,000
Sewer Utility:			
Bonds, Notes and Loans	16,782,635	17,249,775	18,959,709
Swimming Pool Utility:			
Bonds and Notes	4,032,000	2,128,000	259,000
Parking Lot Utility:			
Bonds and Notes	664,000	747,000	827,000
Total Issued	<u>45,859,635</u>	<u>43,828,228</u>	<u>44,135,709</u>
<u>Authorized but not Issued:</u>			
General:			
Bonds and Notes	1,674,504	3,356,001	2,958,886
Sewer Utility:			
Bonds and Notes	599,327	1,662,320	215
Swimming Pool Utility:			
Bonds and Notes	50		
Total Authorized but not Issued	<u>2,273,881</u>	<u>5,018,321</u>	<u>2,959,101</u>
 Total Bonds, Notes and Loans Issued and Authorized but not Issued	 <u>\$48,133,516</u>	 <u>\$48,846,549</u>	 <u>\$47,094,810</u>

TOWNSHIP OF MORRIS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

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

Summary of Municipal Debt Issued and Outstanding - Current and Prior Years

	Balance 12/31/13	Additions	Matured/ Defeased	Balance 12/31/14
Serial Bonds:				
General Capital Fund	\$ 13,566,000	\$ 17,600,000	\$ 6,785,000	\$ 24,381,000
Sewer Utility	7,161,000	6,227,000	2,112,000	11,276,000
Swimming Pool Utility	219,000	3,909,000	96,000	4,032,000
Parking Lot Utility	462,000	425,000	223,000	664,000
Bond Anticipation Notes:				
General Capital Fund	10,137,453		10,137,453	
Sewer Utility	4,049,547		4,049,547	
Swimming Pool Utility	1,909,000		1,909,000	
Parking Lot Utility	285,000		285,000	
Loans Payable:				
Sewer Utility - NJEIT	6,039,228		532,593	5,506,635
<b>Total</b>	<b>\$ 43,828,228</b>	<b>\$ 28,161,000</b>	<b>\$ 26,129,593</b>	<b>\$ 45,859,635</b>

	Balance 12/31/12	Additions	Matured	Balance 12/31/13
Serial Bonds:				
General Capital Fund	\$ 15,901,000		\$ 2,335,000	\$ 13,566,000
Sewer Utility	7,821,000		660,000	7,161,000
Swimming Pool Utility	259,000		40,000	219,000
Parking Lot Utility	542,000		80,000	462,000
Bond Anticipation Notes:				
General Capital Fund	8,189,000	\$ 2,257,520	309,067	10,137,453
Sewer Utility	10,526,000		6,476,453	4,049,547
Swimming Pool Utility		1,909,000		1,909,000
Parking Lot Utility	285,000			285,000
Loans Payable:				
Sewer Utility - NJEIT	612,709	5,953,480	526,961	6,039,228
<b>Total</b>	<b>\$ 44,135,709</b>	<b>\$ 10,120,000</b>	<b>\$ 10,427,481</b>	<b>\$ 43,828,228</b>

Summary of Statutory Debt Condition - Revised Annual Debt Statement

The summarized statement of debt condition, which follows, is prepared in accordance with the required method of setting up the Revised Annual Debt Statement and indicates a statutory net debt of .51%.

TOWNSHIP OF MORRIS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014

(Continued)

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

Summary of Statutory Debt Condition - Revised Annual Debt Statement (Cont'd)

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School District Debt	\$ 2,337,935	\$ 2,337,935	
Sewer Utility Debt	17,381,962	17,381,962	
Swimming Pool Utility Debt	4,032,050	3,673,247	\$ 358,803
Parking Lot Utility Debt	664,000	664,000	
General Debt	26,055,504		26,055,504
	<u>\$ 50,471,451</u>	<u>\$ 24,057,144</u>	<u>\$ 26,414,307</u>

Net Debt: \$26,414,307 divided by Average Equalized Valuations of \$5,165,804,315 of Real Property = .51%.

Borrowing Power Under N.J.S. 40A:2-6 As Amended

3-1/2% Average Equalized Valuation of Real Property	\$ 180,803,151
Net Debt	<u>26,414,307</u>
Remaining Borrowing Power	<u>\$ 154,388,844</u>

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

Cash Receipts from Fees, Rents or Other Charges for Year	\$ 10,470,966
Deductions:	
Operating and Maintenance Cost	\$ 5,254,963
Debt Service	<u>1,515,070</u>
Total Deductions	<u>6,770,033</u>
Excess in Revenue	<u>\$ 3,700,933</u>

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

Cash Receipts from Fees, Rents or Other Charges for Year	\$ 681,310
Deductions:	
Operating and Maintenance Cost	\$ 634,338
Debt Service	<u>64,912</u>
Total Deductions	<u>699,250</u>
Deficit in Revenue	<u>\$ (17,940)</u>

TOWNSHIP OF MORRIS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

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

Summary of Statutory Debt Condition - Revised Annual Debt Statement (Cont'd)

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

Cash Receipts from Fees, Rents or Other Charges for Year	\$	427,866
Deductions:		
Operating and Maintenance Cost	\$	201,079
Debt Service		98,083
Total Deductions		299,162
Excess in Revenue	\$	128,704

Footnote: If there is an "excess in revenue", all such utility debt is deductible. If there is a "deficit", then utility debt is not deductible to the extent of 20 times such deficit amount.

The foregoing debt information is in agreement with the Revised Annual Debt Statement filed by the Chief Financial Officer.

The Township's debt issued and outstanding on December 31, 2014 is described as follows:

Purpose	<u>General Capital Serial Bonds</u>		Interest Rate	Balance Dec. 31, 2014
	Maturities of Bonds Outstanding Date	Amount		
General Obligation	07/15/15	\$ 979,000	4.35%	\$ 979,000
General Obligation	11/15/15	700,000	3.75%	
	11/15/16	725,000	3.75%	1,425,000
General Obligation	09/01/15	550,000	2.00%	
	09/01/16	550,000	2.25%	
	09/01/17	550,000	2.50%	
	09/01/18	550,000	2.75%	
	09/01/19-20	550,000	3.00%	
	09/01/21	550,000	3.125%	
	09/01/22	549,000	3.25%	4,399,000
General Refunding	09/15/15	276,000	2.00%	
	09/15/16	262,000	3.00%	
	09/15/17	770,000	4.00%	
	09/15/18	758,000	4.00%	
	09/15/19-20	730,000	4.00%	
	09/15/21	713,000	4.00%	4,239,000

TOWNSHIP OF MORRIS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

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

<u>General Capital Serial Bonds (Cont'd)</u>				
<u>Purpose</u>	<u>Maturities of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2014</u>
	<u>Date</u>	<u>Amount</u>		
General Obligation	10/15/15	\$ 825,000	2.00%	
	10/15/16	875,000	2.00%	
	10/15/17	1,150,000	2.00%	
	10/15/18	1,300,000	2.00%	
	10/15/19	1,350,000	2.00%	
	10/15/20	1,450,000	2.00%	
	10/15/21-23	1,600,000	2.00%	
	10/15/24	1,589,000	2.00%	\$13,339,000
				<u>\$24,381,000</u>
<u>Sewer Capital Serial Bonds</u>				
<u>Purpose</u>	<u>Maturities of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2014</u>
	<u>Date</u>	<u>Amount</u>		
Sewer Improvements	11/15/15	230,000	3.75%	
	11/15/16	250,000	3.75%	\$ 480,000
Sewer Refunding	05/01/15	225,000	3.50%	
	05/01/16	225,000	4.00%	
	05/01/17	220,000	4.00%	670,000
Sewer Improvements	09/01/15	150,000	2.00%	
	09/01/16	150,000	2.25%	
	09/01/17	150,000	2.50%	
	09/01/18	230,000	2.75%	
	09/01/19-20	275,000	3.00%	
	09/01/21	275,000	3.125%	
	09/01/22	300,000	3.25%	
	09/01/23-25	300,000	3.50%	
	09/01/26-27	300,000	3.625%	
	09/01/28-29	300,000	3.75%	3,905,000
Sewer Refunding	09/15/15	92,000	2.00%	
	09/15/16	86,000	3.00%	
	09/15/17	256,000	4.00%	
	09/15/18	253,000	4.00%	
	09/15/19-20	242,000	4.00%	
	09/15/21	243,000	4.00%	1,414,000

TOWNSHIP OF MORRIS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

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

Sewer Capital Serial Bonds (Cont'd)

<u>Purpose</u>	<u>Maturities of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2014</u>
	<u>Date</u>	<u>Amount</u>		
Sewer Improvements	10/15/15-16	\$ 140,000	2.00%	
	10/15/17	155,000	2.00%	
	10/15/18	200,000	2.00%	
	10/15/19	210,000	2.00%	
	10/15/20	220,000	2.00%	
	10/15/21	230,000	2.00%	
	10/15/22	240,000	2.00%	
	10/15/23	250,000	2.00%	
	10/15/24	260,000	2.00%	
	10/15/25	260,000	2.25%	
	10/15/26	270,000	2.375%	
	10/15/27-33	280,000	3.00%	
	10/15/34	272,000	3.00%	\$ 4,807,000
				<u>\$11,276,000</u>

Sewer Capital NJEIT Loans

<u>Purpose</u>	<u>Type</u>	<u>Final Maturity Date</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2014</u>
			3.00%-	
Sewer Improvements	Trust Loan	08/01/32	5.00%	\$ 1,330,000
	Fund Loan	08/01/32	N/A	3,955,285
Sewer Improvements	Trust Loan	08/01/16	5.25%	180,583
Sewer Improvements	Trust Loan	08/01/16	5.25%	39,244
	Fund Loan	08/01/15	N/A	1,523
				<u>\$ 5,506,635</u>

Swimming Pool Capital Serial Bonds

<u>Purpose</u>	<u>Maturities of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2014</u>
	<u>Date</u>	<u>Amount</u>		
Swimming Pool Improvements	11/15/15	\$ 20,000	2.00%	
	11/15/16	20,000	2.25%	
	11/15/17	24,000	2.50%	
	11/15/18	30,000	2.75%	
	11/15/19	30,000	3.00%	\$ 124,000

TOWNSHIP OF MORRIS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

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

Swimming Pool Capital Serial Bonds (Cont'd)

<u>Purpose</u>	<u>Maturities of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2014</u>
	<u>Date</u>	<u>Amount</u>		
Swimming Pool Refunding	09/15/15	\$ 3,000	2.00%	
	09/15/16	3,500	3.00%	
	09/15/17-18	9,000	4.00%	
	09/15/19	9,500	4.00%	
	09/15/20	9,000	4.00%	
	09/15/21	10,000	4.00%	\$ 53,000
Swimming Pool Improvements	10/15/15	215,000	2.00%	
	10/15/16	225,000	2.00%	
	10/15/17	245,000	2.00%	
	10/15/18	250,000	2.00%	
	10/15/19	260,000	2.00%	
	10/15/20	320,000	2.00%	
	10/15/21	350,000	2.00%	
	10/15/22	370,000	2.00%	
	10/15/23	390,000	2.00%	
	10/15/24	400,000	2.00%	
	10/15/25	410,000	2.25%	
10/15/26	420,000	2.375%	<u>3,855,000</u>	
			<u>\$ 4,032,000</u>	

Parking Lot Capital Serial Bonds

<u>Purpose</u>	<u>Maturities of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2014</u>
	<u>Date</u>	<u>Amount</u>		
Parking Lot Improvements	07/15/15	\$ 40,000	4.35%	
	07/15/16	35,000	4.35%	\$ 75,000
Parking Lot Improvements	11/15/15-16	25,000	3.75%	50,000
Parking Lot Improvements	09/01/15	15,000	2.00%	
	09/01/16	15,000	2.25%	
	09/01/17	25,000	2.50%	
	09/01/18	30,000	2.75%	
	09/01/19	30,000	3.00%	115,000
Parking Lot Refunding	09/15/15	9,000	2.00%	
	09/15/16	8,500	3.00%	
	09/15/17-18	25,000	4.00%	
	09/15/19	23,500	4.00%	
	09/15/20-21	24,000	4.00%	139,000

TOWNSHIP OF MORRIS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

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

Parking Lot Capital Serial Bonds (Cont'd)

Purpose	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2014
	Date	Amount		
Parking Lot Improvements	10/15/15-16	\$ 20,000	2.00%	
	10/15/17-18	25,000	2.00%	
	10/15/19-21	30,000	2.00%	
	10/15/22-24	35,000	2.00%	\$ 285,000
				<u>\$ 664,000</u>
Total Debt Issued and Outstanding				<u>\$45,859,635</u>

Schedule of Annual Debt Service for Principal and Interest for the Next Five Years and Thereafter for Bonded Debt and Loans Issued and Outstanding

Calendar Year	General Capital		Sewer Utility Capital		Swimming Pool Capital	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 3,330,000	\$ 645,582	\$ 1,221,424	\$ 396,127	\$ 238,000	\$ 85,101
2016	2,412,000	543,698	1,237,402	364,110	248,500	80,325
2017	2,470,000	478,751	1,055,738	331,849	278,000	75,267
2018	2,608,000	411,049	962,738	308,223	289,000	69,343
2019	2,630,000	339,410	1,006,738	285,467	299,500	63,100
Thereafter:						
2020-2024	10,931,000	667,465	4,578,690	1,075,656	1,849,000	210,994
2025-2029			4,388,690	574,950	830,000	29,175
2030-2034			2,331,215	141,750		
Total	<u>\$24,381,000</u>	<u>\$ 3,085,955</u>	<u>\$16,782,635</u>	<u>\$ 3,478,132</u>	<u>\$ 4,032,000</u>	<u>\$ 613,305</u>

Calendar Year	Parking Lot Capital		
	Principal	Interest	Total
2015	\$ 109,000	\$ 18,277	\$ 6,043,511
2016	103,500	14,748	5,004,283
2017	75,000	11,334	4,775,939
2018	80,000	9,361	4,737,714
2019	83,500	7,200	4,714,915
Thereafter:			
2020-2024	213,000	12,588	19,538,393
2025-2029			5,822,815
2030-2034			2,472,965
Total	<u>\$ 664,000</u>	<u>\$ 73,508</u>	<u>\$53,110,535</u>

TOWNSHIP OF MORRIS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014

(Continued)

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

NJ Environmental Infrastructure Trust (NJEIT) Loans

On November 7, 1996, the Township of Morris entered into NJ Environmental Infrastructure Financing Program loan agreements with the State of New Jersey, acting by and through the NJ Department of Environmental Protection (Loan #1). The Fund loan portion is \$242,787 and the Trust loan portion is \$250,000. The aggregate amount of \$492,787 represents direct obligations of the Township. The loan proceeds were obtained to finance a portion of the cost of the North Star Drive area sewer project.

On November 7, 1996, the Township of Morris entered into NJ Environmental Infrastructure Financing Program loan agreements with the State of New Jersey, acting by and through the NJ Department of Environmental Protection (Loan #2). The Fund loan portion is \$1,338,968 and the Trust loan portion is \$1,320,000. The aggregate amount of \$2,658,968 represents direct obligations of the Township. The loan proceeds were obtained to finance a portion of the cost of the Mendham Road/Delbarton area sewer project.

On January 16, 2013, the Township of Morris entered into NJ Environmental Infrastructure Financing Program loan agreements with the State of New Jersey, acting by and through the NJ Department of Environmental Protection (Loan #3). The Fund loan portion is \$4,321,515 and the Trust loan portion is \$1,440,505. The aggregate amount of \$5,762,020 represents direct obligations of the Township. The loan proceeds were obtained to finance a portion of the cost of the Woodland Sewer Treatment Plant upgrades project.

At December 31, 2014, the Township had borrowed or "drawn down" the required amounts for projects #1 and #2 and had borrowed or "drawn down" \$5,357,786 of the required amount for project #3. Principal payments to the Fund are on a semiannual basis over 20 years at zero interest. Principal payments to the Trust are on a semiannual basis over 18 to 20 years at 3.00%-5.25% interest. It is expected that interest will be paid from trust bond proceeds on deposit in the capitalized interest account (as defined in the bond resolution), and earnings on the debt service reserve fund (as defined in the bond resolution) will be transferred to such capitalized interest account. The Township will nonetheless be responsible for all such interest payments to the extent such trust bond proceeds and interest earnings are not available from the capitalized interest account. Also, an annual administrative fee of up to one percent (1.0%) of the initial principal amount of the loan or such lesser amount, if any, as may be authorized by any act of the NJ State Legislature and as the State may approve from time to time is payable on this loan.

TOWNSHIP OF MORRIS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014

(Continued)

Note 3: Fund Balances Appropriated

Fund balances at December 31, 2014 which are expected to be appropriated and included as anticipated revenue in their own respective funds in the budget for the year ending December 31, 2015 are unknown as of the date of this audit as the budget has not been introduced.

Note 4: Deferred Charges to be Raised in Succeeding Years

Certain expenditures are required to be deferred to budgets of the succeeding years. At December 31, 2014, the following deferred charges are shown on the balance sheets of the following funds:

	Balance Dec. 31, 2014	Required 2015 Budget Appropriation	Balance Deferred to Succeeding Years' Budgets
Current Fund:			
Special Emergency Appropriation - (N.J.S.A. 40A:4-53)	\$ 986,000.00	\$ 253,000.00	\$ 733,000.00
Sewer Utility Operating Fund:			
Emergency Appropriation - (N.J.S.A. 40A:4-47)	\$ 133,567.00	\$ 133,567.00	\$ -0-
Swimming Pool Utility Operating Fund:			
Operating Deficit	\$ 17,940.13	\$ 17,940.13	\$ -0-
Emergency Appropriation - (N.J.S.A. 40A:4-47)	\$ 102,950.00	\$ 102,950.00	\$ -0-

The 2015 Budget Appropriations will not be less than that required by statute.

Note 5: Regional School District Taxes

Regulations provide for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district.

The Township of Morris has elected not to defer school taxes.

TOWNSHIP OF MORRIS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014

(Continued)

Note 6: Pension Plans

Township employees are enrolled in one of two cost sharing multiple-employer public employee retirement systems: the Public Employees' Retirement System (PERS) or the Police and Firemen's Retirement System (PFRS) of New Jersey; or the Defined Contribution Retirement Program (DCRP). The State of New Jersey sponsors and administers these two plans which cover substantially all Township employees. Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. As a general rule, all full-time employees are eligible to join one of the two public employees' retirement systems. However, if an employee is ineligible to enroll in the PERS or the PFRS, the employee may be eligible to enroll in the DCRP.

Employees who are members of PERS and retire at a specified age according to the relevant tier category for that employee are entitled to a retirement benefit based upon a formula which takes "final average salary" during years of creditable service. Vesting occurs after 8 to 10 years of service. Enrolled PFRS members may retire at age 55 with a minimum of 10 years of service required for vesting. The DCRP provides eligible members with a tax- sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems. The financial reports may be obtained by writing to the State of New Jersey, Department of Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

The contribution policy is set by New Jersey State Statutes and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The employee contributions for PFRS are 10.00% of employees' annual compensation, as defined. For PERS, the contribution rate was 6.78% effective July 1, 2013 and increased to 6.92% effective July 1, 2014. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1<sup>st</sup> to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018. Employers are required to contribute at an actuarially determined rate in both funds. The actuarially determined employer contribution includes funding for cost-of- living adjustments and noncontributory death benefits. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

Township contributions to PERS amounted to \$729,783, \$699,910 and \$831,301 for 2014, 2013 and 2012, respectively.

Township contributions to PFRS amounted to \$1,304,255, \$1,343,141 and \$1,441,976 for 2014, 2013 and 2012, respectively.

Township contributions to DCRP amounted to \$275, \$749 and \$609 for 2014, 2013 and 2012, respectively.

TOWNSHIP OF MORRIS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

Note 7: Accrued Sick Benefits

Municipal employees are permitted to accrue unused sick time of which 40%, up to a maximum 100 days, may be taken as time off or paid upon retirement or separation at the employee's current rate of compensation upon such termination. It is estimated that the current cost of such unpaid compensation would approximate \$1,447,586. This amount is not reported either as an expenditure or liability. However, it is expected that the cost of such unpaid compensation will be included in the Township's budget operating expenditures in the year in which it is used.

The above amount is partially funded by the Reserve for Accumulated Absences of \$232,202 on the Other Trust Funds balance sheet at December 31, 2014.

Note 8: Deferred Compensation Plan

The Township offers its employees a deferred compensation plan (the "plan") created in accordance with Section 457 of the Internal Revenue Code. The plan, which is administered by VALIC, is available to all Township employees and permits participants to defer a portion of their salary. The deferred compensation is not available to employees until termination, retirement, unforeseeable emergency or upon death to their beneficiaries.

Note 9: Selected Tax Information

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

Comparative Schedule of Tax Rate Information

	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>Tax Rate</u>	\$ 2.503	\$ 2.500	\$ 2.440
<u>Apportionment of Tax Rate</u>			
Municipal	0.642	0.638	0.628
Municipal Open Space	0.002	0.002	0.002
County	0.340	0.360	0.362
Regional School District	1.519	1.500	1.448
<u>Assessed Valuations</u>			
2014	<u>\$ 3,681,774,195</u>		
2013		<u>\$ 3,671,868,495</u>	
2012			<u>\$ 3,721,088,410</u>

TOWNSHIP OF MORRIS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014

(Continued)

Note 9: Selected Tax Information (Cont'd)

Comparison of Tax Levies and Collections Currently

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collection</u>
2014	\$ 92,349,149	\$ 91,622,873	99.21%
2013	92,031,901	91,088,905	98.97%
2012	90,901,902	89,844,000	98.83%

Also, increases in future tax levies can also be warranted if revenue sources outside of those directly generated by the municipality, such as federal or state aid, should decline without corresponding decreases in budgeted expenditures.

Note 10: Cash and Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds, amounts in deposits, money market accounts, and short-term investments with original maturities of three months or less.

Investments are stated at cost, which approximates market. The Township classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB Statement No. 40, *Governmental Accounting Standards Board Deposit and Investment Risk Disclosures*, requires disclosure of the level of custodial credit risk assumed by the Township in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk – In accordance with its cash management plan, the Township ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk – The Township limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed on the following page.

Deposits:

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

TOWNSHIP OF MORRIS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014

(Continued)

Note 10: Cash and Cash Equivalents and Investments (Cont'd)

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed insurance limits as follows:

The market value of the collateral must equal 5% of the average daily balance of public funds on deposit.

In addition to the above collateral requirement, if public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located;
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund; or
- (8) Agreements for the repurchase of fully collateralized securities if:
  - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;
  - (b) the custody of collateral is transferred to a third party;
  - (c) the maturity of the agreement is not more than 30 days;
  - (d) the underlying securities are purchased through a public depository as defined in statute; and
  - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

TOWNSHIP OF MORRIS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

Note 10: Cash and Cash Equivalents and Investments (Cont'd)

As of December 31, 2014, cash and cash equivalents and investments of the Township of Morris consisted of the following:

<u>Fund</u>	<u>Cash on Hand</u>	<u>Checking Accounts</u>	<u>Investment Accounts</u>	<u>Total</u>
Current	\$ 700	\$13,712,131	\$ 1,515,955	\$15,228,786
Animal Control		45,816		45,816
Other Trust		9,790,826		9,790,826
General Capital		6,444,272	405,832	6,850,104
Utilities:				
Sewer Operating		13,512,078		13,512,078
Sewer Capital		3,075,749	1,454,186	4,529,935
Swimming Pool Operating		17,929		17,929
Swimming Pool Capital		3,615,675		3,615,675
Parking Lot Operating		532,363		532,363
Parking Lot Capital		319,224		319,224
Public Assistance		55,816		55,816
	<u>\$ 700</u>	<u>\$51,121,879</u>	<u>\$ 3,375,973</u>	<u>\$54,498,552</u>

The carrying amount of the Township's cash and cash equivalents and investments at December 31, 2014, was \$54,498,552 and the bank balance was \$54,128,261. The \$3,375,973 in Bank of America Investment Accounts is uninsured and unregistered. The carrying amount of the Township's cash and cash equivalents and investments at December 31, 2013, was \$47,557,030 and the bank balance was \$47,825,871, including \$3,373,208 in Bank of America Investment Accounts which was uninsured and unregistered.

TOWNSHIP OF MORRIS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014

(Continued)

Note 11: Interfund Receivables and Payables

The following interfund balances remained on the balance sheet at December 31, 2014:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current	\$ 57,467.83	\$ 552,244.97
Federal and State Grant	203,941.60	
Other Trust	263,549.96	558,467.83
General Capital	560,917.41	
Sewer Utility Operating		57,208.98
Sewer Utility Capital	1,208.98	
Swimming Pool Utility Operating	81,836.00	102,950.00
Swimming Pool Utility Capital	102,950.00	
Parking Lot Utility Operating		1,000.00
	<u>\$ 1,271,871.78</u>	<u>\$ 1,271,871.78</u>

The Current Fund interfund receivable of \$57,467.83 is on-behalf debt service payments due from the Sewer Utility and Parking Lot Utility Operating Funds of \$56,000 and \$1,000, respectively, and interest earnings of \$467.83 due from the Other Trust Funds. The Current Fund interfund payable is comprised of \$203,941.60 due to the Federal and State Grant Fund as a result of on-behalf grant receipt and disbursement activity, \$263,400 and \$149.96 due to the Other Trust Funds for premiums on tax sale certificates and open space taxes, respectively, and \$2,917.41 and \$81,836 due to the General Capital and Swimming Pool Utility Operating Funds, respectively, for the unremitted balance of general budget appropriations at fiscal year-end. The General Capital interfund receivable is comprised of \$2,917.41 due from the Current Fund as noted above and \$558,000 due from the Other Trust Funds for ordinance funding. The Sewer Utility Operating Fund interfund payable is comprised of \$56,000 due to Current Fund as noted above and \$1,208.98 due to the Sewer Utility Capital Fund for an unremitted interfund advance at fiscal year-end. The Swimming Pool Utility Operating Fund interfund payable is due to the Swimming Pool Utility Capital Fund for the capital improvement fund budget appropriation.

Interest earned in the Capital Funds, General and Utility, was realized as revenue in the Current and Utility Operating Funds, respectively.

Note 12: Risk Management

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Health benefits are provided to employees through the State of New Jersey Health Benefits Plan.

Property and Liability

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

As a member of the Fund, the Township could be subjected to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would become responsible for their respective shares of the Fund's liability.

TOWNSHIP OF MORRIS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

Note 12: Risk Management (Cont'd)

Property and Liability (Cont'd)

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

The December 31, 2014 audit report of the Garden State Municipal Joint Insurance Fund is not filed as of the date of this audit. Selected financial information for the Fund as of December 31, 2013 is as follows:

Total Assets	<u>\$ 34,467,251</u>
Net Position	<u>\$ 1,892,397</u>
Total Revenue	<u>\$ 25,013,839</u>
Total Expenses	<u>\$ 24,507,224</u>
Members Dividends	<u>\$ -0-</u>
Change in Net Position	<u>\$ 506,615</u>

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

Garden State Municipal Joint Insurance Fund  
900 Route 9 North, Suite 503  
Woodbridge, NJ 07095  
(800) 446-7647, Ext. 251

New Jersey Unemployment Compensation Insurance

The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Township is billed quarterly for amounts due to the State.

The following is a summary of Township and employee contributions, interest earnings, reimbursements to the State for benefits paid and the ending balance of the Township's trust fund for the current and previous two years:

<u>Year</u>	<u>Township</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Interest</u> <u>Earnings</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2014	\$ -0-	\$ 16,262	\$ -0-	\$ 9,314	\$ 267,356
2013	-0-	17,808	-0-	3,681	260,408
2012	248,930	28,500	-0-	76,578	246,281

TOWNSHIP OF MORRIS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

Note 13: Open Space Trust Fund

The Township created an Open Space Trust Fund with a tax levy of \$.02 per \$100 of assessed valuation in 1993. The funds collected are used to acquire and maintain open space property in the Township. To date, \$7,932,111 has been collected in taxes and the balance in the Open Space Trust Fund at December 31, 2014 and 2013 was \$5,105,987 and \$6,277,741, respectively.

Note 14: Economic Dependency

The Township receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the Township's programs and activities.

Note 15: Contingent Liabilities

The Township is periodically involved in various lawsuits arising in the normal course of business, including claims for property damage, personal injury, and various contract disputes. The Township vigorously contests these lawsuits and believes the ultimate resolution will not have a material adverse effect on their financial position.

Amounts received or receivable from grantors, principally the federal and state governments are subject to regulatory requirements and adjustments by the agencies. Any disallowed claims, including amounts previously recognized by the Township as revenue would constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantors cannot be determined at this time, although Township officials expect such amounts, if any, to be immaterial.

Various tax appeals on assessed valuations have been filed against the Township and are awaiting tax court decisions. The ultimate outcome and effect of such appeals have not been determined; however, the Township Tax Assessor will aggressively defend the Township's assessments. The Township has established a reserve, which it feels is sufficient, for this contingency in the amount of \$2,406,205.

TOWNSHIP OF MORRIS

SUPPLEMENTARY DATA

**TOWNSHIP OF MORRIS**  
**OFFICIALS IN OFFICE AND SURETY BONDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

The following officials were in office during the period under audit:

Name		Amount of Bond
Bruce D. Sisler	Mayor/Committeeman	
Daniel W. Caffrey	Deputy Mayor/Committeeman	
Jeffrey Grayzel	Committeeman	
Peter V. Mancuso	Committeeman	
H. Scott Rosenbush	Committeeman	
Timothy F. Quinn	Township Administrator	(B)
Cathleen Y. Amelio	Township Clerk	(B)
Rebecca Roth	Tax Collector; Sewer Utility Collector; Tax Search Officer	(A)
M. Sue Aceto	Tax Assessor	(B)
Francine DeAngelis	Director of Finance; Chief Financial Officer; Treasurer (from 07/14/2014)	(A)
Marie Pardo	Director of Finance; Chief Financial Officer; Treasurer (to 05/27/2014)	(A)
Karen J. Carman	Purchasing Agent	(B)
John M. Mills, III	Township Attorney	
Matheu Nunn	Municipal Prosecutor	
Albert Mastrobattista	Construction Code Official	(B)
James R. Slate	Engineer	(B)

(A) Surety bond coverage is provided as follows:

Garden State Municipal Joint Insurance Fund - \$50,000 Basic coverage

Municipal Excess Liability Joint Insurance Fund - \$950,000 Excess coverage

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

TOWNSHIP OF MORRIS  
COUNTY OF MORRIS  
2014  
CURRENT FUND

**TOWNSHIP OF MORRIS**  
**CURRENT FUND**  
**SCHEDULE OF CASH AND INVESTMENTS**

	<u>Ref.</u>	
Balance December 31, 2013	A	\$ 14,950,079.63
Increased by Receipts:		
Tax Collector	\$ 92,922,062.77	
Revenue Accounts Receivable	5,945,772.84	
Miscellaneous Revenue Not Anticipated	497,374.49	
Change Fund Returned	300.00	
Petty Cash Returned	1,200.00	
Interest on Investments and Deposits	85,679.41	
Due Federal and State Grant Fund:		
Current Year Grants Receivable	79,987.67	
Prior Year Grants Receivable	25,861.51	
Unappropriated Grant Funds Received	58,797.97	
Due General Capital Fund - Interfund Returned	111,854.42	
Due State of New Jersey - Senior Citizens' and Veterans' Deductions	150,727.40	
Appropriation Refunds	156,703.17	
	<hr/>	100,036,321.65
		114,986,401.28
Decreased by Disbursements:		
2014 Appropriation Expenditures	28,512,268.85	
2013 Appropriation Reserve Expenditures	1,136,610.47	
Petty Cash Advanced	1,200.00	
Regional School Taxes	55,946,060.00	
County Taxes	12,495,339.95	
Other Encumbrances	71,447.47	
Due Federal and State Grant Fund:		
Current Year Expenditures	112,801.17	
Prior Year Encumbrances	210,000.00	
Due Other Trust Funds:		
Interfund Returned	1,956.96	
Municipal Open Space Tax Levy	73,635.48	
Premium on Tax Sale Certificates Returned	230,500.00	
Due Sewer Utility Operating Fund - Interfund Returned	19,750.00	
Due Parking Lot Utility Operating Fund - Interfund Returned	535.00	
Due Swimming Pool Utility Operating Fund - Interfund	50,000.00	
2014 On-Behalf Appropriation Expenditures:		
Due Sewer Utility Operating Fund	56,000.00	
Due Swimming Pool Utility Operating Fund	21,000.00	
Due Parking Lot Utility Operating Fund	1,000.00	
Other Accounts Receivable Advanced	1,681.44	
Third Party Tax Title Lien Redemptions	324,275.61	
Reserve for Pending Tax Appeals	158,026.45	
Refund of Tax Overpayments	177,817.79	
Refund of Prior Year Revenue:		
Taxes	144,307.90	
Other	1,956.51	
Refund of Current Year Revenue:		
Fees and Permits - Other	8,700.00	
Uniform Construction Code Fees	1,444.40	
	<hr/>	99,758,315.45
Balance December 31, 2014	A	<u>\$ 15,228,085.83</u>

**TOWNSHIP OF MORRIS**  
**CURRENT FUND**  
**SCHEDULE OF CASH - COLLECTOR**  
**YEAR ENDED DECEMBER 31, 2014**

## Increased by Receipts:

Taxes Receivable	\$ 91,237,782.45
Interest and Costs on Taxes	174,158.84
2015 Prepaid Taxes	690,710.23
Tax Overpayments	177,817.79
Third Party Tax Title Liens	328,093.46
Premium on Tax Sale Certificates - Due to Other Trust Fund	313,500.00

\$ 92,922,062.77

## Decreased by:

Payments to Municipal Treasurer

\$ 92,922,062.77

**CURRENT FUND**  
**SCHEDULE OF CASH - GRANT FUNDS**  
**YEAR ENDED DECEMBER 31, 2014**

NOT APPLICABLE

**TOWNSHIP OF MORRIS**  
**CURRENT FUND**  
**SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**

Year	Balance	2014 Levy	Collections		State of NJ Senior Citizens' and Veterans' Deductions	Canceled	Transferred to Tax Title Liens	Balance
	Dec. 31, 2013		2013	2014				Dec. 31, 2014
2012	\$ 250.00			\$ 250.00				
2013	615,621.20			619,441.38	\$ (4,132.19)	\$ 10.85	\$ 50.00	\$ 251.16
	615,871.20			619,691.38	(4,132.19)	10.85	50.00	251.16
2014		\$ 92,349,148.75	\$ 848,921.72	90,618,091.07	155,860.27	138,207.66	6,455.23	581,612.80
	<u>\$ 615,871.20</u>	<u>\$ 92,349,148.75</u>	<u>\$ 848,921.72</u>	<u>\$ 91,237,782.45</u>	<u>\$ 151,728.08</u>	<u>\$ 138,218.51</u>	<u>\$ 6,505.23</u>	<u>\$ 581,863.96</u>
Ref.	A							A

Analysis of 2014 Property Tax Levy

Tax Yield:

General Purpose Tax	\$ 92,154,811.49
Added and Omitted Taxes	194,337.26
	<u>\$ 92,349,148.75</u>

Tax Levy:

Regional School District Taxes	\$ 55,899,265.00
Local Open Space Taxes	73,785.44
County Taxes:	
General Tax	\$ 12,461,354.14
Due County for Added and Omitted Taxes	26,462.72
	<u>12,487,816.86</u>
	68,460,867.30
Local Tax for Municipal Purposes Levied	23,684,794.39
Add: Additional Tax Levied	203,487.06
	<u>23,888,281.45</u>
	<u>\$ 92,349,148.75</u>

**TOWNSHIP OF MORRIS**  
**CURRENT FUND**  
**SCHEDULE OF TAX TITLE LIENS**

	<u>Ref.</u>	
Balance December 31, 2013	A	\$ 65,371.76
Increased by:		
Transfer from Taxes Receivable		\$ 6,505.23
Interest and Costs Accrued at Tax Sale		<u>110.68</u>
		<u>6,615.91</u>
Balance December 31, 2014	A	<u><u>\$ 71,987.67</u></u>

**TOWNSHIP OF MORRIS**  
**CURRENT FUND**  
**SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

	Balance Dec. 31, 2013	Accrued in 2014	Collected by Treasurer	Balance Dec. 31, 2014
Licenses:				
Alcoholic Beverages		\$ 24,000.00	\$ 24,000.00	
Other	\$ 750.00	18,532.00	18,682.00	\$ 600.00
Fees and Permits - Other	1,033.00	835,597.00	835,210.00	1,420.00
Fines and Costs - Municipal Court	18,420.70	269,327.05	273,273.84	14,473.91
Consolidated Municipal Property Tax Relief Aid		565,227.00	565,227.00	
Energy Receipts Tax		2,714,714.00	2,714,714.00	
Uniform Construction Code Fees		974,666.00	974,666.00	
Parking Lot Utility Operating Surplus of Prior Year		40,000.00	40,000.00	
Sewer Utility Operating Surplus of Prior Year		250,000.00	250,000.00	
General Capital Fund - Fund Balance		40,000.00	40,000.00	
Reimbursement for Expenses:				
Recycling Trust Fund		70,000.00	70,000.00	
Police Outside Detail Trust Fund		140,000.00	140,000.00	
	<u>\$ 20,203.70</u>	<u>\$ 5,942,063.05</u>	<u>\$ 5,945,772.84</u>	<u>\$ 16,493.91</u>

Ref.

A

A

**TOWNSHIP OF MORRIS**  
**FEDERAL AND STATE GRANT FUND**  
**SCHEDULE OF GRANTS RECEIVABLE**

Grant Description	Balance Dec. 31, 2013	Accrued in 2014	Received	Canceled to Current Fund Operations	Balance Dec. 31, 2014
Drunk Driving Enforcement Fund					
2014		\$ 7,845.45	\$ 7,845.45		
2013	\$ 8,791.53		8,791.53		
Clean Communities Program		43,803.00	43,803.00		
Alcohol Education, Rehabilitation and Enforcement Fund		2,835.85	2,835.85		
Municipal Alliance on Alcoholism and Drug Abuse:					
2014		48,639.50	14,836.50		\$ 33,803.00
2013	13,351.48		9,143.48	\$ 4,208.00	
COPS in Shops		2,000.00	1,700.00		300.00
Distracted Driving Crackdown - U Drive, U Text, U Pay		5,000.00	4,998.79		1.21
Bulletproof Vests - Federal Grants:					
2012	764.03			764.03	
2011	4,695.68		3,632.75	1,062.93	
Recreational Trails Program - 2010	25,000.00				25,000.00
Drive Sober or Get Pulled Over - 2013	6,250.00		4,293.75	1,956.25	
Click It or Ticket		4,000.00	3,968.08		31.92
NJ Department of Transportation Trust Fund Authority Act: Mill Road	52,500.00				52,500.00
	<u>\$ 111,352.72</u>	<u>\$ 114,123.80</u>	<u>\$ 105,849.18</u>	<u>\$ 7,991.21</u>	<u>\$ 111,636.13</u>

Ref.

A

A

Original Budget	\$ 65,484.95
Added by NJSA 40A:4-87	48,638.85
	<u>\$ 114,123.80</u>

Received in Current Fund:	
Current Year Receivable	\$ 79,987.67
Prior Year Receivable	25,861.51
	<u>\$ 105,849.18</u>

**TOWNSHIP OF MORRIS**  
**CURRENT FUND**  
**SCHEDULE OF 2013 APPROPRIATION RESERVES**  
**YEAR ENDED DECEMBER 31, 2014**

	Balance Dec. 31, 2013	Balance After Modification	Paid or Charged	Balance Lapsed
<b>GENERAL GOVERNMENT:</b>				
General Administration:				
Salaries and Wages	\$ 32,525.59	\$ 32,525.59		\$ 32,525.59
Other Expenses	64,196.35	64,196.35	\$ 45,218.35	18,978.00
Mayor and Township Committee:				
Salaries and Wages	0.68	0.68		0.68
Other Expenses	234.01	234.01	198.58	35.43
Municipal Clerk:				
Salaries and Wages	1,391.16	1,391.16		1,391.16
Other Expenses	34,615.94	34,615.94	22,047.52	12,568.42
Financial Administration:				
Salaries and Wages	2,816.18	2,816.18		2,816.18
Other Expenses	16,673.50	16,673.50	3,508.19	13,165.31
Annual Audit	33,440.00	33,440.00	33,440.00	
Computer Information Technology:				
Salaries and Wages	1,446.05	1,446.05		1,446.05
Other Expenses	39,002.82	39,002.82	24,357.91	14,644.91
Revenue Administration (Tax Collection):				
Salaries and Wages	6,261.98	6,261.98		6,261.98
Other Expenses	23,965.80	23,965.80	1,009.19	22,956.61
Tax Assessment Administration:				
Salaries and Wages	3,515.97	3,515.97	108.00	3,407.97
Other Expenses	17,775.84	17,775.84	2,860.12	14,915.72
Legal Services and Costs:				
Other Expenses	107,519.46	107,519.46	31,663.62	75,855.84
Municipal Court:				
Salaries and Wages	6,416.20	6,416.20	418.77	5,997.43
Other Expenses	6,542.70	6,542.70	485.04	6,057.66
Public Defender:				
Other Expenses	4,342.50	4,342.50	1,215.00	3,127.50
Engineering Services and Costs:				
Salaries and Wages	2,315.95	2,315.95	504.00	1,811.95
Other Expenses	10,741.59	10,741.59	2,013.16	8,728.43
Historical Preservation Commission:				
Other Expenses	500.00	500.00		500.00
Municipal Land Use Law (NJSA 40:55D-1):				
Planning Board:				
Salaries and Wages	4,326.38	4,326.38		4,326.38
Other Expenses	13,261.07	13,261.07	7,610.75	5,650.32
Board of Adjustment:				
Salaries and Wages	1,629.17	1,629.17	368.00	1,261.17
Other Expenses	3,973.93	3,973.93	574.25	3,399.68

**TOWNSHIP OF MORRIS**  
**CURRENT FUND**  
**SCHEDULE OF 2013 APPROPRIATION RESERVES**  
**YEAR ENDED DECEMBER 31, 2014**  
**(Continued)**

	Balance Dec. 31, 2013	Balance After Modification	Paid or Charged	Balance Lapsed
<b>INSURANCE:</b>				
General Liability Insurance	\$ 78,152.92	\$ 78,152.92	\$ 78,152.92	
Workers' Compensation Insurance	81,426.50	81,426.50	81,351.50	\$ 75.00
Group Insurance for Employees -				
Hospital and Medical	29,648.33	29,648.33		29,648.33
Unemployment Compensation Insurance	10,000.00	10,000.00		10,000.00
<b>PUBLIC SAFETY:</b>				
County Communications Expense	700.00	700.00		700.00
Traffic Lights Maintenance Expense	29,137.50	29,137.50	6,440.00	22,697.50
Aid to Volunteer Ambulance Company	52,000.00	52,000.00	52,000.00	
<b>Fire:</b>				
Salaries and Wages	55,019.81	55,019.81	13,284.77	41,735.04
Other Expenses	84,927.18	84,927.18	78,506.41	6,420.77
Fire Hydrant Service	4,358.04	4,358.04	3,547.32	810.72
<b>Municipal Prosecutor:</b>				
Other Expenses	4,250.00	4,250.00	3,500.00	750.00
<b>Police:</b>				
Salaries and Wages	235,776.77	235,776.77	18,746.45	217,030.32
Other Expenses	46,884.08	46,884.08	28,918.60	17,965.48
Purchase of Police Vehicles	21,911.00	21,911.00	21,715.11	195.89
<b>Emergency Management Services:</b>				
Other Expenses	11,405.03	11,405.03	2,625.14	8,779.89
<b>PUBLIC WORKS:</b>				
<b>Road Repairs and Maintenance:</b>				
Salaries and Wages	120,229.24	120,229.24	19,554.37	100,674.87
Other Expenses	255,764.31	255,764.31	210,365.18	45,399.13
<b>Garbage and Trash Removal:</b>				
Salaries and Wages	6,085.25	6,085.25	37.80	6,047.45
Other Expenses	285,580.31	285,580.31	179,764.89	105,815.42
<b>Public Buildings and Grounds:</b>				
Salaries and Wages	1,145.58	1,145.58	318.75	826.83
Other Expenses	11,657.16	11,657.16	1,551.39	10,105.77
<b>Vehicle Maintenance:</b>				
Salaries and Wages	41,479.29	41,479.29		41,479.29
Other Expenses	98,387.62	98,387.62	68,257.03	30,130.59
<b>Community Services Act - Condo Costs:</b>				
Other Expenses	50,000.00	50,000.00	33,472.82	16,527.18
<b>HEALTH AND HUMAN SERVICES:</b>				
<b>Board of Health:</b>				
Salaries and Wages	17,848.11	17,848.11	494.07	17,354.04
Other Expenses	26,497.04	26,497.04	15,625.44	10,871.60
<b>Environmental Commission:</b>				
Other Expenses	3,036.21	3,036.21		3,036.21
<b>Cooperative Transportation:</b>				
Other Expenses	680.39	680.39		680.39

**TOWNSHIP OF MORRIS**  
**CURRENT FUND**  
**SCHEDULE OF 2013 APPROPRIATION RESERVES**  
**YEAR ENDED DECEMBER 31, 2014**  
**(Continued)**

	Balance Dec. 31, 2013	Balance After Modification	Paid or Charged	Balance Lapsed
<b>RECREATION AND EDUCATION:</b>				
Recreation Services and Programs:				
Other Expenses	\$ 14,553.58	\$ 14,553.58	\$ 7,002.67	\$ 7,550.91
Maintenance of Parks:				
Salaries and Wages	2,757.38	2,757.38		2,757.38
Other Expenses	21,710.31	21,710.31	17,465.02	4,245.29
<b>OTHER COMMON OPERATING FUNCTIONS:</b>				
Accumulated Leave Compensation:				
Salaries and Wages	93,215.40	93,215.40	76,066.86	17,148.54
<b>UTILITIES:</b>				
Electricity	59,451.02	59,451.02	12,327.31	47,123.71
Street Lighting	27,448.34	27,448.34	14,510.51	12,937.83
Telephone	24,392.31	24,392.31	13,811.26	10,581.05
Water	11,133.96	11,133.96	1,794.66	9,339.30
Natural Gas	46,603.63	46,603.63	20,713.07	25,890.56
Gasoline, Diesel Fuel	109,487.98	109,487.98	44,068.01	65,419.97
<b>UNIFORM CONSTRUCTION CODE:</b>				
Construction Official:				
Salaries and Wages	4,744.25	4,744.25	3,457.99	1,286.26
Other Expenses	11,173.56	11,173.56	10,305.27	868.29
Statutory Expenditures:				
Contribution to Social Security System (O.A.S.I.)	77,252.96	77,252.96	8,908.94	68,344.02
Public Employees Retirement System	2,928.17	2,928.17		2,928.17
Recycling Tax (P.L. 2007, c. 311)	7,186.18	7,186.18	3,794.10	3,392.08
	<u>\$ 2,617,457.52</u>	<u>\$ 2,617,457.52</u>	<u>\$ 1,330,056.08</u>	<u>\$ 1,287,401.44</u>

Analysis of Balance December 31, 2013:

	<u>Ref.</u>		
Encumbered	A	\$ 1,291,508.50	
Unencumbered	A	1,325,949.02	
		<u>\$ 2,617,457.52</u>	
Cash Disbursed			\$ 1,136,610.47
Other Encumbrances			193,445.61
			<u>\$ 1,330,056.08</u>

**TOWNSHIP OF MORRIS**  
**CURRENT FUND**  
**SCHEDULE OF REGIONAL SCHOOL TAXES PAYABLE**

	<u>Ref.</u>	
Balance December 31, 2013	A	\$ 232,917.13
Increased by:		
Levy - Calendar Year 2014		55,899,265.00
		<u>56,132,182.13</u>
Decreased by:		
Payments to Regional School District		55,946,060.00
		<u>55,946,060.00</u>
Balance December 31, 2014	A	<u>\$ 186,122.13</u>

**TOWNSHIP OF MORRIS**  
**FEDERAL AND STATE GRANT FUND**  
**SCHEDULE OF APPROPRIATED RESERVES**

	Balance Dec. 31, 2013	Transferred from 2014 Budget Appropriations	Expended	Canceled to Current Fund Operations	Balance Dec. 31, 2014
Recycling Tonnage Gran - 2013	\$ 74,293.53		\$ 14,835.00		\$ 59,458.53
Drunk Driving Enforcement Fund:					
2014		\$ 7,845.45	1,940.81		5,904.64
2013	3,929.83		3,929.83		
Clean Communities Program:					
2014		43,803.00	2,879.50		40,923.50
2013	32,919.05		32,919.05		
Alcohol Education, Rehabilitation and Enforcement Fund:					
2014		2,835.85			2,835.85
2013	3,446.23				3,446.23
2012	2,858.54				2,858.54
2010	9,258.25				9,258.25
2009	3,266.28				3,266.28
2008	4,003.01				4,003.01
2007 and Prior	4,867.38		2,632.50		2,234.88
Body Armor Replacement Fund:					
2013	9,701.02		7,429.58		2,271.44
2012	2,917.02		2,917.02		
Municipal Alliance on Alcoholism and Drug Abuse:					
2014		48,639.50	14,836.50		33,803.00
2013	9,548.34		5,340.34		4,208.00
Matching Funds:					
2014		11,659.88			11,659.88
2013	9,773.25		3,803.14		5,970.11
COPS in Shops - 2014		2,000.00	2,000.00		
Distracted Driving Crackdown - U Drive, U Text, U Pay		5,000.00	5,000.00		
Bulletproof Vests - Federal Grants:					
2013	2,435.13		1,497.25		937.88
2012	711.55		711.55		
Drive Sober or Get Pulled Over - 2013	7,327.80		7,327.80		
Click It or Ticket - 2014		4,000.00	4,000.00		
Recreational Trails Program - 2010:					
State Share	22,612.87				22,612.87
Matching Funds	4,522.57				4,522.57

**TOWNSHIP OF MORRIS**  
**FEDERAL AND STATE GRANT FUND**  
**SCHEDULE OF APPROPRIATED RESERVES**  
**(Continued)**

	Balance Dec. 31, 2013	Transferred from 2014 Budget Appropriations	Expended	Canceled to Current Fund Operations	Balance Dec. 31, 2014
NJ Department of Transportation Trust					
Fund Authority Act:					
Bailey Hollow Road	\$ 24,108.41			\$ 24,108.41	
Municipal Stormwater Regulation Program	28,035.10				\$ 28,035.10
	\$ 260,535.16	\$ 125,783.68	\$ 113,999.87	\$ 24,108.41	\$ 248,210.56
<u>Ref.</u>	A				A
Original Budget		\$ 65,484.95			
Added by NJS A 40A:4-87		48,638.85			
		114,123.80			
Due from Current Fund - Matching Funds		11,659.88			
		\$ 125,783.68			
Cash Disbursed - Due to Current Fund			\$ 112,801.17		
Encumbrances Payable			1,198.70		
			\$ 113,999.87		

**TOWNSHIP OF MORRIS**  
**FEDERAL AND STATE GRANT FUND**  
**SCHEDULE OF UNAPPROPRIATED RESERVES**  
**YEAR ENDED DECEMBER 31, 2014**

	<u>Received in</u> <u>Current Fund</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
Recycling Tonnage Grant	\$ 46,175.04	\$ 46,175.04
Drunk Driving Enforcement Fund	8,411.47	8,411.47
Body Armor Replacement Fund	4,211.46	4,211.46
	<u>\$ 58,797.97</u>	<u>\$ 58,797.97</u>

Ref.

A

TOWNSHIP OF MORRIS  
COUNTY OF MORRIS  
2014  
TRUST FUNDS

**TOWNSHIP OF MORRIS**  
**TRUST FUNDS**  
**SCHEDULE OF CASH - TREASURER**

	<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Other Trust Funds</u>
Balance December 31, 2013	B	\$ 36,128.37	\$ 7,836,060.23
Increased by Receipts:			
Collector		\$ 24,841.00	
Interest on Investments and Deposits		150.28	
Due to State of New Jersey:			
Department of Community Affairs			
State Training Fees			\$ 75,112.00
Marriage License Fees			2,500.00
Due Current Fund:			
2014 Budget Appropriation		24,500.00	
Interest Income			8,540.96
Interfund Returned			1,956.96
Municipal Open Space Tax Levy			73,635.48
Due General Capital Fund:			
2014 Budget Appropriation			558,000.00
Interfund Returned			2,191,980.82
Special Deposits			2,500.00
Developers' Escrow Deposits			45,265.18
Clients' Escrow Deposits			160,325.62
Municipal Court:			
Parking Offense Adjudication Act			
Late Parking Fees			542.00
Deposits and Interest:			
State Unemployment Insurance			16,262.17
Police Outside Detail			362,841.75
Recycling			62,262.90
Police Forfeited Assets			1,062.65
Municipal Drug Alliance			20,356.22
C.O.A.H.			618,878.19
Municipal Open Space			21,605.95
Uniform Fire Safety Act			4,250.00
Recreation			124,784.00
Accumulated Absences Account			54,863.79
Snow Removal Account			344,169.99
		<hr/>	<hr/>
		49,491.28	4,751,696.63
		<hr/>	<hr/>
		85,619.65	12,587,756.86

**TOWNSHIP OF MORRIS**  
**TRUST FUNDS**  
**SCHEDULE OF CASH - TREASURER**  
**(Continued)**

Ref.	Animal Control Fund	Other Trust Funds
Decreased by Disbursements:		
Administrative Expenses	\$ 40,048.55	
Due to State of New Jersey:		
Department of Community Affairs		
State Training Fees		\$ 61,992.00
Marriage License Fees		3,400.00
Due Current Fund:		
Interest Income		8,073.13
Recycling Anticipated in Budget		70,000.00
Due General Capital Fund:		
Interfund		18,000.00
Improvement Authorization Expenditures		1,207,000.00
Developers' Escrow Deposits		211,996.44
Clients' Escrow Deposits		149,112.20
State Unemployment Insurance		9,314.00
Police Outside Detail		494,849.70
Recycling		111,313.50
Police Forfeited Assets		10,597.00
Municipal Drug Alliance		20,356.22
C.O.A.H.		263,084.43
Municipal Open Space		42,144.83
Uniform Fire Safety Act		2,958.04
Recreation		54,480.27
Snow Removal Account		58,258.66
	\$ 40,048.55	\$ 2,796,930.42
Balance December 31, 2014	B	\$ 9,790,826.44

**TOWNSHIP OF MORRIS**  
**TRUST FUNDS**  
**SCHEDULE OF CASH - COLLECTOR**

	<u>Ref.</u>	
Balance December 31, 2013	B	\$ 206.83
Increased by:		
Animal Control License Fees - Municipal:		
Dog	\$ 19,843.60	
Cat	3,469.00	
Late and Other Fees	1,554.00	
Interest on Investments and Deposits	9.88	
	<u>24,876.48</u>	
Animal Control License Fees - State	<u>2,000.40</u>	
		<u>26,876.88</u>
		27,083.71
Decreased by:		
Disbursed to Treasurer:		
Animal Control Fund	24,841.00	
Disbursed to State of NJ	<u>1,998.00</u>	
		<u>26,839.00</u>
Balance December 31, 2014	B	<u>\$ 244.71</u>

**TOWNSHIP OF MORRIS**  
**ASSESSMENT TRUST FUND**  
**ANALYSIS OF CASH**  
**YEAR ENDED DECEMBER 31, 2014**

NOT APPLICABLE

**TOWNSHIP OF MORRIS**  
**ANIMAL CONTROL FUND**  
**SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES**

	<u>Ref.</u>	
Balance December 31, 2013	B	\$ 36,334.00
Increased by:		
Collector:		
Animal Control Fees:		
Dog Licenses		\$ 19,843.60
Cat Licenses		3,469.00
Late Fees		1,554.00
Interest on Investments and Deposits		9.88
		24,876.48
Treasurer:		
Interest on Investments and Deposits		150.28
Budget Appropriation		24,500.00
		49,526.76
		85,860.76
Decreased by:		
Animal Control Expenditures		40,048.55
		40,048.55
Balance December 31, 2014	B	\$ 45,812.21

License Fees Collected:

<u>Year</u>	
2012	\$ 22,838.20
2013	23,834.00
	46,672.20
Maximum Allowable Reserve	\$ 46,672.20

TOWNSHIP OF MORRIS  
COUNTY OF MORRIS  
2014  
GENERAL CAPITAL FUND

**TOWNSHIP OF MORRIS**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF CASH AND INVESTMENTS**

	<u>Ref.</u>	
Balance December 31, 2013	C	\$ 8,777,983.30
Increased by Receipts:		
Budget Appropriation:		
Capital Improvement Fund	\$ 366,388.20	
Bond Proceeds	13,339,000.00	
Capital Fund Balance:		
Premium on Sale of Bonds	121,512.49	
Due Current Fund - Interest Income	11,961.27	
Due Other Trust Funds - Interfund	18,000.00	
Reserve for:		
Memorial Bricks	50.00	
Sidewalks	2,450.00	
Trees	3,250.00	
	13,862,611.96	13,862,611.96
		22,640,595.26
Decreased by Disbursements:		
Improvement Authorization Expenditures	1,812,399.99	
Reserve for Encumbrances	1,485,173.87	
Bond Anticipation Notes Redeemed	10,137,452.85	
Due Current Fund:		
Interest Income	11,628.88	
Fund Balance Anticipated in Current Fund Budget	40,000.00	
Interfund Returned	111,854.42	
Due Other Trust Funds - Interfund Returned	2,191,980.82	
	15,790,490.83	15,790,490.83
Balance December 31, 2014	C	\$ 6,850,104.43

**TOWNSHIP OF MORRIS  
GENERAL CAPITAL FUND  
ANALYSIS OF CASH AND INVESTMENTS**

	Balance/ (Deficit) Dec. 31, 2013	Receipts			Disbursements			Transfers		Balance/ (Deficit) Dec. 31, 2014	
		Bond Proceeds	Budget Appropriation	Miscellaneous	Improvement Authorizations	Notes Redeemed	Miscellaneous	From	To		
Fund Balance	\$ 788,382.11			\$ 121,512.49			\$ 40,000.00	\$ 525,100.00	\$ 70,864.67	\$ 415,659.27	
Capital Improvement Fund			\$ 366,388.20						3,249.80	369,638.00	
Due Current Fund	111,854.42			11,961.27			123,483.30	561,249.80	558,000.00	(2,917.41)	
Due Other Trust Funds	2,191,980.82			18,000.00			2,191,980.82	1,783,000.00	1,207,000.00	(558,000.00)	
Reserve for:											
Encumbrances	1,724,007.42						1,485,173.87	36,553.10	646,789.68	849,070.13	
Memorial Bricks	6,000.00			50.00						6,050.00	
Traffic Lights	12,364.78									12,364.78	
Kahdena Road	11,200.00									11,200.00	
Sidewalks				2,450.00						2,450.00	
Trees				3,250.00						3,250.00	
Preliminary Engineering Costs:											
Western Ave Reservoir	3,000.66									3,000.66	
Ord. No.	Improvement Authorizations										
17-99	Various Capital Improvements	162,500.00								162,500.00	
13-01	Various Capital Improvements	132,988.37			\$ 1,209.01			1,586.07		130,193.29	
10-02	Various Capital Improvements	40,078.13			883.24			29,303.08		9,891.81	
13-03	Purchase of Various Equipment & Vehicles & Playground Improvements	17,345.00								17,345.00	
04-04	Various Capital Improvements	12,000.00								12,000.00	
11-05	Various Capital Improvements	38,631.42							3,113.10	41,744.52	
06-06	Various Capital Improvements	25,319.00								25,319.00	
20-06	Various Capital Improvements	1,074.24						674.24		400.00	
12-07	Various Capital Improvements	129,148.92			1,690.00			127,444.00		14.92	
22-07	Various Capital Improvements	1,645.00						1,410.00		235.00	
16-08;											
10-14	Various Capital Improvements	782,333.70				16,768.57		108,160.74		657,404.39	
14-09	Various Capital Improvements	587,918.50				30,177.50		54,013.39		503,727.61	
17-09	Various Projects & Purchases	27,080.00						8,000.00		19,080.00	
03-10	Various Improvements	28,817.09								28,817.09	
19-10	Various Capital Improvements	590,687.30	\$ 1,735,088.00		5,916.85	\$ 1,567,000.00				752,858.45	
26-10	Purchase of Property	95,000.00								95,000.00	
11-11	Various Capital Improvements	181,354.69								181,354.69	
19-11	Various Capital Improvements	275,381.14	2,113,651.00				2,166,222.50		33,440.00	256,249.64	
09-12	Various Capital Improvements	1,902,713.14	4,100,536.00		735,381.00	4,146,710.00				1,121,158.14	
16-12	Refunding Bond Ordinance	(2,191,980.82)							558,000.00	(1,633,980.82)	
08-13;											
17-14	Various Capital Improvements	1,039,808.27	2,258,725.00		278,299.24	2,257,520.35				762,713.68	
11-13	Various Capital Improvements	49,350.00	858,000.00		103,201.18			55,718.82		748,430.00	
05-14	Purchase of Property							1,207,000.00	1,225,000.00	18,000.00	
06-14	Various Capital Improvements								406,100.00	406,100.00	
11-14	Various Capital Improvements		2,273,000.00		638,873.40			574,344.01	119,000.00	1,178,782.59	
20-14	Various Capital Improvements								243,000.00	243,000.00	
		\$ 8,777,983.30	\$ 13,339,000.00	\$ 366,388.20	\$ 157,223.76	\$ 1,812,399.99	\$ 10,137,452.85	\$ 3,840,637.99	\$ 5,073,557.25	\$ 5,073,557.25	\$ 6,850,104.43

**TOWNSHIP OF MORRIS**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**

Ordinance No.	Improvement Description	Ordinance Date	Balance Dec. 31, 2013	2014 Improvement Authorizations	Funded by		Improvement Authorizations Canceled	Balance Dec. 31, 2014	Analysis of Balance December 31, 2014	
					Budget Appropriation	Bonds Issued			Expended	Unexpended Improvement Authorizations
10-02	Various Capital Improvements	5/15/2002	\$ 45.00				\$ 45.00			
19-10	Various Capital Improvements	7/21/2010	1,735,751.00			\$ 1,735,088.00	158.65	\$ 504.35		\$ 504.35
19-11	Various Capital Improvements	6/15/2011	2,166,222.50			2,113,651.00	52,571.50			
09-12	Various Capital Improvements	5/16/2012	4,146,710.00			4,100,536.00	46,174.00			
16-12	Refunding Bond Ordinance	11/20/2012	2,232,000.00		\$ 558,000.00			1,674,000.00	\$ 1,633,980.82	40,019.18
08-13; 17-14	Various Capital Improvements	5/15/2013; 8/27/2014	2,258,725.00			2,258,725.00				
11-13	Various Capital Improvements	6/19/2013	954,000.00			858,000.00	96,000.00			
11-14	Various Capital Improvements	5/21/2014		\$ 2,273,000.00		2,273,000.00				
			<u>\$ 13,493,453.50</u>	<u>\$ 2,273,000.00</u>	<u>\$ 558,000.00</u>	<u>\$ 13,339,000.00</u>	<u>\$ 194,949.15</u>	<u>\$ 1,674,504.35</u>	<u>\$ 1,633,980.82</u>	<u>\$ 40,523.53</u>

Ref C

C

**TOWNSHIP OF MORRIS**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ord. No.	Improvement Description	Ordinance		Balance Dec. 31, 2013		Capital Fund Balance	2014 Authorizations		Encumbrances Payable Canceled Returned	Improvement Authorizations Canceled	Paid or Charged	Balance Dec. 31, 2014		
		Date	Amount	Funded	Unfunded		Deferred Charges to Future Taxation - Unfunded	Other Sources				Reappropriated	Funded	Unfunded
17-99	Various Capital Improvements	5/19/1999	\$ 207,500.00	\$ 162,500.00								\$ 162,500.00		
13-01	Various Capital Improvements	5/16/2001	1,674,000.00	132,988.37							\$ 2,795.08	130,193.29		
10-02	Various Capital Improvements	5/15/2002	419,600.00	40,078.13	\$ 45.00					\$ 29,348.08	883.24	9,891.81		
13-03	Purchase of Various Equipment & Vehicles & Playground Improvements	5/7/2003	654,900.00	17,345.00								17,345.00		
04-04	Various Capital Improvements	5/5/2004	1,113,200.00	12,000.00								12,000.00		
11-05	Various Capital Improvements	5/4/2005	1,270,850.00	38,631.42					\$ 3,113.10			41,744.52		
06-06	Various Capital Improvements	4/19/2006	3,152,200.00	25,319.00								25,319.00		
20-06	Various Capital Improvements	9/20/2006	2,480,600.00	1,074.24						674.24		400.00		
12-07	Various Capital Improvements	4/18/2007	1,104,700.00	129,148.92				\$ (127,000.00)		444.00	1,690.00	14.92		
22-07	Various Capital Improvements	9/19/2007	108,600.00	1,645.00							1,410.00	235.00		
16-08;	Various Capital Improvements	6/18/2008;	3,588,200.00											
10-14		5/21/2014		782,333.70				(108,000.00)		0.74	16,928.57	657,404.39		
14-09	Various Capital Improvements	6/17/2009	2,440,500.00	587,918.50						40,442.61	43,748.28	503,727.61		
17-09	Various Projects & Purchases	6/17/2009	71,500.00	27,080.00				(8,000.00)				19,080.00		
03-10	Various Improvements	3/3/2010	135,000.00	28,817.09								28,817.09		
19-10	Various Capital Improvements	7/21/2010	2,049,200.00		759,438.30					158.65	5,916.85	752,858.45	\$ 504.35	
26-10	Purchase of Property	11/10/2010	95,000.00	95,000.00								95,000.00		
11-11	Various Capital Improvements	4/13/2011	1,001,354.69	181,354.69								181,354.69		
19-11	Various Capital Improvements	6/15/2011	2,538,511.00		275,381.14				33,440.00	52,571.50		256,249.64		
09-12	Various Capital Improvements	5/16/2012	4,429,500.00		1,902,713.14					46,174.00	735,381.00	1,121,158.14		
16-12	Refunding Bond Ordinance	11/20/2012	2,790,000.00		40,019.18								40,019.18	
08-13;	Various Capital Improvements	5/15/2013;	2,455,500.00											
17-14		8/27/2014			1,041,012.92							278,299.24	762,713.68	
11-13	Various Capital Improvements	6/19/2013	1,004,000.00	49,350.00	954,000.00					96,000.00	158,920.00	748,430.00		
05-14	Purchase of Property	3/19/2014	1,225,000.00					\$ 1,225,000.00			1,207,000.00	18,000.00		
06-14	Various Capital Improvements	4/16/2014	406,100.00			\$ 406,100.00						406,100.00		
11-14	Various Capital Improvements	5/21/2014	2,392,000.00			119,000.00	\$ 2,273,000.00				1,213,217.41	1,178,782.59		
20-14	Various Capital Improvements	9/17/2014	243,000.00					243,000.00				243,000.00		
				<u>\$ 2,312,584.06</u>	<u>\$ 4,972,609.68</u>	<u>\$ 525,100.00</u>	<u>\$ 2,273,000.00</u>	<u>\$ 1,225,000.00</u>	<u>\$ -0-</u>	<u>\$ 36,553.10</u>	<u>\$ 265,813.82</u>	<u>\$ 3,666,189.67</u>	<u>\$ 7,372,319.82</u>	<u>\$ 40,523.53</u>

Ref. C C C C

Open Space Trust Fund \$ 1,225,000.00

Capital Fund Balance \$ 70,864.67  
 Deferred Charges to Future Taxation - Unfunded 194,949.15  
\$ 265,813.82

Cash Disbursed \$ 1,812,399.99  
 Due Other Trust Funds 1,207,000.00  
 Encumbrances Payable 646,789.68  
\$ 3,666,189.67

**TOWNSHIP OF MORRIS**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF CAPITAL IMPROVEMENT FUND**  
**YEAR ENDED DECEMBER 31, 2014**

	<u>Ref.</u>	
Increased by:		
2014 Budget Appropriation		<u>\$ 369,638.00</u>
Balance December 31, 2014	C	<u><u>\$ 369,638.00</u></u>

**TOWNSHIP OF MORRIS**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE**  
**YEAR ENDED DECEMBER 31, 2014**

<u>Improvement Description</u>	<u>Ord. No.</u>	<u>Ordinance</u>	<u>Date of</u>			<u>Interest Rate</u>	<u>Balance Dec. 31, 2013</u>	<u>Matured</u>
			<u>Issue of Original Note</u>	<u>Issue</u>	<u>Maturity</u>			
Various Capital Improvements	19-10	7/21/2010	11/15/2012	11/14/2013	11/14/2014	1.00%	\$ 1,567,000.00	\$ 1,567,000.00
Various Capital Improvements	19-11	6/15/2011	11/15/2012	11/14/2013	11/14/2014	1.00%	2,166,222.50	2,166,222.50
Various Capital Improvements	09-12	5/16/2012	11/15/2012	11/14/2013	11/14/2014	1.00%	4,146,710.00	4,146,710.00
Various Capital Improvements	08-13;	5/15/2013;	11/14/2013	11/14/2013	11/14/2014	1.00%	2,257,520.35	2,257,520.35
	17-14	8/27/2014						
							<u>\$ 10,137,452.85</u>	<u>\$ 10,137,452.85</u>
<u>Ref.</u>							C	
Redeemed from Cash								\$ 98,745.50
Paid by Bond Funds								10,038,707.35
								<u>\$ 10,137,452.85</u>

**TOWNSHIP OF MORRIS**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF SERIAL BONDS PAYABLE**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding Dec. 31, 2014		Interest Rate	Balance Dec. 31, 2013	Issued	Matured	Defeased	Balance Dec. 31, 2014	
			Date	Amount							
General Obligation Bonds of 2001	7/15/2001	\$ 9,329,000	7/15/2015	\$ 979,000	4.350%	\$ 1,879,000.00		\$ 900,000.00		\$ 979,000.00	
General Obligation Bonds of 2003	9/15/2003	3,653,000				913,000.00		310,000.00	\$ 603,000.00		
General Obligation Bonds of 2006	11/15/2006	9,315,000	11/15/2015 11/15/2016	700,000 725,000	3.750% 3.750%	5,865,000.00		700,000.00	3,740,000.00	1,425,000.00	
General Obligation Bonds of 2009	9/1/2009	6,309,000	9/1/2015 9/1/2016 9/1/2017 9/1/2018 9/1/2019-20 9/1/2021 9/1/2022	550,000 550,000 550,000 550,000 550,000 550,000 549,000	2.000% 2.250% 2.500% 2.750% 3.000% 3.125% 3.250%	4,909,000.00		510,000.00		4,399,000.00	
General Obligation Refunding Bonds of 2014	7/1/2014	4,261,000	9/15/2015 9/15/2016 9/15/2017 9/15/2018 9/15/2019-20 9/15/2021	276,000 262,000 770,000 758,000 730,000 713,000	2.000% 3.000% 4.000% 4.000% 4.000% 4.000%		\$ 4,261,000.00	22,000.00		4,239,000.00	
General Obligation Bonds of 2014	10/15/2014	13,339,000	10/15/2015 10/15/2016 10/15/2017 10/15/2018 10/15/2019 10/15/2020 10/15/2021-23 10/15/2024	825,000 875,000 1,150,000 1,300,000 1,350,000 1,450,000 1,600,000 1,589,000	2.000% 2.000% 2.000% 2.000% 2.000% 2.000% 2.000% 2.000%		13,339,000.00			13,339,000.00	
						<u>\$ 13,566,000.00</u>	<u>\$ 17,600,000.00</u>	<u>\$ 2,442,000.00</u>	<u>\$ 4,343,000.00</u>	<u>\$ 24,381,000.00</u>	
						Ref.	C				C

**TOWNSHIP OF MORRIS**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

Ordinance No.	Improvement Description	Balance Dec. 31, 2013	2014 Authorizations	Notes Paid by Bond Funds	Bond Anticipation Notes Redeemed	Bonds Issued	Funded by Budget Appropriation	Improvement Authorizations Canceled	Balance Dec. 31, 2014
10-02	Various Capital Improvements	\$ 45.00						\$ 45.00	
19-10	Various Capital Improvements	168,751.00		\$ 1,567,000.00		\$ 1,735,088.00		158.65	\$ 504.35
19-11	Various Capital Improvements			2,113,651.00	\$ 52,571.50	2,113,651.00		52,571.50	
09-12	Various Capital Improvements			4,100,536.00	46,174.00	4,100,536.00		46,174.00	
16-12	Refunding Bond Ordinance	2,232,000.00					\$ 558,000.00		1,674,000.00
08-13; 17-14	Various Capital Improvements	1,204.65		2,257,520.35		2,258,725.00			
11-13	Various Capital Improvements	954,000.00				858,000.00		96,000.00	
11-14	Various Capital Improvements		\$ 2,273,000.00			2,273,000.00			
		<u>\$ 3,356,000.65</u>	<u>\$ 2,273,000.00</u>	<u>\$ 10,038,707.35</u>	<u>\$ 98,745.50</u>	<u>\$13,339,000.00</u>	<u>\$ 558,000.00</u>	<u>\$ 194,949.15</u>	<u>\$ 1,674,504.35</u>

TOWNSHIP OF MORRIS  
COUNTY OF MORRIS  
2014  
WATER UTILITY FUND

NOT APPLICABLE

TOWNSHIP OF MORRIS  
COUNTY OF MORRIS  
2014  
SEWER UTILITY FUND

**TOWNSHIP OF MORRIS**  
**SEWER UTILITY FUND**  
**SCHEDULE OF CASH AND INVESTMENTS - TREASURER**

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2013	E	\$ 5,384,327.04	\$ 7,599,675.86
Increased by Receipts:			
Sewer Utility Collector		\$ 8,880,308.17	
Due Current Fund:			
Interfund Returned		19,750.00	
Due Sewer Utility Capital Fund:			
Interfund Returned		5,999,860.00	
Interest Earned		22,506.99	
Interest Earned		27,206.89	
Miscellaneous Revenue		48,150.00	
Appropriation Refunds		21,798.63	
Capital Fund Balance:			
Premium on Sale of Bonds			\$ 43,793.22
Bond Proceeds			4,807,000.00
NJ Environmental Infrastructure Loans Receivable			5,357,786.00
Due Sewer Utility Operating Fund:			
Interest Earned			23,698.01
		<u>15,019,580.68</u>	<u>10,232,277.23</u>
		20,403,907.72	17,831,953.09
Decreased by Disbursements:			
2014 Appropriation Expenditures		5,712,371.38	
2013 Appropriation Reserve Expenditures		601,416.43	
Interest on Bonds		228,637.06	
Interest on Loans		58,911.28	
Interest on Notes		40,493.83	
Due Current Fund:			
Fund Balance Anticipated		250,000.00	
Bond Anticipation Notes Redeemed			4,049,547.15
Due Sewer Utility Operating Fund:			
Interest Earned			22,506.99
Refund of Prior Year Revenue			2,400.00
Interfund Returned			5,999,860.00
Improvement Authorizations			831,678.38
Reserve for Encumbrances			2,396,025.57
		<u>6,891,829.98</u>	<u>13,302,018.09</u>
Balance December 31, 2014	E	<u>\$ 13,512,077.74</u>	<u>\$ 4,529,935.00</u>

**TOWNSHIP OF MORRIS**  
**SEWER UTILITY OPERATING FUND**  
**SCHEDULE OF CASH - COLLECTOR**  
**YEAR ENDED DECEMBER 31, 2014**

## Increased by Receipts:

## Consumer Accounts Receivable:

Sewer User Charges	\$ 6,045,188.20
Connection Fees and Permits	258,150.00
Miscellaneous Revenue	481,489.37
Sewer User Charges - Borough of Morris Plains Contract	1,519,966.59
Township of Randolph - Annual Sewer User Charges	523,747.07

Total Consumer Accounts Receivable	8,828,541.23
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Prepaid Sewer User Charges	51,766.94
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\$ 8,880,308.17
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## Decreased by Disbursements:

Paid to Treasurer

\$ 8,880,308.17
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**TOWNSHIP OF MORRIS**  
**SEWER UTILITY CAPITAL FUND**  
**ANALYSIS OF CASH AND INVESTMENTS**

	Balance/ (Deficit) Dec. 31, 2013	Receipts		Disbursements			Transfers		Balance/ (Deficit) Dec. 31, 2014	
		Bond Proceeds	Miscellaneous	Improvement Authorizations	Notes Redeemed	Miscellaneous	From	To		
Fund Balance	\$ 857,983.79		\$ 43,793.22				\$ 500,000.00	\$ 152,814.94	\$ 554,591.95	
Capital Improvement Fund	77,866.93								77,866.93	
Reserve for Encumbrances	3,052,364.74					\$ 2,396,025.57		306,068.00	962,407.17	
NJ Environmental Infrastructure Loans Receivable	(5,762,020.00)		5,357,786.00						(404,234.00)	
Due Sewer Utility Operating Fund	5,999,860.00		23,698.01			6,024,766.99			(1,208.98)	
<u>Ord. No.</u>	<u>Improvement Authorizations</u>									
22-94; 12-96	Improvement to the Sanitary Sewer System	61,827.31		\$ 61,827.31						
11-01	Infiltration/Inflow Control Improvements	42,740.40							42,740.40	
05-04	Various Sewer Improvements	10,000.00					10,000.00			
12-05	Various Sewer Improvements	63,883.00		6,382.88			25,000.00		32,500.12	
11-07	Various Sewer Improvements	8,186.94					8,186.94			
17-08	Various Sewer Improvements	13,500.00							13,500.00	
15-09	Various Sewer Improvements	194,394.29					104,670.00		89,724.29	
18-09	Various Sewer Improvements	17,000.00		13,877.00			3,123.00			
20-10;										
20-11	Various Sewer Improvements	427,274.50	\$ 999,000.00	332.64	\$ 999,083.15		13,865.00		412,993.71	
11-11	Various Sewer Improvements	391,491.21					1,835.00		389,656.21	
17-11;										
25-11	Various Sewer Improvements	689,325.00	1,703,000.00	107,554.47	1,613,589.00				671,181.53	
08-12;										
01-13	Various Sewer Improvements	1,418,647.75	1,369,000.00	623,549.10	1,436,875.00				727,223.65	
12-13	Various Sewer Improvements	35,350.00	736,000.00	18,154.98			292,203.00		460,992.02	
18-14	Replacement of the Sand Filter System at the Butterworth Sewer Plant							500,000.00	500,000.00	
		<u>\$ 7,599,675.86</u>	<u>\$ 4,807,000.00</u>	<u>\$ 5,425,277.23</u>	<u>\$ 831,678.38</u>	<u>\$ 4,049,547.15</u>	<u>\$ 8,420,792.56</u>	<u>\$ 958,882.94</u>	<u>\$ 958,882.94</u>	<u>\$ 4,529,935.00</u>

**TOWNSHIP OF MORRIS**  
**SEWER UTILITY OPERATING FUND**  
**SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE**

	<u>Ref.</u>	
Balance December 31, 2013	E	\$ 4,831,749.75
Increased by:		
Sewer User Charges Levied		\$ 6,491,283.53
Connection Fees and Permits Levied		258,150.00
Miscellaneous Fees Levied		481,489.37
Sewer User Charges Levied - Borough of Morris Plains Contract		1,519,966.59
Township of Randolph - Annual Sewer User Charges Levied		523,747.07
		9,274,636.56
		14,106,386.31
Decreased by:		
Collections:		
Sewer User Charges:		
Received		6,045,188.20
Sewer User Charge Overpayments Applied		1,639.83
Prepaid Sewer User Charges Applied		71,873.56
Connection Fees and Permits		258,150.00
Miscellaneous Fees		481,489.37
Sewer User Charges - Borough of Morris Plains Contract		1,519,966.59
Township of Randolph - Annual Sewer User Charges Levied		523,747.07
		8,902,054.62
Balance December 31, 2014	E	\$ 5,204,331.69

TOWNSHIP OF MORRIS  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL

	<u>Ref.</u>	
Balance December 31, 2013	E	\$ 79,406,038.65
Increased by:		
Additions by:		
Capital Outlay - Sewer Utility Operating Budget	\$ 1,510,000.00	
Ordinance	1,137,746.38	
		<u>2,647,746.38</u>
Balance December 31, 2014	E	<u>\$ 82,053,785.03</u>

**TOWNSHIP OF MORRIS**  
**SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED**

Improvement Description	Ordinance		Balance Dec. 31, 2013	2014 Authorizations	Improvement Authorizations Canceled	Costs to Fixed Capital	Balance Dec. 31, 2014
	Date	Amount					
Improvement to the Sanitary Sewer System	9/21/1994;	\$ 295,000.00					
	6/19/1996	590,000.00	\$ 61,827.31			\$ 61,827.31	
Infiltration/Inflow Control Improvements	5/16/2001	450,000.00	42,740.40				\$ 42,740.40
Various Sewer Improvements	5/5/2004	305,000.00	10,000.00		\$ 10,000.00		
Various Sewer Improvements	5/4/2005	1,114,900.00	63,883.00		25,000.00	6,382.88	32,500.12
Various Sewer Improvements	4/18/2007	423,600.00	8,186.94		8,186.94		
Various Sewer Improvements	6/18/2008	1,206,500.00	13,500.00				13,500.00
Various Sewer Improvements	6/17/2009	3,589,300.00	194,394.29		104,670.00		89,724.29
Various Sewer Improvements	6/17/2009	439,000.00	17,000.00		3,123.00	13,877.00	
Various Sewer Improvements	7/21/2010;						
	6/15/2011	1,102,000.00	427,274.50			14,197.64	413,076.86
Various Sewer Improvements	4/13/2011	1,377,936.63	391,706.21		2,050.00		389,656.21
Various Sewer Improvements	6/15/2011;						
	9/21/2011	2,287,911.00	1,011,325.00		120,420.53	107,554.47	783,350.00
Various Sewer Improvements	5/16/2012;	7,687,500.00					
	2/27/2013	500,000.00	2,022,752.75		184,905.02	623,549.10	1,214,298.63
Various Sewer Improvements	6/19/2013	775,000.00	771,350.00			310,357.98	460,992.02
Replacement of the Sand Filter System at the Butterworth Sewer Plant	5/21/2014	500,000.00		\$ 500,000.00			500,000.00
			<u>\$ 5,035,940.40</u>	<u>\$ 500,000.00</u>	<u>\$ 458,355.49</u>	<u>\$ 1,137,746.38</u>	<u>\$ 3,939,838.53</u>

Ref.

E

E

**TOWNSHIP OF MORRIS**  
**SEWER UTILITY OPERATING FUND**  
**SCHEDULE OF 2013 APPROPRIATION RESERVES**  
**YEAR ENDED DECEMBER 31, 2014**

	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Balance After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 52,438.65	\$ 52,438.65	\$ 1,790.01	\$ 50,648.64
Other Expenses	448,118.93	448,118.93	226,014.48	222,104.45
Capital Improvements:				
Capital Outlay	568,005.68	568,005.68	568,005.68	
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	4,797.31	4,797.31	136.94	4,660.37
	<u>\$ 1,073,360.57</u>	<u>\$ 1,073,360.57</u>	<u>\$ 795,947.11</u>	<u>\$ 277,413.46</u>

Ref.

Analysis of Balance December 31, 2013:

Appropriation Reserves:

Unencumbered	E	\$ 323,786.78
Encumbered	E	749,573.79
		<u>\$ 1,073,360.57</u>

Cash Disbursed	\$ 601,416.43
Accounts Payable	<u>194,530.68</u>
	<u>\$ 795,947.11</u>

**TOWNSHIP OF MORRIS**  
**SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ord. No.	Improvement Description	Ordinance		Balance Dec. 31, 2013		2014 Authorizations	Paid or Charged	Improvement Authorizations Canceled	Balance Dec. 31, 2014	
		Date	Amount	Funded	Unfunded	Capital Fund Balance			Funded	Unfunded
22-94;	Improvement to the Sanitary	9/21/1994;	\$ 295,000.00							
12-96	Sewer System	6/19/1996	590,000.00	\$ 61,827.31			\$ 61,827.31			
11-01	Infiltration/Inflow Control Improvements	5/16/2001	450,000.00	42,740.40					\$ 42,740.40	
05-04	Various Sewer Improvements	5/5/2004	305,000.00	10,000.00				\$ 10,000.00		
12-05	Various Sewer Improvements	5/4/2005	1,114,900.00	63,883.00			6,382.88	25,000.00	32,500.12	
11-07	Various Sewer Improvements	4/18/2007	423,600.00	8,186.94				8,186.94		
17-08	Various Sewer Improvements	6/18/2008	1,206,500.00	13,500.00					13,500.00	
15-09	Various Sewer Improvements	6/17/2009	3,589,300.00	194,394.29				104,670.00	89,724.29	
18-09	Various Sewer Improvements	6/17/2009	439,000.00	17,000.00			13,877.00	3,123.00		
20-10;		7/21/2010;	1,102,000.00							
20-11	Various Sewer Improvements	6/15/2011			\$ 427,274.50		14,197.64		412,993.71	\$ 83.15
11-11	Various Sewer Improvements	4/13/2011	1,377,936.63	391,491.21	215.00			2,050.00	389,656.21	
17-11;		6/15/2011;	2,287,911.00							
25-11	Various Sewer Improvements	9/21/2011			1,011,325.00		107,554.47	120,420.53	671,181.53	112,168.47
08-12;		5/16/2012;	7,687,500.00							
01-13	Various Sewer Improvements	2/27/2013	500,000.00		2,022,752.75		623,549.10	184,905.02	727,223.65	487,074.98
12-13	Various Sewer Improvements	6/19/2013	775,000.00	35,350.00	736,000.00		310,357.98		460,992.02	
18-14	Replacement of the Sand Filter System at the Butterworth Sewer Plant	5/21/2014	500,000.00			\$ 500,000.00			500,000.00	
				<u>\$ 838,373.15</u>	<u>\$ 4,197,567.25</u>	<u>\$ 500,000.00</u>	<u>\$ 1,137,746.38</u>	<u>\$ 458,355.49</u>	<u>\$ 3,340,511.93</u>	<u>\$ 599,326.60</u>
		<u>Ref.</u>		E	E				E	E
							Cash Disbursed	\$ 831,678.38		
							Encumbrances Payable	306,068.00		
								<u>\$ 1,137,746.38</u>		
							Sewer Utility Capital Fund Balance	\$ 152,814.94		
							Deferred Charges to Future Revenue	305,540.55		
								<u>\$ 458,355.49</u>		

**TOWNSHIP OF MORRIS**  
**SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF CAPITAL IMPROVEMENT FUND**

	<u>Ref.</u>	
Balance December 31, 2013	E	<u>\$ 77,866.93</u>
Balance December 31, 2014	E	<u><u>\$ 77,866.93</u></u>

**TOWNSHIP OF MORRIS**  
**SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF RESERVE FOR AMORTIZATION**

	<u>Ref.</u>	
Balance December 31, 2013	E	\$ 64,251,667.97
Increased by:		
Paid by Sewer Utility Operating Budget:		
Serial Bonds		\$ 666,000.00
NJ Environmental Infrastructure Trust Loans		532,592.84
Defeased Bonds		1,446,000.00
Capital Outlay - Sewer Utility Operating Budget		1,510,000.00
Transfer from Deferred Reserve for Amortization		459,555.00
		4,614,147.84
		68,865,815.81
Decreased by:		
Improvement Authorizations Canceled		152,814.94
Refunding Bonds Issued		1,420,000.00
		1,572,814.94
Balance December 31, 2014	E	\$ 67,293,000.87

**TOWNSHIP OF MORRIS**  
**SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION**

Ord. No.	Improvement Description	Ordinance Date	Balance Dec. 31, 2013	2014 Authorizations	To Reserve for Amortization Fixed Capital	Balance Dec. 31, 2014
05-04	Various Sewer Improvements	5/5/2004	\$ 20,000.00		\$ 20,000.00	
11-07	Various Sewer Improvements	4/18/2007	555.00		555.00	
17-08	Various Sewer Improvements	6/18/2008	47,950.00			\$ 47,950.00
15-09	Various Sewer Improvements	6/17/2009	50,300.00			50,300.00
18-09	Various Sewer Improvements	6/17/2009	439,000.00		439,000.00	
20-10;		7/21/2010;				
20-11	Various Sewer Improvements	6/15/2011	55,000.00			55,000.00
11-11	Various Sewer Improvements	4/13/2011	130,000.00			130,000.00
17-11;		6/15/2011;				
25-11	Various Sewer Improvements	9/21/2011	111,911.00			111,911.00
08-12;		5/16/2012;				
01-13	Various Sewer Improvements	2/27/2013	384,500.00			384,500.00
12-13	Various Sewer Improvements	6/19/2013	39,000.00			39,000.00
18-14	Replacement of the Sand Filter System at the Butterworth Sewer Plant	5/21/2014		\$ 500,000.00		500,000.00
			<u>\$ 1,278,216.00</u>	<u>\$ 500,000.00</u>	<u>\$ 459,555.00</u>	<u>\$ 1,318,661.00</u>
		<u>Ref.</u>	E			E



**TOWNSHIP OF MORRIS**  
**SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF SERIAL BONDS PAYABLE**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding Dec. 31, 2014		Interest Rate	Balance Dec. 31, 2013	Issued	Matured	Defeased	Balance Dec. 31, 2014
			Date	Amount						
Sewer Utility Bonds of 2003	9/15/2003	\$ 660,000				\$ 246,000.00		\$ 50,000.00	\$ 196,000.00	
Sewer Utility Bonds of 2006	11/15/2006	3,030,000	11/15/2015 11/15/2016	\$ 230,000 250,000	3.750% 3.750%	1,955,000.00		225,000.00	1,250,000.00	\$ 480,000.00
Sewer Utility Refunding Bonds of 2008	5/1/2008	2,031,700	5/1/2015 5/1/2016 5/1/2017	225,000 225,000 220,000	3.500% 4.000% 4.000%	905,000.00		235,000.00		670,000.00
Sewer Utility Bonds of 2009	9/1/2009	4,655,000	9/1/2015 9/1/2016 9/1/2017 9/1/2018 9/1/2019-20 9/1/2021 9/1/2022 9/1/2023-25 9/1/2026-27 9/1/2028-29	150,000 150,000 150,000 230,000 275,000 275,000 300,000 300,000 300,000 300,000	2.000% 2.250% 2.500% 2.750% 3.000% 3.125% 3.250% 3.500% 3.625% 3.750%	4,055,000.00		150,000.00		3,905,000.00
Sewer Utility Refunding Bonds of 2014	7/1/2014	1,420,000	9/15/2015 9/15/2016 9/15/2017 9/15/2018 9/15/2019-20 9/15/2021	92,000 86,000 256,000 253,000 242,000 243,000	2.000% 3.000% 4.000% 4.000% 4.000% 4.000%		\$ 1,420,000.00	6,000.00		1,414,000.00

**TOWNSHIP OF MORRIS**  
**SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF SERIAL BONDS PAYABLE**  
**(Continued)**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2013	Issued	Matured	Defeased	Balance Dec. 31, 2014
			Outstanding Dec. 31, 2014	Date						
Sewer Utility Bonds of 2014	10/15/2014	\$ 4,807,000	10/15/2015-16	\$ 140,000	2.000%					
				155,000	2.000%					
				200,000	2.000%					
				210,000	2.000%					
				220,000	2.000%					
				230,000	2.000%					
				240,000	2.000%					
				250,000	2.000%					
				260,000	2.000%					
				260,000	2.250%					
				270,000	2.375%					
				280,000	3.000%					
				272,000	3.000%					
									\$ 4,807,000.00	
						\$ 7,161,000.00	\$ 6,227,000.00	\$ 666,000.00	\$ 1,446,000.00	\$ 11,276,000.00
					Ref.	E				E

**TOWNSHIP OF MORRIS**  
**SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF NEW JERSEY ENVIRONMENTAL**  
**INFRASTRUCTURE TRUST (NJEIT) LOANS PAYABLE**

	<u>Ref.</u>	
Balance December 31, 2013	E	\$ 6,039,227.93
Decreased by:		
Matured		532,592.84
Balance December 31, 2014	E	\$ 5,506,635.09

Schedule of Principal and Interest Payments Outstanding December 31, 2014

Loan #3

<u>Payment Number</u>	<u>Due</u>	<u>Fund Loan Principal</u>	<u>Trust Loan Principal</u>	<u>Trust Loan Interest</u>	<u>Loan Balance</u>
					\$ 5,285,284.93
4	2/1/2015	\$ 73,246.01		\$ 23,825.00	5,212,038.92
5	8/1/2015	146,492.03	\$ 55,000.00	23,825.00	5,010,546.89
6	2/1/2016	73,246.01		22,725.00	4,937,300.88
7	8/1/2016	146,492.03	55,000.00	22,725.00	4,735,808.85
8	2/1/2017	73,246.01		21,625.00	4,662,562.84
9	8/1/2017	146,492.03	55,000.00	21,625.00	4,461,070.81
10	2/1/2018	73,246.01		20,525.00	4,387,824.80
11	8/1/2018	146,492.03	60,000.00	20,525.00	4,181,332.77
12	2/1/2019	73,246.01		19,325.00	4,108,086.76
13	8/1/2019	146,492.03	60,000.00	19,325.00	3,901,594.73
14	2/1/2020	73,246.01		18,125.00	3,828,348.72
15	8/1/2020	146,492.03	65,000.00	18,125.00	3,616,856.69
16	2/1/2021	73,246.01		16,825.00	3,543,610.68
17	8/1/2021	146,492.03	65,000.00	16,825.00	3,332,118.65
18	2/1/2022	73,246.01		15,525.00	3,258,872.64
19	8/1/2022	146,492.03	70,000.00	15,525.00	3,042,380.61
20	2/1/2023	73,246.01		14,125.00	2,969,134.60
21	8/1/2023	146,492.03	70,000.00	14,125.00	2,752,642.57
22	2/1/2024	73,246.01		12,375.00	2,679,396.56
23	8/1/2024	146,492.03	75,000.00	12,375.00	2,457,904.53
24	2/1/2025	73,246.01		10,500.00	2,384,658.52
25	8/1/2025	146,492.03	80,000.00	10,500.00	2,158,166.49

**TOWNSHIP OF MORRIS**  
**SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST**  
**(NJEIT) LOAN PAYABLE**  
**(Continued)**

Schedule of Principal and Interest Payments Outstanding December 31, 2014  
Loan #3 (Cont'd)

<u>Payment Number</u>	<u>Due</u>	<u>Fund Loan Principal</u>	<u>Trust Loan Principal</u>	<u>Trust Loan Interest</u>	<u>Loan Balance</u>
					\$ 2,158,166.49
26	2/1/2026	\$ 73,246.01		\$ 9,300.00	2,084,920.48
27	8/1/2026	146,492.03	\$ 80,000.00	9,300.00	1,858,428.45
28	2/1/2027	73,246.01		8,100.00	1,785,182.44
29	8/1/2027	146,492.03	85,000.00	8,100.00	1,553,690.41
30	2/1/2028	73,246.01		6,825.00	1,480,444.40
31	8/1/2028	146,492.03	85,000.00	6,825.00	1,248,952.37
32	2/1/2029	73,246.01		5,550.00	1,175,706.36
33	8/1/2029	146,492.03	90,000.00	5,550.00	939,214.33
34	2/1/2030	73,246.01		4,200.00	865,968.32
35	8/1/2030	146,492.03	90,000.00	4,200.00	629,476.29
36	2/1/2031	73,246.01		2,850.00	556,230.28
37	8/1/2031	146,492.03	95,000.00	2,850.00	314,738.25
38	2/1/2032	73,246.01		1,425.00	241,492.24
39	8/1/2032	146,492.24	95,000.00	1,425.00	
		<u>\$ 3,955,284.93</u>	<u>\$ 1,330,000.00</u>	<u>\$ 467,500.00</u>	

Schedule of Principal and Interest Payments Outstanding December 31, 2014  
Loan #2

<u>Payment Number</u>	<u>Due</u>	<u>Trust Loan Principal</u>	<u>Trust Loan Interest</u>	<u>Loan Balance</u>
				\$ 180,583.08
36	2/1/2015		\$ 5,381.25	180,583.08
37	8/1/2015	\$ 100,000.00	5,381.25	80,583.08
38	2/1/2016		2,756.25	80,583.08
39	8/1/2016	105,000.00	2,756.25	(24,416.92)
2006 Trust refunding savings to be credited		(24,416.92)	(8,009.87)	
		<u>\$ 180,583.08</u>	<u>\$ 8,265.13</u>	

**TOWNSHIP OF MORRIS**  
**SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST**  
**(NJEIT) LOAN PAYABLE**  
**(Continued)**

Schedule of Principal and Interest Payments Outstanding December 31, 2014  
Loan #1

<u>Payment Number</u>	<u>Due</u>	<u>Fund Loan Principal</u>	<u>Trust Loan Principal</u>	<u>Trust Loan Interest</u>	<u>Loan Balance</u>
					\$ 40,767.08
36	2/1/2015	\$ 623.41		\$ 1,050.00	40,143.67
37	8/1/2015	899.60	\$ 20,000.00	1,050.00	19,244.07
38	2/1/2016			525.00	19,244.07
39	8/1/2016		20,000.00	525.00	(755.93)
2006 Trust refunding savings to be credited			(755.93)	(247.39)	
		<u>\$ 1,523.01</u>	<u>\$ 39,244.07</u>	<u>\$ 2,902.61</u>	

**TOWNSHIP OF MORRIS**  
**SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2013</u>	<u>Notes Paid by Bond Funds</u>	<u>Bond Anticipation Notes Redeemed</u>	<u>Bonds Issued</u>	<u>Improvement Authorizations Canceled</u>	<u>Balance Dec. 31, 2014</u>
20-10; 20-11	Various Sewer Improvements		\$ 999,000.00	\$ 83.15	\$ 999,000.00		\$ 83.15
11-11	Various Sewer Improvements	\$ 215.00				\$ 215.00	
17-11; 25-11	Various Sewer Improvements	322,000.00	1,613,589.00		1,703,000.00	120,420.53	112,168.47
08-12; 01-13	Various Sewer Improvements	604,105.00	1,369,000.00	67,875.00	1,369,000.00	184,905.02	487,074.98
12-13	Various Sewer Improvements	736,000.00			736,000.00		
		<u>\$ 1,662,320.00</u>	<u>\$ 3,981,589.00</u>	<u>\$ 67,958.15</u>	<u>\$ 4,807,000.00</u>	<u>\$ 305,540.55</u>	<u>\$ 599,326.60</u>

TOWNSHIP OF MORRIS  
COUNTY OF MORRIS  
2014  
SWIMMING POOL UTILITY FUND

**TOWNSHIP OF MORRIS**  
**SWIMMING POOL UTILITY FUND**  
**SCHEDULE OF CASH - TREASURER**

	Ref.	Operating	Capital
Balance December 31, 2013	F	\$ 4,363.42	\$ 2,064,287.79
Increased by Receipts:			
Swimming Pool Fees		\$ 450,061.50	
Interest Earned		476.77	
Miscellaneous Revenue		60,188.82	
Change Fund Returned		200.00	
Bond Proceeds			\$ 3,855,000.00
Capital Fund Balance:			
Premium on Sale of Bonds			35,123.91
Due Current Fund:			
Interfund		50,000.00	
Due Swimming Pool Utility Capital Fund:			
Interest Earned		10,263.46	
Due Swimming Pool Utility Operating Fund:			
Interest Earned			10,263.46
		571,190.55	3,900,387.37
		575,553.97	5,964,675.16
Decreased by Disbursements:			
2014 Appropriation Expenditures		520,813.77	
2013 Appropriation Reserve Expenditures		29,623.54	
Change Fund Advanced		200.00	
Interest on Bonds		5,392.48	
Refund of Swimming Pool Fees		1,595.00	
Due Swimming Pool Utility Operating Fund:			
Interest Earned			10,263.46
Bond Anticipation Notes Redeemed			1,909,000.00
Improvement Authorizations			380,777.10
Reserve for Encumbrances			48,959.94
		557,624.79	2,349,000.50
Balance December 31, 2014	F	\$ 17,929.18	\$ 3,615,674.66

**TOWNSHIP OF MORRIS**  
**SWIMMING POOL UTILITY CAPITAL FUND**  
**ANALYSIS OF CASH**

	Balance Dec. 31, 2013	Receipts		Disbursements			Transfers		Balance/ (Deficit) Dec. 31, 2014	
		Bond Proceeds	Miscellaneous	Improvement Authorizations	Notes Redeemed	Miscellaneous	From	To		
Fund Balance	\$ 30,963.71		\$ 35,123.91						\$ 66,087.62	
Capital Improvement Fund	45,344.68						\$ 102,950.00	\$ 102,950.00	45,344.68	
Due Swimming Pool Utility Operating Fund			10,263.46			\$ 10,263.46	102,950.00		(102,950.00)	
Reserve for Encumbrances	184,559.80					48,959.94		1,460,937.82	1,596,537.68	
<u>Ord. No.</u>	<u>Improvement Authorizations</u>									
20-02	Improvements to Streeter Pool	9,723.66							9,723.66	
15-13	Improvements to Township Swimming Pools	1,793,695.94	\$ 1,909,000.00	\$ 366,777.10	\$ 1,909,000.00		1,388,242.82		38,676.02	
12-14	Improvements to Township Swimming Pools		1,946,000.00	14,000.00			72,695.00	102,950.00	1,962,255.00	
		<u>\$ 2,064,287.79</u>	<u>\$ 3,855,000.00</u>	<u>\$ 45,387.37</u>	<u>\$ 380,777.10</u>	<u>\$ 1,909,000.00</u>	<u>\$ 59,223.40</u>	<u>\$ 1,666,837.82</u>	<u>\$ 1,666,837.82</u>	<u>\$ 3,615,674.66</u>

**TOWNSHIP OF MORRIS**  
**SWIMMING POOL UTILITY OPERATING FUND**  
**SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE**  
**YEAR ENDED DECEMBER 31, 2014**

NOT APPLICABLE

TOWNSHIP OF MORRIS  
SWIMMING POOL UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL

	<u>Ref.</u>	
Balance December 31, 2013	F	\$ 3,659,585.21
Increased by:		
Additions by Ordinance		<u>1,841,714.92</u>
Balance December 31, 2014	F	<u>\$ 5,501,300.13</u>

**TOWNSHIP OF MORRIS**  
**SWIMMING POOL UTILITY CAPITAL FUND**  
**SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED**

<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Amount</u>	<u>Balance Dec. 31, 2013</u>	<u>2014 Authorizations</u>	<u>Costs to Fixed Capital</u>	<u>Balance Dec. 31, 2014</u>
Improvements to Streeter Pool	9/18/2002	\$ 35,000.00	\$ 9,723.66			\$ 9,723.66
Improvements to Township Swimming Pools	7/17/2013	2,010,000.00	1,793,695.94		\$ 1,755,019.92	38,676.02
Improvements to Township Swimming Pools	5/21/2014	2,049,000.00		\$ 2,049,000.00	86,695.00	1,962,305.00
			<u>\$ 1,803,419.60</u>	<u>\$ 2,049,000.00</u>	<u>\$ 1,841,714.92</u>	<u>\$ 2,010,704.68</u>
	<u>Ref.</u>		F			F

**TOWNSHIP OF MORRIS**  
**SWIMMING POOL UTILITY OPERATING FUND**  
**SCHEDULE OF 2013 APPROPRIATION RESERVES**  
**YEAR ENDED DECEMBER 31, 2014**

	Balance Dec. 31, 2013	Balance After Modification	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	\$ 2,076.68	\$ 2,076.68		\$ 2,076.68
Other Expenses	35,051.96	35,051.96	\$ 29,623.54	5,428.42
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	1,573.08	1,573.08		1,573.08
	\$ 38,701.72	\$ 38,701.72	\$ 29,623.54	\$ 9,078.18

Ref.

Analysis of Balance December 31, 2013:

Appropriation Reserves:

Unencumbered	F	\$ 8,984.65
Encumbered	F	29,717.07
		\$ 38,701.72

**TOWNSHIP OF MORRIS**  
**SWIMMING POOL UTILITY CAPITAL FUND**  
**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ord. No.	Improvement Description	Ordinance Date	Balance Dec. 31, 2013		2014 Authorizations			Balance Dec. 31, 2014		
			Amount	Funded	Unfunded	Capital Improvement Fund	Deferred Charges to Future Revenue	Paid or Charged	Funded	Unfunded
20-02	Improvements to Streeter Pool	9/18/2002	\$ 35,000.00	\$ 9,723.66					\$ 9,723.66	
15-13	Improvements to Township Swimming Pools	7/17/2013	2,010,000.00		\$ 1,793,695.94			\$ 1,755,019.92	38,676.02	
12-14	Improvements to Township Swimming Pools	5/21/2014	2,049,000.00			\$ 102,950.00	\$ 1,946,050.00	86,695.00	1,962,255.00	\$ 50.00
				<u>\$ 9,723.66</u>	<u>\$ 1,793,695.94</u>	<u>\$ 102,950.00</u>	<u>\$ 1,946,050.00</u>	<u>\$ 1,841,714.92</u>	<u>\$ 2,010,654.68</u>	<u>\$ 50.00</u>
				<u>Ref.</u>	F	F			F	F
			Cash Disbursed					\$ 380,777.10		
			Encumbrances Payable					1,460,937.82		
								<u>\$ 1,841,714.92</u>		

**TOWNSHIP OF MORRIS**  
**SWIMMING POOL UTILITY CAPITAL FUND**  
**SCHEDULE OF CAPITAL IMPROVEMENT FUND**

	<u>Ref.</u>	
Balance December 31, 2013	F	\$ 45,344.68
Increased by:		
2014 Budget Appropriation		102,950.00
		148,294.68
Decreased by:		
Appropriated to Finance Improvement Authorizations		102,950.00
		102,950.00
Balance December 31, 2014	F	\$ 45,344.68

**TOWNSHIP OF MORRIS**  
**SWIMMING POOL UTILITY CAPITAL FUND**  
**SCHEDULE OF RESERVE FOR AMORTIZATION**

	<u>Ref.</u>	
Balance December 31, 2013	F	\$ 3,232,004.81
Increased by:		
Serial Bonds Paid by Swimming Pool Utility Operating Budget		\$ 41,000.00
Defeased Bonds		55,000.00
		96,000.00
		3,328,004.81
Decreased by:		
Refunding Bonds Issued		54,000.00
		54,000.00
Balance December 31, 2014	F	\$ 3,274,004.81

**TOWNSHIP OF MORRIS**  
**SWIMMING POOL UTILITY CAPITAL FUND**  
**SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION**

<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Balance Dec. 31, 2013</u>	<u>2014 Authorizations</u>	<u>Balance Dec. 31, 2014</u>
Improvements to Streeter Pool	9/18/2002	\$ 2,000.00		\$ 2,000.00
Improvements to Township Swimming Pools	7/17/2013	101,000.00		101,000.00
Improvements to Township Swimming Pools	5/21/2014		\$ 102,950.00	102,950.00
		<u>\$ 103,000.00</u>	<u>\$ 102,950.00</u>	<u>\$ 205,950.00</u>
	<u>Ref.</u>	F		F

**TOWNSHIP OF MORRIS**  
**SWIMMING POOL UTILITY CAPITAL FUND**  
**SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE**  
**YEAR ENDED DECEMBER 31, 2014**

Improvement Description	Ord. No.	Ordinance	Date of		Maturity	Interest Rate	Balance	
			Issue of Original Note	Issue			Dec. 31, 2013	Matured
Improvements to Township Swimming Pools	15-13	7/17/2013	11/14/2013	11/14/2013	11/14/2014	1.00%	\$ 1,909,000.00	\$ 1,909,000.00
							<u>\$ 1,909,000.00</u>	<u>\$ 1,909,000.00</u>
						<u>Ref.</u>	F	
					Paid by Bond Funds			<u>\$ 1,909,000.00</u>

**TOWNSHIP OF MORRIS**  
**SWIMMING POOL UTILITY CAPITAL FUND**  
**SCHEDULE OF SERIAL BONDS PAYABLE**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding Dec. 31, 2014		Interest Rate	Balance Dec. 31, 2013	Issued	Matured	Defeased	Balance Dec. 31, 2014	
			Date	Amount							
Swimming Pool Bonds of 2003	9/15/2003	\$ 185,000				\$ 75,000.00		\$ 20,000.00	\$ 55,000.00		
Swimming Pool Bonds of 2009	9/1/2009	214,000	9/1/2015	\$ 20,000	2.00%						
			9/1/2016	20,000	2.25%						
			9/1/2017	24,000	2.50%						
			9/1/2018	30,000	2.75%						
			9/1/2019	30,000	3.00%	144,000.00		20,000.00		\$ 124,000.00	
Swimming Pool Refunding Bonds of 2014	7/1/2014	54,000	9/15/2015	3,000	2.00%						
			9/15/2016	3,500	3.00%						
			9/15/2017-18	9,000	4.00%						
			9/15/2019	9,500	4.00%						
			9/15/2020	9,000	4.00%						
			9/15/2021	10,000	4.00%	\$ 54,000.00		1,000.00		53,000.00	
Swimming Pool Bonds of 2014	10/15/2014	3,855,000	10/15/2015	215,000	2.00%						
			10/15/2016	225,000	2.00%						
			10/15/2017	245,000	2.00%						
			10/15/2018	250,000	2.00%						
			10/15/2019	260,000	2.00%						
			10/15/2020	320,000	2.00%						
			10/15/2021	350,000	2.00%						
			10/15/2022	370,000	2.00%						
			10/15/2023	390,000	2.00%						
			10/15/2024	400,000	2.00%						
			10/15/2025	410,000	2.25%						
			10/15/2026	420,000	2.375%				3,855,000.00		3,855,000.00
									\$ 219,000.00	\$ 3,909,000.00	\$ 41,000.00

Ref.

F

F

**TOWNSHIP OF MORRIS**  
**SWIMMING POOL UTILITY CAPITAL FUND**  
**SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**  
**YEAR ENDED DECEMBER 31, 2014**

Ordinance No.	Improvement Description	2014 Authorizations	Notes Paid by Bond Funds	Bonds Issued	Balance Dec. 31, 2014
15-13	Improvements to Township Swimming Pools		\$ 1,909,000.00	\$ 1,909,000.00	
12-14	Improvements to Township Swimming Pools	\$ 1,946,050.00		1,946,000.00	\$ 50.00
		<u>\$ 1,946,050.00</u>	<u>\$ 1,909,000.00</u>	<u>\$ 3,855,000.00</u>	<u>\$ 50.00</u>

TOWNSHIP OF MORRIS  
COUNTY OF MORRIS  
2014  
PARKING LOT UTILITY FUND

**TOWNSHIP OF MORRIS**  
**PARKING LOT UTILITY FUND**  
**SCHEDULE OF CASH - TREASURER**

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2013	G	\$ 525,489.12	\$ 321,612.49
Increased by Receipts:			
Due Current Fund - Interfund		\$ 535.00	
Due Parking Lot Utility Capital Fund:			
Interest Earned		1,377.96	
Interest Earned		2,405.13	
Parking Lot Fees and Permits		395,914.48	
Bond Proceeds			\$ 285,000.00
Appropriation Refunds		7,200.92	
Capital Fund Balance:			
Premium on Sale of Bonds			2,598.77
Due Parking Lot Utility Operating Fund:			
Interest Earned			1,377.96
		<u>407,433.49</u>	<u>288,976.73</u>
		932,922.61	610,589.22
Decreased by Disbursements:			
2014 Appropriation Expenditures		248,502.94	
2013 Appropriation Reserve Expenditures		90,564.80	
Interest on Bonds		15,055.87	
Interest on Notes		2,850.00	
Due Current Fund:			
Fund Balance Anticipated		40,000.00	
Refund of Parking Lot Fees and Permits		3,585.45	
Due Parking Lot Utility Operating Fund:			
Interest Earned			1,377.96
Bond Anticipation Notes Redeemed			285,000.00
Improvement Authorizations			4,987.52
		<u>400,559.06</u>	<u>291,365.48</u>
Balance December 31, 2014	G	<u>\$ 532,363.55</u>	<u>\$ 319,223.74</u>

**TOWNSHIP OF MORRIS**  
**PARKING LOT UTILITY CAPITAL FUND**  
**ANALYSIS OF CASH**

	Balance/ (Deficit) Dec. 31, 2013	Receipts		Disbursements			Balance Dec. 31, 2014
		Bond Proceeds	Miscellaneous	Improvement Authorizations	Notes Redeemed	Miscellaneous	
Fund Balance	\$ 6,333.18		\$ 2,598.77				\$ 8,931.95
Capital Improvement Fund	9,550.00						9,550.00
Due Parking Lot Utility Operating Fund			1,377.96			\$ 1,377.96	
Reserve for Encumbrances	1,341.17						1,341.17
<u>Ord. No.</u>	<u>Improvement Authorizations</u>						
26-06	Improvement of Parking Lot	4,663.14		\$ 502.40			4,160.74
18-11	Improvements to Parking Lot #1	299,725.00	\$ 285,000.00	4,485.12	\$ 285,000.00		295,239.88
		<u>\$ 321,612.49</u>	<u>\$ 285,000.00</u>	<u>\$ 4,987.52</u>	<u>\$ 285,000.00</u>	<u>\$ 1,377.96</u>	<u>\$ 319,223.74</u>

**TOWNSHIP OF MORRIS**  
**PARKING LOT UTILITY OPERATING FUND**  
**SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE**  
**YEAR ENDED DECEMBER 31, 2014**

NOT APPLICABLE

**TOWNSHIP OF MORRIS**  
**PARKING LOT UTILITY CAPITAL FUND**  
**SCHEDULE OF FIXED CAPITAL**

	<u>Ref.</u>	
Balance December 31, 2013	G	\$ 1,228,978.53
Increased by:		
Additions by:		
Capital Outlay:		
Parking Lot Utility Operating Appropriation Reserves		\$ 21,730.80
Ordinance		4,987.52
		<u>26,718.32</u>
Balance December 31, 2014	G	<u>\$ 1,255,696.85</u>

**TOWNSHIP OF MORRIS**  
**PARKING LOT UTILITY CAPITAL FUND**  
**SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED**

Improvement Description	Ordinance		Balance	Costs to	Balance
	Date	Amount	Dec. 31, 2013	Fixed Capital	Dec. 31, 2014
Improvement of Parking Lot	12/6/2006	\$ 200,000.00	\$ 4,663.14	\$ 502.40	\$ 4,160.74
Improvements to Parking Lot #1	6/15/2011	300,000.00	299,725.00	4,485.12	295,239.88
			<u>\$ 304,388.14</u>	<u>\$ 4,987.52</u>	<u>\$ 299,400.62</u>
			<u>Ref.</u>	<u>G</u>	<u>G</u>

**TOWNSHIP OF MORRIS**  
**PARKING LOT UTILITY OPERATING FUND**  
**SCHEDULE OF 2013 APPROPRIATION RESERVES**  
**YEAR ENDED DECEMBER 31, 2014**

	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Balance After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 2,515.98	\$ 2,515.98	\$ 323.16	\$ 2,192.82
Other Expenses	86,578.51	86,578.51	68,486.12	18,092.39
Capital Improvements:				
Capital Outlay	33,000.00	33,000.00	21,730.80	11,269.20
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	224.54	224.54	24.72	199.82
	<u>\$ 122,319.03</u>	<u>\$ 122,319.03</u>	<u>\$ 90,564.80</u>	<u>\$ 31,754.23</u>

Ref.

Analysis of Balance December 31, 2013:

Appropriation Reserves:		
Unencumbered	G	\$ 99,696.13
Encumbered	G	22,622.90
		<u>\$ 122,319.03</u>

**TOWNSHIP OF MORRIS**  
**PARKING LOT UTILITY CAPITAL FUND**  
**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ordinance No.	Improvement Description	Ordinance		Balance Dec. 31, 2013		Paid or Charged	Balance
		Date	Amount	Funded	Unfunded		Dec. 31, 2014 Funded
26-06	Improvement of Parking Lot	12/6/2006	\$ 200,000.00	\$ 4,663.14		\$ 502.40	\$ 4,160.74
18-11	Improvements to Parking Lot #1	6/15/2011	300,000.00	14,725.00	\$ 285,000.00	4,485.12	295,239.88
				<u>\$ 19,388.14</u>	<u>\$ 285,000.00</u>	<u>\$ 4,987.52</u>	<u>\$ 299,400.62</u>
				<u>Ref.</u>	G	G	G

**TOWNSHIP OF MORRIS**  
**PARKING LOT UTILITY CAPITAL FUND**  
**SCHEDULE OF CAPITAL IMPROVEMENT FUND**

	<u>Ref.</u>	
Balance December 31, 2013	G	<u>\$ 9,550.00</u>
Balance December 31, 2014	G	<u><u>\$ 9,550.00</u></u>

**TOWNSHIP OF MORRIS**  
**PARKING LOT UTILITY CAPITAL FUND**  
**SCHEDULE OF RESERVE FOR AMORTIZATION**

	<u>Ref.</u>	
Balance December 31, 2013	G	\$ 761,366.67
Increased by:		
Serial Bonds Paid by Parking Lot Utility Operating Budget		\$ 81,000.00
Defeased Bonds		142,000.00
Capital Outlay:		
Parking Lot Utility Operating Appropriation Reserves		<u>21,730.80</u>
		<u>244,730.80</u>
		1,006,097.47
Decreased by:		
Refunding Bonds Issued		<u>140,000.00</u>
Balance December 31, 2014	G	<u><u>\$ 866,097.47</u></u>

**TOWNSHIP OF MORRIS**  
**PARKING LOT UTILITY CAPITAL FUND**  
**SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION**

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Balance Dec. 31, 2013</u>	<u>Balance Dec. 31, 2014</u>
26-06	Improvement of Parking Lot	12/6/2006	\$ 10,000.00	\$ 10,000.00
18-11	Improvements to Parking Lot #1	6/15/2011	15,000.00	15,000.00
			<u>\$ 25,000.00</u>	<u>\$ 25,000.00</u>
		<u>Ref.</u>	G	G

**TOWNSHIP OF MORRIS**  
**PARKING LOT UTILITY CAPITAL FUND**  
**SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE**  
**YEAR ENDED DECEMBER 31, 2014**

<u>Improvement Description</u>	<u>Ord. No.</u>	<u>Ordinance</u>	<u>Date of</u>			<u>Interest Rate</u>	<u>Balance</u>	<u>Matured</u>
			<u>Issue of Original Note</u>	<u>Issue</u>	<u>Maturity</u>		<u>Dec. 31, 2013</u>	
Improvements to Parking Lot #1	18-11	5/16/2012	11/15/2012	11/14/2013	11/14/2014	1.00%	\$ 285,000.00	\$ 285,000.00
							<u>\$ 285,000.00</u>	<u>\$ 285,000.00</u>
						<u>Ref.</u>	G	
						Paid by Bond Funds		<u>\$ 285,000.00</u>

**TOWNSHIP OF MORRIS**  
**PARKING LOT UTILITY CAPITAL FUND**  
**SCHEDULE OF SERIAL BONDS PAYABLE**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding Dec. 31, 2014		Interest Rate	Balance Dec. 31, 2013	Issued	Matured	Defeased	Balance Dec. 31, 2014
			Date	Amount						
Parking Lot Bonds of 2001	7/15/2001	\$ 500,000	7/15/2015	\$ 40,000	4.35%	\$ 115,000.00		\$ 40,000.00		\$ 75,000.00
			7/15/2016	35,000	4.35%					
Parking Lot Bonds of 2006	11/15/2006	362,000	11/15/2015-16	25,000	3.75%	217,000.00		25,000.00	\$ 142,000.00	50,000.00
Parking Lot Bonds of 2009	9/1/2009	190,000	9/1/2015	15,000	2.00%	130,000.00				115,000.00
			9/1/2016	15,000	2.25%					
			9/1/2017	25,000	2.50%					
			9/1/2018	30,000	2.75%					
			9/1/2019	30,000	3.00%					
Parking Lot Refunding Bonds of 2014	7/1/2014	140,000	9/15/2015	9,000	2.00%					139,000.00
			9/15/2016	8,500	3.00%					
			9/15/2017-18	25,000	4.00%					
			9/15/2019	23,500	4.00%					
			9/15/2020-21	24,000	4.00%					
Parking Lot Bonds of 2014	10/15/2014	285,000	10/15/2015-16	20,000	2.00%					285,000.00
			10/15/2017-18	25,000	2.00%					
			10/15/2019-21	30,000	2.00%					
			10/15/2022-24	35,000	2.00%					
						\$ 462,000.00	\$ 425,000.00	\$ 81,000.00	\$ 142,000.00	\$ 664,000.00
						Ref.	G			G

**TOWNSHIP OF MORRIS**  
**PARKING LOT UTILITY CAPITAL FUND**  
**SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**  
**YEAR ENDED DECEMBER 31, 2014**

NOT APPLICABLE

TOWNSHIP OF MORRIS  
COUNTY OF MORRIS  
2014  
PUBLIC ASSISTANCE FUND

TOWNSHIP OF MORRIS  
PUBLIC ASSISTANCE FUND  
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>P.A.T.F. I</u>
Balance December 31, 2013	H	\$ 55,815.79
Increased by Receipts:		
Due Current Fund - Interest Earned		<u>223.70</u>
		56,039.49
Decreased by Disbursements:		
Due Current Fund - Interest Earned		<u>223.70</u>
Balance December 31, 2014	H	<u><u>\$ 55,815.79</u></u>

TOWNSHIP OF MORRIS

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2014

**TOWNSHIP OF MORRIS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED DECEMBER 31, 2014**

Federal Department	C.F.D.A. Account Number	State Program Account Number	Program	Grant Award	Grant Receipts	Grant Period		Grant Expenditures	MEMO Cumulative Total Expenditures
						From	To		
U.S. Department of Justice:									
Office of Justice Programs, Bureau of Justice Assistance	16.607	N/A	Bulletproof Vest Partnership Program	\$ 10,914.50	\$ 2,697.90	01/01/09	12/31/15		\$ 8,473.06
				1,997.78	934.85	01/01/10	12/31/15		1,803.50
				2,435.13		01/01/12	12/31/15	\$ 711.55	711.55
				2,435.13		01/01/13	12/31/15	1,497.25	1,497.25
					<u>3,632.75</u>			<u>2,208.80</u>	<u>4,012.30</u>
Office of Community Oriented Policing Services (COPS)	16.710	N/A	COPS in Shops	2,000.00	1,700.00	01/01/14	12/31/14	2,000.00	2,000.00
Total U.S. Department of Justice					<u>5,332.75</u>			<u>4,208.80</u>	<u>6,012.30</u>
U.S. Department of Transportation:									
National Highway Traffic Safety Administration:									
(Passed through NJ Department of Law and Public Safety)	20.601	100-066-1160- 157-DHTS	Drive Sober or Get Pulled Over	4,400.00	4,293.75	01/01/13	12/31/14	4,400.00	4,400.00
				4,400.00		01/01/13	12/31/14	2,927.80	4,400.00
					<u>4,293.75</u>			<u>7,327.80</u>	<u>8,800.00</u>
(Passed through NJ Department of Law and Public Safety)	20.602	100-066-1160- 113-YHTS	Click It or Ticket	4,000.00	3,968.08	01/01/14	12/31/14	4,000.00	4,000.00
(Passed through NJ Department of Law and Public Safety)	20.614	100-066-1160- 036-DHTS	Distracted Driving Crackdown - U Drive, U Text, U Pay	5,000.00	4,998.79	01/01/14	12/31/14	5,000.00	5,000.00
Federal Highway Administration: (Passed through NJ Department of Transportation)	20.205	480-078-6320- 156-601385	NJ Municipal Trust Fund Authority Act	210,000.00		01/01/12	12/31/14	210,000.00	210,000.00
Total U.S. Department of Transportation					<u>13,260.62</u>			<u>226,327.80</u>	<u>227,800.00</u>
U.S. Department of Homeland Security (Passed through NJ Department of Law and Public Safety)	97.036	N/A	Disaster Grants - Public Assistance - F.E.M.A.: Superstorm Sandy	447,454.20	10,495.11	10/30/12	12/31/13	10,495.11 *	447,454.20
Total U.S. Department of Homeland Security					<u>10,495.11</u>			<u>10,495.11</u>	<u>447,454.20</u>
TOTAL FEDERAL AWARDS					<u>\$ 29,088.48</u>			<u>\$ 241,031.71</u>	<u>\$ 681,266.50</u>

N/A - Not Applicable/Available

\* - Expended in Prior Year.

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

**TOWNSHIP OF MORRIS**  
**SCHEDULE OF EXPENDITURES OF STATE AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

State Funding Department	State Program	Program Account No.	Grant Award	Grant Receipts	Grant Period		Grant Expenditures	MEMO
					From	To		Cumulative Total Expenditures
Department of Environmental Protection	Clean Communities Program	765-042-4900-004-178910	\$ 46,666.77		01/01/13	12/31/15	\$ 32,919.05	\$ 46,561.77
			43,803.00	\$ 43,803.00	01/01/14	12/31/15	1,879.50	1,879.50
				43,803.00			34,798.55	48,441.27
	Recycling Tonnage Grant	752-042-4900-004-178840	34,515.92		01/01/12	12/31/15	14,835.00	14,835.00
			46,175.04	46,175.04	01/01/14	12/31/15	14,835.00	14,835.00
							14,835.00	14,835.00
	Environmental Infrastructure Trust and Fund Program	100-042-4860-006-093050	5,762,020.00	5,357,786.00	01/01/13	12/31/15	1,927,259.51	5,571,889.47
Total Department of Environmental Protection				5,447,764.04			1,976,893.06	5,635,165.74
Department of Law and Public Safety	Drunk Driving Enforcement Fund	100-066-1110-260-YYYY	8,791.53	8,791.53	01/01/13	12/31/14	3,929.83	8,791.53
			7,845.45	7,845.45	01/01/14	12/31/15	1,742.11	1,742.11
			8,411.47	8,411.47	01/01/14	12/31/15	5,671.94	10,533.64
	Body Armor Replacement Fund	718-066-1020-001-6120	4,078.71		01/01/11	12/31/15	2,917.02	2,917.02
			4,177.76		01/01/12	12/31/14	4,177.76	4,177.76
			5,523.26		01/01/13	12/31/15	3,251.82	3,251.82
4,211.46			4,211.46	01/01/14	12/31/15	10,346.60	10,346.60	
			4,211.46			10,346.60	10,346.60	
Total Department of Law and Public Safety				29,259.91			16,018.54	20,880.24
Department of Treasury (Passed through the County of Morris)	Governor's Council on Alcoholism and Drug Abuse - Municipal Alliance Program	100-082-2000-044-995120	35,093.00	9,143.48	01/01/12	12/31/14	5,340.34	30,885.00
			48,639.50	14,836.50	01/01/14	12/31/15	14,836.50	14,836.50
				23,979.98			20,176.84	45,721.50
Total Department of Treasury				23,979.98			20,176.84	45,721.50

**TOWNSHIP OF MORRIS**  
**SCHEDULE OF EXPENDITURES OF STATE AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**  
**(Continued)**

State Funding Department	State Program	Program Account No.	Grant Award	Grant Receipts	Grant Period		Grant Expenditures	MEMO
					From	To		Cumulative Total Expenditures
Department of Health and Senior Services	Alcohol Education, Rehabilitation and Enforcement Fund (Trust)	760-046-4240-040000	\$ 2,441.68		01/01/05	12/31/14	\$ 2,155.59	\$ 2,441.68
			2,711.79		01/01/06	12/31/15	476.91	476.91
			2,835.85	\$ 2,835.85	01/01/14	12/31/15		
				<u>2,835.85</u>			<u>2,632.50</u>	<u>2,918.59</u>
Total Department of Health and Senior Services					<u>2,835.85</u>		<u>2,632.50</u>	<u>2,918.59</u>
TOTAL STATE AWARDS					<u>\$ 5,503,839.78</u>		<u>\$ 2,015,720.94</u>	<u>\$ 5,704,686.07</u>

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

TOWNSHIP OF MORRIS  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
YEAR ENDED DECEMBER 31, 2014

A. BASIS OF PRESENTATION

The accompanying Schedules of Expenditures of Federal and State Awards (the "Schedules") includes the federal and state grant activity of the Township of Morris under programs of the federal and state governments for the year ended December 31, 2014. The information in these schedules is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* and New Jersey's OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the Township of Morris, they are not intended to and do not present the financial position, changes in fund balance or cash flows of the Township of Morris.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying Schedules of Expenditures of Federal and State Awards are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governmental Units*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through identifying numbers are presented where available.

C. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

D. THRESHOLD FOR STATE AWARDS

The threshold for distinguishing state Type A and B programs was \$300,000. The Township qualified as a "low-risk" auditee under the provisions of section 530 of the federal Circular for state programs.

E. STATE LOANS OUTSTANDING

The Township of Morris has the following loans outstanding as of December 31, 2014:

Sewer Utility Capital Fund:	
NJEIT Loans	<u>\$ 5,506,635</u>

Currently, the Township is in the process of repaying the loan balances.

At December 31, 2014, the Township had received and reported as expended \$5,357,786 of the \$5,762,020 Loan funds which relate to NJEIT loan #3 for the Woodland Sewer Treatment Plant upgrades project. The project which relates to the loans is scheduled to be completed in 2015.

The projects which relate to NJEIT loans #1 and #2 are complete and there were no current year receipts or expenditures on these loans.



Mount Arlington Corporate Center  
 200 Valley Road, Suite 300  
 Mt. Arlington, NJ 07856  
 973-328-1825 | 973-328-0507 Fax

Lawrence Business Center  
 11 Lawrence Road  
 Newton, NJ 07860  
 973-383-6699 | 973-383-6555 Fax

Report on Internal Control Over Financial Reporting and on Compliance and  
 Other Matters Based on an Audit of Financial Statements  
 Performed in Accordance with *Government Auditing Standards*

Independent Auditors' Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements – *regulatory basis* - of the various funds of the Township of Morris, in the County of Morris (the "Township") as of, and for the years ended, December 31, 2014 and 2013, and the related notes to the financial statements and have issued our report thereon dated April 10, 2015. These financial statements have been prepared in accordance with accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America. That qualified report also indicated that we did not audit the general fixed assets account group.

**Internal Control Over Financial Reporting**

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

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

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

The Honorable Mayor and Members  
of the Township Committee  
Township of Morris  
Page 2

**Compliance and Other Matters**

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

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mount Arlington, New Jersey  
April 10, 2015

  
NISIVOCIA LLP

  
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David H. Evans  
Certified Public Accountant  
Registered Municipal Accountant No. 98



Mount Arlington Corporate Center  
 200 Valley Road, Suite 300  
 Mt. Arlington, NJ 07856  
 973-328-1825 | 973-328-0507 Fax

Lawrence Business Center  
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Report on Compliance For Each Major State Program;  
 Report on Internal Control Over Compliance Required by OMB Circular A-133  
 and New Jersey's OMB Circular 04-04

Independent Auditors' Report

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

**Report on Compliance for Each Major State Program**

We have audited the Township of Morris' (the "Township's") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on the Township's major state program for the year ended December 31, 2014. The Township's major state program is identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for the Township's major state program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* and New Jersey's OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, OMB Circular A-133 and New Jersey's OMB Circular 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Township's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major state program. However, our audit does not provide a legal determination on the Township's compliance.

The Honorable Mayor and Members  
of the Township Committee  
Township of Morris  
Page 2

***Opinion on Each Major State Program***

In our opinion, the Township complied, in all material respects, with the types of requirements referred to on the previous page that could have a direct and material effect on its major state program for the year ended December 31, 2014.

**Report on Internal Control Over Compliance**

The management of the Township is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to on the previous page. In planning and performing our audit of compliance, we considered the Township's internal control over compliance with the types of requirements that could have a direct and material effect on the major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey's OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and New Jersey's OMB Circular 04-04. Accordingly, this report is not suitable for any other purpose.

Mount Arlington, New Jersey  
April 10, 2015

  
NISIVOCIA LLP

  


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David H. Evans  
Certified Public Accountant  
Registered Municipal Accountant No. 98

TOWNSHIP OF MORRIS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2014

Summary of Auditors' Results:

- The Independent Auditors' Report expresses a qualified opinion on the Township's financial statements, prepared in accordance with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, as the general fixed assets account group was not audited.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the Township which would be required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over the major state program disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major State Program; Report on Internal Control Over Compliance Required by OMB Circular A-133 and New Jersey's OMB Circular 04-04*.
- The auditor's report on compliance for its major state program for the Township expresses an unmodified opinion on the major state program.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 04-04 or Section 510(a) of Federal OMB Circular A-133.
- The Township's program tested as a major state program for the current year consisted of the following state program:

Grant	Account #	Grant Expenditures
Environmental Infrastructure	100-042-4860-	
Trust and Fund Program	006-093050	\$ 1,927,259.51

- The threshold used for distinguishing between Type A and Type B state programs was \$300,000.
- The Township qualified as a "low-risk" auditee for state programs.

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.

TOWNSHIP OF MORRIS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

Findings and Questioned Costs for Federal Awards:

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

Findings and Questioned Costs for State Awards:

- The audit did not disclose any findings or questioned costs for state awards as defined in section 510(a) of the federal Circular or New Jersey's OMB Circular 04-04.

TOWNSHIP OF MORRIS  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2014

The Township had no prior year audit findings.

TOWNSHIP OF MORRIS

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2014

TOWNSHIP OF MORRIS  
COMMENTS AND RECOMMENDATIONS

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

N.J.S. 40A:11-3 states:

a. " When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1971, C.198 (N.J.S. 40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

b. Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to subparagraph (i) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, C.198 (N.J.S. 40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.

c. The Governor, in consultation with the Department of the Treasury, shall, no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L. 1999, C.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L. 1971, C.198 (N.J.S. 40A:11-2), and shall round the adjustment to the nearest \$1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. The adjustment shall become effective on July 1 of the year in which it is made."

N.J.S. 40A:11-4 states: "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder."

Effective January 1, 2011 and thereafter, the bid threshold in accordance with N.J.S. 40A:11-3 and 40A:11-4 (as amended) is \$17,500 and with a qualified purchasing agent the bid threshold may be up to \$36,000.

The governing body of the Township of Morris has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year and where question arises as to whether any contract or agreement might result in violation of the statute, the Township Attorney's opinion should be sought before a commitment is made.

The minutes indicated that bids were requested by public advertising per N.J.S. 40A:11-4. The minutes also indicated that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" or "Extraordinary Unspecifiable Services" in accordance with N.J.S. 40A:11-5.

TOWNSHIP OF MORRIS  
COMMENTS AND RECOMMENDATIONS  
(Continued)

Contracts and Agreements Required to be Advertised for N.J.S.A. 40A:11-4 (Cont'd)

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed. None were noted.

New Jersey Administrative Code Accounting Requirements

The Division of Local Government Services has established three (3) accounting requirements which are prescribed in the New Jersey Administrative Code. They are as follows:

1. Maintenance of an encumbrance accounting system.
2. Fixed asset accounting and reporting system.
3. General ledger accounting system.

The Township is currently in compliance with the above accounting requirements.

Collection of Interest on Delinquent Taxes, Utility Charges and Assessments

The statute provides the method for authorizing interest and the maximum rate to be charged for the nonpayment of taxes, utility charges or assessments on or before the date when they would become delinquent.

On January 8, 2014, the governing body adopted the following resolution authorizing interest to be charged on delinquent taxes and utility charges:

BE IT RESOLVED by the Township Committee of the Township of Morris, Morris County, New Jersey, that the rate of interest to be paid upon delinquent taxes and utility charges for the year 2014 shall be fixed at the rate of 8% per annum to \$1,500 and any amount in excess of \$1,500 shall be fixed at the rate of 18% per annum. However, interest shall not be collected upon taxes and utility charges that are not delinquent over ten (10) days. After the tenth day of "grace period", interest reverts back to the due date. An additional penalty of 6% will be imposed on tax delinquencies in excess of \$10,000 at year end.

It appears from a test of the Tax Collector's and Sewer Utility Collector's records that interest was generally collected in accordance with the foregoing resolution.

Delinquent Taxes and Tax Title Liens

The last tax sale was held on November 19, 2014 and all eligible properties were transferred to lien.

TOWNSHIP OF MORRIS  
COMMENTS AND RECOMMENDATIONS  
(Continued)

Delinquent Taxes and Tax Title Liens (Cont'd)

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

<u>Year</u>	<u>Number of Liens</u>
2014	6
2013	5
2012	4

Municipal Court

Effective January 2014, the Township of Morris Municipal Court, along with three other courts, was combined with the Borough of Madison Municipal Court as a Joint Municipal Court.

Finance

There are a number of interfund receivables on the various balance sheets at December 31, 2014. These interfund receivables place restrictions on the cash flow of the various funds.

It is recommended that all interfund balances be liquidated on a timely basis and that every effort be made to limit interfund activity in the future.

Management's Response

The Township will liquidate the interfund receivables and make every effort to ensure that, in the future, interfund activity is limited and interfund balances are liquidated on a timely basis.

Federal and State Grant Fund

Although a number of balances were reviewed and canceled, the Schedules of Grants Receivable and Appropriated Reserves still include grants receivable and appropriated reserve balances from prior years, respectively.

It is recommended that the Township continue its review of grants receivable and appropriated reserve balances from prior years for continued recognition or cancellation.

Management's Response:

The Township will continue its review of all grants receivable and appropriated reserve balances from prior years for continued recognition or cancellation.

Corrective Action Plan

The Township initiated a corrective action plan to resolve the comments and recommendations from the 2013 audit report. Prior year recommendation 1 was resolved. The remaining prior year recommendations 2 and 3 are included as current year recommendations.

TOWNSHIP OF MORRIS  
SUMMARY OF RECOMMENDATIONS

It is recommended that:

1. All interfund balances be liquidated on a timely basis and that every effort be made to limit interfund activity in the future.
2. The Township continue its review of grants receivable and appropriated reserve balances from prior years for continued recognition or cancellation.

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