

TOWNSHIP OF MORRIS
COUNTY OF MORRIS, NEW JERSEY
SUMMARY OR SYNOPSIS OF AUDIT REPORT FOR PUBLICATION

Attention is directed to the fact that a Summary or Synopsis of the Audit Report together with the recommendations is the minimum required to be published pursuant to N.J.S. 40A:5-7.

Summary or Synopsis of Audit report of the Township of Morris as required by N.J.S. 40A:5-7.

COMBINED COMPARATIVE BALANCE SHEET

<u>ASSETS</u>	<u>Year Ended December 31,</u>	
	<u>2012</u>	<u>2011</u>
Cash and Cash Equivalents	\$ 53,068,587.88	\$ 34,880,328.69
Investments	3,373,207.80	3,370,499.20
Taxes and Liens Receivable	757,256.01	1,066,737.91
Property Acquired for Taxes Assessed Valuation	36,475.00	36,475.00
Accounts Receivable	5,392,141.58	7,369,966.36
Deferred Charges	372,000.00	465,000.00
Deferred Charges to Future Taxation - General Capital Fund	27,048,886.00	22,525,886.00
Fixed Capital - Utility Funds	78,037,598.86	75,700,061.44
Fixed Capital Authorized and Uncompleted - Utility Funds	10,446,877.49	4,745,324.91
Fixed Assets (Unaudited)	<u>51,198,194.00</u>	<u>50,823,005.00</u>
 TOTAL ASSETS	 <u>\$ 229,731,224.62</u>	 <u>\$ 200,983,284.51</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCES</u>		
Bonds and Loans Payable	\$ 44,135,709.36	\$ 28,656,443.99
Improvement Authorizations	21,027,308.47	10,418,637.05
Other Liabilities and Special Funds	22,836,993.96	23,316,909.18
Reserve for Amortization - Utility Funds	67,166,335.99	65,769,011.36
Deferred Reserve for Amortization - Utility Funds	1,272,216.00	887,716.00
Reserve for Certain Assets Receivable	5,643,437.76	8,149,083.10
Investment in Fixed Assets (Unaudited)	51,198,194.00	50,823,005.00
Fund Balances	<u>16,451,029.08</u>	<u>12,962,478.83</u>
 TOTAL LIABILITIES, RESERVES AND FUND BALANCES	 <u>\$ 229,731,224.62</u>	 <u>\$ 200,983,284.51</u>

TOWNSHIP OF MORRIS
COUNTY OF MORRIS, NEW JERSEY

SUMMARY OR SYNOPSIS OF AUDIT REPORT FOR PUBLICATION
(Continued)

Comparative Statement of Operations and Change in
Fund Balance - Current Fund

	Year Ended December 31,	
	2012	2011
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 3,626,000.00	\$ 3,500,000.00
Miscellaneous Revenue Anticipated	6,617,112.48	6,387,795.22
Receipts from:		
Delinquent Taxes	1,003,780.00	1,139,403.08
Current Taxes	89,844,000.07	88,143,761.53
Nonbudget Revenue	577,349.92	518,199.97
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	1,452,512.24	1,736,649.74
Cancellations:		
Other Encumbrances	48,581.41	126,035.60
Federal and State Grant Fund Appropriated Reserves	57,377.72	
Due Other Trust Funds - Premium on Tax Sale Certificates	130,600.00	
Prior Year Senior Citizens' and Veterans' Deductions Allowed	250.00	250.00
Interfunds Returned	38,581.95	1,019,381.28
Total Income	103,396,145.79	102,571,476.42
<u>Expenditures</u>		
Budget and Emergency Appropriations:		
Municipal Purposes	30,366,341.12	30,096,918.81
County Taxes	13,439,270.30	13,253,523.84
Regional School District Taxes	53,890,014.11	52,808,759.38
Local Open Space Taxes	75,588.22	75,644.05
Reserve for Pending Tax Appeals	1,000,000.00	2,200,000.00
Federal and State Grant Fund Receivables Canceled	32,375.00	
Prior Year Senior Citizens' and Veterans' Deductions Disallowed	3,750.00	3,000.00
Refund of Prior Year Revenue:		
Taxes	262,669.58	168,516.43
Other	21,632.20	
Interfunds Advanced	419.34	
Total Expenditures	99,092,059.87	98,606,362.51
Excess in Revenue	4,304,085.92	3,965,113.91
Adjustments Before Fund Balance:		
Expenditures Included Above Which Are by Statute		
Deferred Charges to Budget of Succeeding Year		465,000.00
Statutory Excess to Fund Balance	4,304,085.92	4,430,113.91
<u>Fund Balance</u>		
Balance January 1	6,466,737.77	5,536,623.86
	10,770,823.69	9,966,737.77
Decreased by:		
Utilized as Anticipated Revenue	3,626,000.00	3,500,000.00
Balance December 31	\$ 7,144,823.69	\$ 6,466,737.77

TOWNSHIP OF MORRIS
COUNTY OF MORRIS, NEW JERSEY
SUMMARY OR SYNOPSIS OF AUDIT REPORT FOR PUBLICATION

(Continued)

Comparative Statement of Operations and Change in
Fund Balance - Sewer Utility Operating Fund

	Year Ended December 31,	
	2012	2011
<u>Revenue and Other Income Realized</u>		
Sewer User Charges	\$ 6,780,992.08	\$ 6,313,942.01
Connection Fees and Permits	32,704.60	122,800.00
Miscellaneous Revenue Anticipated	595,376.08	537,496.30
Sewer User Charges:		
Borough of Morris Plains Contract	1,429,390.12	1,462,923.12
Township of Randolph:		
Annual Debt Recovery Charge		53,383.43
Annual Sewer User Charges	400,942.60	476,801.92
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	358,820.98	539,378.27
Accounts Payable Canceled	2,382.85	3,246.88
	9,600,609.31	9,509,971.93
 <u>Expenditures</u>		
Operating	4,453,680.37	4,600,296.32
Capital Improvements	784,375.00	55,300.00
Debt Service	1,231,259.38	1,799,248.18
Deferred Charges and Statutory Expenditures	289,000.00	279,000.00
	6,758,314.75	6,733,844.50
Excess in Revenues/Statutory Excess to Fund Balance	2,842,294.56	2,776,127.43
 <u>Fund Balance</u>		
Balance January 1	5,750,536.41	3,224,408.98
	8,592,830.97	6,000,536.41
Decreased by:		
Utilized as Anticipated Revenue:		
Current Fund Budget	250,000.00	250,000.00
	\$ 8,342,830.97	\$ 5,750,536.41

TOWNSHIP OF MORRIS
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(Continued)

Comparative Statement of Operations and Change in
Fund Balance - Swimming Pool Utility Operating Fund

	Year Ended December 31,	
	2012	2011
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 27,145.00	\$ 9,119.00
Swimming Pool Fees	493,805.00	498,550.00
Miscellaneous Revenue Anticipated	55,409.22	51,768.29
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	51,831.84	45,166.29
	628,191.06	604,603.58
Total Income		
 <u>Expenditures</u>		
Operating	497,931.00	493,148.00
Debt Service	37,763.55	34,103.12
Deferred Charges and Statutory Expenditures	29,950.00	28,950.00
	565,644.55	556,201.12
Total Expenditures		
Excess in Revenues/Statutory Excess to Fund Balance	62,546.51	48,402.46
 <u>Fund Balance</u>		
Balance January 1	48,403.27	9,119.81
	110,949.78	57,522.27
Decreased by:		
Utilized as Anticipated Revenue	27,145.00	9,119.00
	83,804.78	48,403.27
Balance December 31	\$ 83,804.78	\$ 48,403.27

TOWNSHIP OF MORRIS
SUMMARY OR SYNOPSIS OF AUDIT REPORT FOR PUBLICATION
(Continued)

Comparative Statement of Operations and Change in
Fund Balance - Parking Lot Utility Operating Fund

	Year Ended December 31,	
	2012	2011
<u>Revenue and Other Income Realized</u>		
Parking Lot Fees and Permits	\$ 366,465.30	\$ 390,069.63
Nonbudget Revenue	2,051.38	1,285.40
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	22,013.39	45,453.28
	390,530.07	436,808.31
 <u>Expenditures</u>		
Operating	183,061.00	183,261.00
Debt Service	101,722.81	99,492.50
Deferred Charges and Statutory Expenditures	14,400.00	14,400.00
	299,183.81	297,153.50
Excess in Revenues/Statutory Excess to Fund Balance	91,346.26	139,654.81
 <u>Fund Balance</u>		
Balance January 1	332,612.94	232,958.13
	423,959.20	372,612.94
Decreased by:		
Utilized as Anticipated Revenue:		
Current Fund Budget	40,000.00	40,000.00
	\$ 383,959.20	\$ 332,612.94
Balance December 31	\$ 383,959.20	\$ 332,612.94

SUMMARY OR SYNOPSIS OF AUDIT REPORT FOR PUBLICATION
(Continued)

RECOMMENDATIONS

It is recommended that:

1. All Current Fund transactions be properly recorded in the general ledger and the general ledger should be reconciled with the subsidiary ledgers.
2. All interfund balances be liquidated on a timely basis and that every effort be made to limit interfund activity in the future.
3. In order to strengthen controls over the activity in the Other Trust Funds, the Other Trust Funds' activity should be added to the computerized accounting system.
4. The grants receivable and appropriated reserve balances from prior years be reviewed for continued recognition; and if not, the balances should be canceled.
5. In order to strengthen controls over incoming receipts, swimming pool fees collected by the Recreation Department and the Building and Board of Health Departments' receipts should be turned over to the Treasurer for deposit within 48 hours.
6. The Police Records Department make all of its records available for audit review.

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The above summary or synopsis was prepared from the report of audit of the , County of Morris, for the calendar year . This report of audit, submitted by David H. Evans, Registered Municipal Accountant, of Nisivoccia LLP, is on file, and may be inspected at the Township Clerk's office, 50 Woodland Avenue, Convent Station, NJ, Monday through Friday, 8:00 A.M. to 4:30 P.M.

Cathleen Amelio

TOWNSHIP CLERK