

COUNTY OF MORRIS

REPORT OF AUDIT

2019

*NISIVOCCIA
CERTIFIED PUBLIC ACCOUNTANTS*

County of Morris

Report of Audit

2019

COUNTY OF MORRIS

TABLE OF CONTENTS

	Exhibit	Page
PART I – Independent Auditors' Report, Financial Statements and Supplementary Schedules		
Independent Auditors' Report		1-3
Financial Statements:		
Current Fund:		
Balance Sheet	A	4
Statement of:		
Operations and Changes in Fund Balance	A-1	5
Revenue	A-2	6-8
Expenditures	A-3	9-17
Trust Fund:		
Balance Sheet	B	18
Capital Fund:		
Balance Sheet	C	19
Statement of Fund Balance	C-1	20
General Fixed Assets Account Group:		
Balance Sheet	D	21
Notes to Financial Statements		22-64
Supplementary Schedules:		
Roster of Officials		65
Current Fund:		
Schedule of:		
Cash and Investments - Treasurer	A-4	66
Added and Omitted Taxes Receivable	A-5	67
Revenue Accounts Receivable	A-6	68-69
Appropriation Reserves	A-7	70-73
Contracts Payable	A-8	74
Due to State of New Jersey	A-9	75
Cash and Investments - Federal and State Grant Fund	A-10	76
Grants Receivable - Federal and State Grant Fund	A-11	77-78
Appropriated Reserves - Federal and State Grant Fund	A-12	79-81
Unappropriated Reserves – Federal and State Grant Fund	A-13	82
Trust Fund:		
Schedule of:		
Cash and Investments - Regular Fund	B-1	83
Cash and Investments - Dedicated Fund	B-2	84

COUNTY OF MORRIS

TABLE OF CONTENTS (Continued)

	Exhibit	Page
PART I – Independent Auditor’s Report, Financial Statements and Supplementary Schedules (Cont’d)		
Trust Fund:		
Schedule of:		
Cash and Investments - Revolving Fund	B-3	85
Cash and Investments - Road Opening Deposit Fund	B-4	86
Federal Grant Funds Receivable	B-5	87
Federal Grant Funds Receivable - Local Home Trust	B-6	88
Unexpended Balances of Federal Grant Appropriations	B-7	89
Contracts Payable - Community Development Block Grant	B-8	90
Unexpended Balances of Local Home Trust Appropriations	B-9	91
Contracts Payable - Local Home Trust	B-10	92
Open Space Added and Omitted Taxes Receivable	B-11	93
Capital Fund:		
Schedule of:		
Capital Cash and Investments	C-2	94
Analysis of Cash and Investments:		
General Capital Fund	C-3	95-99
Park Capital Fund	C-4	100
Deferred Charges to Future Taxation:		
Funded	C-5	101
Unfunded:		
General Capital Fund	C-6	102-103
Park Capital Fund	C-7	104
Capital Improvement Fund	C-8	105
Improvement Authorizations:		
General Capital Fund	C-9	106-109
Park Capital Fund	C-10	110
Bond Anticipation Notes:		
General Capital Fund (Not Applicable)	C-11	111
Serial Bonds:		
General Capital Fund	C-12	112-115
Park Capital Fund	C-13	116
Green Acres Loan Payable - State of New Jersey (Park Capital Fund)	C-14	117
NJDEP Loan Payable – State of New Jersey (General Capital Fund)	C-15	118
Due from State of New Jersey - Green Acres Fund Grants (Park Capital Fund)		
(Not Applicable)	C-16	119
Federal/State Aid Receivable (General Capital Fund)	C-17	120
Bonds and Notes Authorized but not Issued:		
General Capital Fund	C-18	121-122
Park Capital Fund	C-19	123
Lease Revenue Bonds:		
General Capital Fund	C-20	124
Capital Lease Payable:		
General Capital Fund	C-21	125

COUNTY OF MORRIS

TABLE OF CONTENTS (Continued)

	Exhibit	Page
PART II – Single Audit		
Schedule of Expenditures of Federal Awards		126-129
Schedule of Expenditures of State Awards		130-132
Notes to the Schedules of Expenditures of Federal and State Awards		133
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 <i>Government Auditing Standards</i>		134-135
Independent Auditors’ Report on Compliance for Each Major Federal and State Program and Report on Internal Control Over Compliance		136-137
Schedule of Findings and Questioned Costs		138-139
Summary Schedule of Prior Audit Findings		140
PART III – Comments and Recommendations		
Comments and Recommendations		141-143
Summary of Recommendations		144

COUNTY OF MORRIS

PART 1

**INDEPENDENT AUDITORS' REPORT AND
FINANCIAL STATEMENTS AND
SUPPLEMENTARY SCHEDULES
YEARS ENDED DECEMBER 31, 2019 AND 2018**



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Independent Member
 BKR International

Independent Auditors' Report

The Honorable Director and Members
 of the Board of Chosen Freeholders
 County of Morris
 Morristown, New Jersey

Report on the Financial Statements

We have audited the financial statements – *regulatory basis* - of the various funds of the County of Morris (the "County") as of and for the years ended December 31, 2019 and 2018, and the related notes to the 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; this includes 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 County’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 County’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 Director and Members
of the Board of Chosen Freeholders
County of Morris
Page 2

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared by the County 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 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 and account group of the County as of December 31, 2019 and 2018, or the changes in financial position where applicable, thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the various funds and account group of the County as of as of December 31, 2019 and 2018, 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 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 and account group that collectively comprise the County's financial statements. The supplementary data schedules listed in the table of contents and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *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 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.

The Honorable Director and Members
of the Board of Chosen Freeholders
County of Morris
Page 3

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 1, 2020 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Mount Arlington, New Jersey
April 1, 2020

NISIVOCCIA

Francis Jones of Nisivoccia LLP
Francis Jones
Certified Public Accountant
Registered Municipal Accountant No. 442

COUNTY OF MORRIS

2019

CURRENT FUND

COUNTY OF MORRIS

CURRENT FUND
BALANCE SHEET - REGULATORY BASIS

ASSETS	Ref.	December 31,		LIABILITIES, RESERVES AND FUND BALANCE	Ref.	December 31,	
		2019	2018			2019	2018
General Fund:				General Fund:			
Cash and Cash Equivalents		\$ 110,980,569	\$ 101,918,747	Appropriation Reserves	A-3, A-7	\$ 32,756,774	\$ 23,320,809
Investments		5,000,000	5,000,000	Reserve for Encumbrances	A-3, A-8	9,744,115	10,046,912
				Accounts Payable	A-3, A-7	2,786,646	2,260,161
				Contracts Payable	A-8	15,822,034	17,861,223
				Due to Boonton/Dover - Tower Rental	A-4	54,222	52,643
				Reserve for Sale of County Assets	A-4	1,324,768	
				Reserve for Litigation	A-4	6,678	
	A-4	<u>115,980,569</u>	<u>106,918,747</u>			<u>62,495,237</u>	<u>53,541,748</u>
Receivables and Other Assets with Full Reserves:				Reserves for Receivables and Other Assets	A	3,799,759	3,541,176
Added and Omitted Taxes Receivable	A-5	729,453	665,714				
Revenue Accounts Receivable	A-6	705,256	947,529				
Revolving Fund - Prosecutor		37,000	37,000				
Due from Regular Trust Fund	A-4,B	500,000	500,000				
Due from Grant Fund	A	<u>1,828,050</u>	<u>1,390,933</u>				
	A	<u>3,799,759</u>	<u>3,541,176</u>	Fund Balance	A-1	53,485,332	53,376,999
		<u>119,780,328</u>	<u>110,459,923</u>			<u>119,780,328</u>	<u>110,459,923</u>
Grant Fund:				Grant Fund:			
Cash and Cash Equivalents	A-10	1,516,996	912,345	Due to General Fund	A	1,828,050	1,390,933
Federal and State Grants Receivable	A-11	44,487,588	43,372,881	Reserve for Encumbrances	A-12	13,166,112	10,411,070
				Appropriated Reserves	A-12	<u>31,010,422</u>	<u>32,483,223</u>
		<u>46,004,584</u>	<u>44,285,226</u>			<u>46,004,584</u>	<u>44,285,226</u>
		<u>\$ 165,784,912</u>	<u>\$ 154,745,149</u>			<u>\$ 165,784,912</u>	<u>\$ 154,745,149</u>

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

COUNTY OF MORRIS

CURRENT FUND

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE - REGULATORY BASIS

	Ref.	Year Ended December 31,	
		2019	2018
REVENUE AND OTHER INCOME REALIZED:			
Fund Balance Utilized	A-2	\$ 25,343,797	\$ 25,343,797
Miscellaneous Revenue Anticipated	A-2	76,012,005	83,111,987
Receipts from Current Taxes	A-2	243,350,332	237,310,812
Non-Budgeted Revenue	A-2	8,110,830	5,907,974
		<u>352,816,964</u>	<u>351,674,570</u>
Other Credits to Income:			
Unexpended Balances of Appropriation Reserves	A-7	15,141,064	15,383,417
Interfunds Returned	A-4	1,890,933	1,600,000
TOTAL INCOME		<u>369,848,961</u>	<u>368,657,987</u>
EXPENDITURES:			
Budgeted Appropriations:			
Operations	A-3	274,023,491	272,620,905
Capital Improvements	A-3	2,305,000	2,624,500
Debt Service	A-3	41,803,264	41,330,970
Deferred Charges and Statutory Expenditures	A-3	23,853,530	24,203,494
Refund Prior Year Revenues	A-4	83,496	3,052
Interfunds Advanced	A-4	2,328,050	1,890,933
TOTAL EXPENDITURES		<u>344,396,831</u>	<u>342,673,854</u>
EXCESS OF REVENUE OVER EXPENDITURES		25,452,130	25,984,133
FUND BALANCE:			
Balance, Beginning of Year	A	<u>53,376,999</u>	<u>52,736,663</u>
		78,829,129	78,720,796
Less: Utilized as Anticipated Revenue	A-2	<u>25,343,797</u>	<u>25,343,797</u>
Balance, End of Year	A	<u>\$ 53,485,332</u>	<u>\$ 53,376,999</u>

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

COUNTY OF MORRIS

CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

Ref.	Anticipated Budget			Realized	Excess or (Deficit)
	Budgeted	Amendments	Amended		
FUND BALANCE UTILIZED	A-1	\$ 25,343,797	\$	\$ 25,343,797	\$
MISCELLANEOUS REVENUES:					
Local Revenue:					
County Clerk	A-6	9,354,144		9,697,595	343,451
Surrogate	A-6	327,379		341,811	14,432
Sheriff	A-6	562,326		1,132,305	569,979
Emergency Dispatching	A-6	3,990,000		3,997,724	7,724
Emergency Management Services	A-6	220,000		532,988	312,988
Shared Medical Examiner	A-6	500,000		530,551	30,551
Rental of County Owned Property	A-6	375,000		365,982	(9,018)
Management Information Systems Services	A-6	10,000		14,139	4,139
Book Fines - Library	A-6	27,000		23,169	(3,831)
Fees for Morris County Public Safety Training Academy	A-6	471,000		620,691	149,691
Human Services - Youth Center/Shelter	A-6	1,100,000		1,449,185	349,185
Local Health Services	A-6	250,000		552,936	302,936
Housing of Federal, State and other Counties Inmates	A-6	20,000		1,001,854	981,854
Public Works	A-6	510,000		538,278	28,278
Increased Fees as a result of Chapter 370:					
County Clerk	A-6	1,045,856		1,096,520	50,664
Surrogate	A-6	272,621		256,358	(16,263)
Sheriff	A-6	937,674		642,554	(295,120)
Morris View Lease	A-6	1,031,760		1,733,640	701,880
Subtotal Local Revenues		<u>21,004,760</u>	<u></u>	<u>24,528,280</u>	<u>3,523,520</u>
State Aid:					
State Aid - County College Bonds (N.J.S.A. 18A:64A-22.6)	A-6	2,343,655		2,343,655	
Social Services - State and Federal Share	A-6	10,661,645		9,580,549	(1,081,096)
Vo-Tech State Aid Debt Service	A-6	255,704		255,704	
Subtotal State Aid		<u>13,261,004</u>	<u></u>	<u>12,179,908</u>	<u>(1,081,096)</u>
State Assumption of Costs of County Social and Welfare Services and Psychiatric Facilities:					
Social and Welfare Services (c.66, P.L. 1990):					
Supplemental Social Security Income	A-6	553,109		553,109	
Psychiatric Facilities (c.73, P.L. 1990):					
Board of County Patients in State and Other Institutions	A-6	36,000		75,454	39,454
Rutgers Univ Behavioral Health Care	A-6	6,343		6,343	(6,343)
Subtotal State Assumption of Costs		<u>595,452</u>	<u></u>	<u>628,563</u>	<u>33,111</u>

COUNTY OF MORRIS

CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	Ref.	Anticipated			Realized	Excess or (Deficit)
		Budgeted	Budget Amendments	Amended		
Public and Private Revenues Offset with Appropriations:						
New Jersey Department of Health and Senior Services: Area Plan Grant - Title IIIB, IIIC1, and IIIC2	A-6	\$ 2,699,210	\$ 34,959	\$ 2,734,169	\$ 3,004,124	\$ 269,955
New Jersey Department of the Treasury: NJ Governor's Council on Alcoholism and Drug Abuse	A-6		473,890	473,890	473,890	
New Jersey Department of Community Affairs: LIHEAP - CWA	A-6		6,986	6,986	6,986	
2019 Universal Service Fund - CWA Administration	A-6		4,467	4,467	4,467	
New Jersey Department of Children and Families: ALPN - HSAC/YIP/Transportation	A-6		171,113	171,113	171,113	
New Jersey Department of Human Services: Chapter 51 - Alcoholism and Drug Abuse	A-6	870,141		870,141	870,141	
REACH Program, F1PZN	A-6		473,074	473,074	473,074	
Social Services for the Homeless, H1PZN	A-6		555,110	555,110	555,110	
PASP (ALPN)	A-6		44,166	44,166	44,166	
Hope One Program	A-6		150,000	150,000	150,000	
U.S. Department of Health and Human Services: Bio-Terrorism and Public Health Emergency Grant	A-6	77,570	413,741	491,311	491,311	
U.S. Department of Housing and Urban Development: Continuum of Care Planning Grant	A-6		51,882	51,882	51,882	
New Jersey Department of Law and Public Safety: Drug Recognition Expert Call Out and Assistance Program	A-6		86,575	86,575	86,575	
County Driving While Intoxicated Grant	A-6		33,000	33,000	33,000	
Body Armor Replacement	A-6		59,190	59,190	59,190	
Law Enforcement Officers Training and Equipment Fund	A-6		20,503	20,503	20,503	
Insurance Fraud Reimbursement Program	A-6		250,000	250,000	250,000	
State / Community Partnership Program	A-6		497,662	497,662	497,662	
Comprehensive Opioid Abuse Site-based Program	A-6	332,658		332,658	332,658	
New Jersey Chapter International Association of Arson Investigators Morris County Juvenile Firesetters Program	A-6		1,000	1,000	1,000	
U.S. Department of Justice: Victim Assistance Program	A-6		510,991	510,991	510,991	
SART/SANE Program	A-6		82,895	82,895	82,895	
State Criminal Alien Assistance Program (SCAAP)	A-6	218,179	247,547	465,726	465,726	
U.S. Department of Homeland Security: Emergency Food & Shelter	A-6		1,256	1,256	1,256	
Pre-Disaster Mitigation Competitive Grant	A-6		126,000	126,000	126,000	
Homeland Security	A-6		347,322	347,322	347,322	
UASI (Urban Areas Security Initiative)	A-6		3,468,379	3,468,379	3,468,379	
Presidential Residence Protection Assistance Grant	A-6		55,938	55,938	55,938	
New Jersey Department of Environmental Protection: CEHA Grant	A-6		175,075	175,075	175,075	
New Jersey Department of Labor and Workforce Development: Work First New Jersey	A-6		1,691,096	1,691,096	1,691,096	
Workforce Development	A-6		3,390,437	3,390,437	3,390,437	
Smart Steps Program	A-6		2,408	2,408	2,408	
New Jersey Department of Military and Veteran Affairs: MAPS (Veterans Transportation)	A-6		15,000	15,000	15,000	
New Jersey Transit Corporation MAPS (Senior Citizens and Disabled Residents)	A-6		900,480	900,480	900,480	
Non-Urbanized Area Formula Program (Section 5311)	A-6		358,634	358,634	358,634	

COUNTY OF MORRIS

CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	Ref.	Anticipated Budget			Realized	Excess or (Deficit)
		Budgeted	Amendments	Amended		
Public and Private Revenues Offset with Appropriations:						
U.S. Election Assistance Commission						
Help America Vote Act - VVPAT Grant Program	A-6	\$	\$ 40,790	\$ 40,790	\$ 40,790	\$
U.S. Department of Transportation:						
Annual Transportation Program - County Aid	A-6		7,953,564	7,953,564	7,953,564	
Subregional Support Program	A-6	15,000	15,000	30,000	30,000	
Bi-County Bridge No. 1400521 Passaic Street (CR 647)	A-6		1,295,261	1,295,261	1,295,261	
Bridge No. 1400132 Carey Avenue (CR 511)	A-6		785,553	785,553	785,553	
Highway Rail Grade Crossing/RHC-0613(300)H210	A-6		244,775	244,775	244,775	
Highway Rail Grade Crossing/RHC-0619(300)H210	A-6		244,775	244,775	244,775	
Northern New Jersey Safe Communities Grant	A-6		99,950	99,950	99,950	
Schooleys Mt Road Bridge, Township of Washington	A-6		800,250	800,250	800,250	
Russia Road Bridge No. 1400948 Reconstruction	A-6		235,000	235,000	235,000	
High Bridge Branch Resurfacing	A-6	1,941,984		1,941,984	1,941,984	
New Jersey Department of State:						
County History Partnership Program	A-6		43,520	43,520	43,520	
Complete Count Commission County Grant Program	A-6		100,774	100,774	100,774	
Other Miscellaneous Programs:						
Sheriff / Private Donations	A-6		74,718	74,718	74,718	
Project Lifesaver Program / Private Contribution	A-6		5,050	5,050	5,050	
Subtotal Public and Private Revenues		<u>6,154,742</u>	<u>26,639,756</u>	<u>32,794,498</u>	<u>33,064,453</u>	<u>269,955</u>
Other Special Items:						
Pension Reimbursements	A-6	1,493,585		1,493,585	1,493,585	
Capital Fund Balance	A-6	461,000		461,000	461,000	
School Board Elections	A-6	10,000		10,000	56,987	46,987
Motor Vehicle Fines - Dedicated Fund	A-6	2,500,000		2,500,000	2,542,209	42,209
Weights & Measures - Dedicated Fund	A-6	1,170,865		1,170,865	1,055,874	(114,991)
Subtotal Other Special Items		<u>5,635,450</u>		<u>5,635,450</u>	<u>5,610,801</u>	<u>(24,649)</u>
TOTAL MISCELLANEOUS REVENUES	A-1,A-6	46,651,408	26,639,756	73,291,164	76,012,005	2,720,841
AMOUNT TO BE RAISED BY TAXATION - County Purpose Tax	A-1,A-4	<u>243,350,332</u>		<u>243,350,332</u>	<u>243,350,332</u>	
TOTAL GENERAL REVENUES		<u>\$ 315,345,537</u>	<u>\$ 26,639,756</u>	<u>\$ 341,985,293</u>	<u>\$ 344,706,134</u>	<u>\$ 2,720,841</u>
NON-BUDGET REVENUES:						
Miscellaneous Revenues Not Anticipated	A-1,A-4				8,110,830	
					<u>\$ 352,816,964</u>	
ANALYSIS OF NON-BUDGET REVENUE - MISCELLANEOUS REVENUE NOT ANTICIPATED:						
Added and Omitted Taxes	A-5				\$ 983,648	
Bail Forfeiture					1,250	
Excise Tax					229,106	
Interest Income					4,279,439	
Title IV-D Sheriff					65,447	
Prior Year Appropriation Refund					646,311	
Other Items of Miscellaneous Revenue					1,905,629	
					<u>\$ 8,110,830</u>	

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

COUNTY OF MORRIS

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019**

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
GENERAL GOVERNMENT						
County Administrator						
Salaries and Wages	\$ 1,229,905	\$ 1,229,905	\$ 1,038,496	\$	\$ 191,409	\$
Other Expenses	820,912	820,912	423,184	287,697	110,031	
Personnel						
Salaries and Wages	477,720	477,720	403,614		74,106	
Other Expenses	463,810	463,810	174,923	40,352	248,535	
Board of Chosen Freeholders						
Salaries and Wages	353,060	353,060	282,515		70,545	
Other Expenses	149,514	149,514	123,163	2,100	24,251	
County Clerk						
Salaries and Wages	1,823,785	1,823,785	1,674,774		149,011	
Other Expenses	340,800	340,800	263,317	19,306	58,177	
Elections						
Salaries and Wages	1,142,575	1,142,575	1,075,835		66,740	
Other Expenses	2,083,300	2,083,300	1,704,340	124,586	254,374	
Department of Finance						
Salaries and Wages	2,013,125	2,013,125	1,817,474		195,651	
Other Expenses	684,166	684,166	335,382	30,526	318,258	
Annual Audit	154,512	154,512		126,727	27,785	
Information Technology Division						
Salaries and Wages	2,518,370	2,518,370	2,241,206		277,164	
Other Expenses	2,664,445	2,664,445	1,861,043	313,020	490,382	
Board of Taxation						
Salaries and Wages	226,865	226,865	222,327		4,538	
Other Expenses	53,200	53,200	34,391	8,666	10,143	
County Counsel						
Salaries and Wages	279,655	289,655	284,407		5,248	
Other Expenses	682,500	672,500	445,408		227,092	
County Surrogate						
Salaries and Wages	922,895	922,895	880,832		42,063	
Other Expenses	67,604	87,604	51,734	9,878	25,992	

COUNTY OF MORRIS

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
GENERAL GOVERNMENT (continued)						
Engineering						
Salaries and Wages	\$ 1,728,985	\$ 1,728,985	\$ 1,551,621	\$	\$ 177,364	\$
Other Expenses	261,800	261,800	91,910	1,735	168,155	
Economic Development						
Salaries and Wages	1,214,875	1,214,875	1,113,664		101,211	
Other Expenses	622,798	622,798	581,514	82	41,202	
Heritage Commission						
Salaries and Wages	131,310	131,310	107,410		23,900	
Other Expenses	24,960	24,960	14,937	2,066	7,957	
TOTAL GENERAL GOVERNMENT	23,137,446	23,157,446	18,799,421	966,741	3,391,284	
CODE ENFORCEMENT & ADMINISTRATION						
Weights & Measures						
Salaries and Wages	764,765	764,765	736,562		28,203	
Other Expenses	406,100	406,100	326,602	8,150	71,348	
TOTAL CODE ENFORCEMENT & ADMINISTRATION	1,170,865	1,170,865	1,063,164	8,150	99,551	
INSURANCE						
Liability Insurance	2,731,018	2,856,018	2,731,018		125,000	
Workers Compensation Insurance	1,790,629	1,790,629	1,765,852		24,777	
Group Insurance for Employees	50,229,950	49,584,950	35,903,555	31,825	13,649,570	
Health Benefits Waiver	397,657	397,657	373,953		23,704	
TOTAL INSURANCE	55,149,254	54,629,254	40,774,378	31,825	13,823,051	
PUBLIC SAFETY						
Emergency Management						
Salaries and Wages	8,530,964	8,530,964	7,680,243		850,721	
Other Expenses	1,952,965	2,102,965	1,712,391	329,794	60,780	
Medical Examiner						
Salaries and Wages	1,012,410	1,012,410	920,737		91,673	
Other Expenses	295,700	295,700	225,136	11,700	58,864	
Sheriff's Office						
Salaries and Wages	9,749,520	9,749,520	9,374,789		374,731	
Other Expenses	863,035	913,035	459,807	400,904	52,324	

COUNTY OF MORRIS

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019**

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
PUBLIC SAFETY (continued)						
Prosecutor's Office						
Salaries and Wages	\$ 13,982,211	\$ 13,982,211	\$ 13,343,188	\$ 657	\$ 638,366	\$
Other Expenses	997,953	997,953	749,756	100,438	147,759	
Jail						
Salaries and Wages	17,324,635	17,324,635	16,723,934		600,701	
Other Expenses	2,189,350	2,189,350	1,492,982	585,191	111,177	
Youth Center						
Salaries and Wages	2,177,850	2,177,850	1,912,622		265,228	
Other Expenses	290,050	290,050	142,912	66,940	80,198	
TOTAL PUBLIC SAFETY	59,366,643	59,566,643	54,738,497	1,495,624	3,332,522	
PUBLIC WORKS						
Road Repairs						
Salaries and Wages	3,310,325	3,310,325	2,753,642		556,683	
Other Expenses	3,938,250	3,938,250	2,760,724	577,738	599,788	
Bridges & Culverts						
Salaries and Wages	1,077,565	1,077,565	945,914		131,651	
Other Expenses	88,110	88,110	60,898	15,236	11,976	
Shade Tree Commission						
Salaries and Wages	696,135	696,135	618,333		77,802	
Other Expenses	662,625	662,625	168,550	353,713	140,362	
Buildings & Grounds						
Salaries and Wages	3,165,620	3,165,620	2,831,093		334,527	
Other Expenses	2,902,500	3,102,500	2,606,853	403,506	92,141	
Motor Service Center						
Salaries and Wages	1,829,240	1,829,240	1,573,445		255,795	
Other Expenses	1,135,450	1,135,450	919,323	23,613	192,514	

COUNTY OF MORRIS

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019**

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
PUBLIC WORKS (continued)						
Mosquito Control						
Salaries and Wages	\$ 1,230,730	\$ 1,230,730	\$ 1,109,727	\$	\$ 121,003	\$
Other Expenses	221,730	221,730	200,793	8,962	11,975	
TOTAL PUBLIC WORKS	20,258,280	20,458,280	16,549,295	1,382,768	2,526,217	
HEALTH AND WELFARE						
Department of Health Management						
Salaries and Wages	1,013,424	1,013,424	732,148		281,276	
Other Expenses	254,070	254,070	202,875	38,884	12,311	
Department of Human Services Planning						
Salaries and Wages	2,160,757	2,160,757	1,771,991		388,766	
Other Expenses	691,493	691,493	307,782	123,655	260,056	
Office on Aging						
Salaries and Wages	1,026,020	1,016,020	810,514		205,506	
Other Expenses	82,000	92,000	50,254	1,198	40,548	
Grants in Aid	3,814,736	3,814,736	2,900,428	914,308		
Seniors, Disabled & Veterans						
Salaries and Wages	94,335	94,335	88,244		6,091	
Other Expenses	363,500	363,500	189,550	106,849	67,101	
Morristown Memorial Hospital - SCS	89,144	89,144	66,849	22,295		
County Board of Social Services						
Salaries and Wages	8,571,918	8,571,918	7,448,951		1,122,967	
Other Expenses	8,529,190	8,529,190	5,825,412	746,075	1,957,703	
Maintenance of Patients in State Institutions						
For Mental Diseases						
Local Share	3,927,331	3,927,331	3,927,331			
County Psych Patients in County Hospitals	700,000	700,000	51,603		648,397	

COUNTY OF MORRIS

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019**

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
HEALTH AND WELFARE (continued)						
Morris View Nursing Home						
Other Expenses	\$ 1,906,000	\$ 1,906,000	\$ 1,268,023	\$ 220,313	\$ 417,664	\$
Rutgers Univ Behavioral Health Care	9,061	9,061	2,718		6,343	
Assistance for SSI Recipients	553,109	553,109	553,109			
Assistance Dep Child: Local Share	34,920	34,920	34,920			
County Adjuster						
Salaries & Wages	170,485	170,485	138,260		32,225	
Other Expenses	14,750	14,750	12,457	1,521	772	
Dental Clinic (R.S. 44:5)	5,000	5,000			5,000	
TOTAL HEALTH & WELFARE	<u>34,011,243</u>	<u>34,011,243</u>	<u>26,383,419</u>	<u>2,175,098</u>	<u>5,452,726</u>	
PARKS & RECREATION						
Park Commission (R.S. 40:37-95)	<u>13,975,000</u>	<u>13,975,000</u>	<u>13,975,000</u>			
TOTAL PARKS & RECREATION	<u>13,975,000</u>	<u>13,975,000</u>	<u>13,975,000</u>			
EDUCATIONAL						
County Library Services						
Salaries & Wages	3,073,690	3,073,690	2,716,634		357,056	
Other Expenses	761,601	761,601	629,172	85,811	46,618	
Office of County Superintendent of Schools						
Salaries & Wages	184,765	184,765	175,677		9,088	
Other Expenses	12,950	12,950	10,255	826	1,869	
County College	11,830,000	11,830,000	11,830,000			

COUNTY OF MORRIS

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019**

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
EDUCATIONAL (continued)						
County Extension Service						
Salaries & Wages	\$ 286,655	\$ 286,655	\$ 257,238	\$	\$ 29,417	\$
Other Expenses	81,600	81,600	75,648	390	5,562	
Reimbursement for Residents Attending Out of County						
Two Year College (N.J.S. 18A:64A-23)	90,000	90,000	60,192		29,808	
Vocational Schools	6,248,095	6,248,095	6,248,095			
Morris County Public Safety Training Academy						
Salaries & Wages	836,730	986,730	925,519		61,211	
Other Expenses	206,176	306,176	134,299	136,310	35,567	
TOTAL EDUCATIONAL	<u>23,612,262</u>	<u>23,862,262</u>	<u>23,062,729</u>	<u>223,337</u>	<u>576,196</u>	
OTHER COMMON OPERATING FUNCTIONS						
Salary Adjustment	881,524	881,524			881,524	
TOTAL OTHER COMMON OPERATING FUNCTIONS	<u>881,524</u>	<u>881,524</u>			<u>881,524</u>	
UTILITY EXPENSES & BULK PURCHASES						
Utilities	5,748,577	5,748,577	4,747,786	303,419	697,372	
TOTAL UTILITY EXPENSES & BULK PURCHASES	<u>5,748,577</u>	<u>5,748,577</u>	<u>4,747,786</u>	<u>303,419</u>	<u>697,372</u>	
SUBTOTAL OPERATIONS	<u>237,311,094</u>	<u>237,461,094</u>	<u>200,093,689</u>	<u>6,586,962</u>	<u>30,780,443</u>	
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES						
New Jersey Department of Health & Senior Services						
Title III Nutrition Program						
Salaries & Wages	1,603,910	1,603,910	1,395,684		208,226	
Other Expenses	3,100,000	3,100,000	1,620,855	1,059,691	419,454	
Area Plan Grant - Title IIIB, IIIC1, and IIIC2	960,987	995,946	667,772	318,767	9,407	
Childhood Lead Exposure Prevention	18,746	37,492	37,492			
New Jersey Department of the Treasury						
NJ Governor's Council on Alcoholism and Drug Abuse	50,000	523,890	523,890			

COUNTY OF MORRIS

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	Appropriations		Expended		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered Reserved	
PUBLIC AND PRIVATE PROGRAMS OFFSET					
BY REVENUES (continued)					
New Jersey Department of Community Affairs					
LIHEAP - CWA	\$	\$ 6,986	\$ 6,986	\$	\$
Universal Service Fund - CWA Administration		4,467	4,467		
New Jersey Department of Children and Families					
ALPN - HSAC/YIP/Transportation	34,448	205,561	205,561		
New Jersey Department of Human Services					
Chapter 51 - Alcoholism and Drug Abuse	882,905	882,905	882,905		
REACH Program, F1PZN		473,074	473,074		
Social Services for the Homeless, H1PZN		555,110	555,110		
PASP (ALPN)		44,166	44,166		
Hope One Program		150,000	150,000		
U.S. Department of Health and Human Services					
Bio Terrorism and Public Health Emergency Grant		294,995	294,995		
U.S. Department of Housing and Urban Development					
Continuum of Care Planning Grant		51,882	51,882		
New Jersey Department of Law & Public Safety					
Drug Recognition Expert Call Out and Assistance Program		86,575	86,575		
County Driving While Intoxicated Grant		33,000	33,000		
Body Armor Replacement Program		59,190	59,190		
Law Enforcement Officers Training and Equipment Fund		20,503	20,503		
Insurance Fraud Reimbursement Program		250,000	250,000		
State / Community Partnership Program		497,662	497,662		
Operation Helping Hand Grant Program	58,824	158,824	158,824		
New Jersey Chapter International Association of Arson Investigators					
Morris County Juvenile Firesetters Program		1,000	1,000		
U.S. Department of Justice					
Victim Assistance Program		510,991	510,991		
SART/SANE Program		82,895	82,895		
State Criminal Alien Assistance Program (SCAAP)	218,179	465,726	465,726		
Comprehensive Opioid Abuse Site-based Program	332,658	332,658	332,658		
U.S. Department of Homeland Security					
Emergency Food & Shelter		1,256	1,256		
Pre-Disaster Mitigation Competitive Grant		126,000	126,000		
Homeland Security		347,322	347,322		
UASI (Urban Areas Security Initiative)		3,468,379	3,468,379		
Presidential Residence Protection Assistance Grant		55,938	55,938		
New Jersey Department of Environmental Protection					
CEHA Grant		175,075	175,075		
New Jersey Department of Labor and Workforce Development					
Work First New Jersey		1,691,096	1,691,096		
Workforce Development		3,390,437	3,390,437		
Smart Steps Program		2,408	2,408		
New Jersey Department of Military and Veteran Affairs					
MAPS (Veterans Transportation)		15,000	15,000		

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

COUNTY OF MORRIS

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES (continued)						
New Jersey Transit Corporation						
MAPS (Senior Citizen and Disabled Residents)	\$ 675,000	\$ 1,575,480	\$ 1,575,480	\$	\$	\$
Non-Urbanized Area Formula Program (Section 5311)		358,634	358,634			
U.S. Election Assistance Commission						
Help America Vote Act - VVPAT Grant Program		40,790	40,790			
U.S. Department of Transportation						
Annual Transportation Program - County Aid		7,953,564	7,953,564			
Subregional Support Program	15,000	30,000	30,000			
Bi-County Bridge No. 1400521 Passaic Street (CR 647)		1,295,261	1,295,261			
Bridge No. 1400132 Carey Avenue (CR 511)		785,553	785,553			
Highway Rail Grade Crossing/RHC-0613(300)H210		244,775	244,775			
Highway Rail Grade Crossing/RHC-0619(300)H210		244,775	244,775			
Schooleys Mt Road Bridge, Township of Washington		800,250	800,250			
Russia Road Bridge No. 1400948 Reconstruction		235,000	235,000			
High Bridge Branch Resurfacing	1,941,984	1,941,984	1,941,984			
Northern New Jersey Safe Communities Grant		99,950	99,950			
New Jersey Department of State						
County History Partnership Program		43,520	43,520			
Complete Count Commission County Grant Program		100,774	100,774			
Other Miscellaneous Grants						
Sheriff-Private Donations		74,718	74,718			
Project Lifesaver Program / Private Contribution		5,050	5,050			
TOTAL PUBLIC & PRIVATE PROGRAMS OFFSET BY REVENUES	9,892,641	36,532,397	34,516,852	1,378,458	637,087	
TOTAL OPERATIONS	247,203,735	273,993,491	234,610,541	7,965,420	31,417,530	
CONTINGENT	30,000	30,000	1,487		28,513	
TOTAL OPERATIONS INCLUDING CONTINGENT	A-1 247,233,735	274,023,491	234,612,028	7,965,420	31,446,043	
CAPITAL IMPROVEMENTS						
Capital Improvement Fund	2,305,000	2,305,000	2,305,000			
TOTAL CAPITAL IMPROVEMENTS	A-1 2,305,000	2,305,000	2,305,000			

COUNTY OF MORRIS

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
DEBT SERVICE						
Payment of Bond Principal						
Park Bonds	\$ 1,921,000	\$ 1,921,000	\$ 1,921,000	\$	\$	\$
County College	4,570,000	4,570,000	4,570,000			
Other Bonds	24,429,000	24,429,000	24,429,000			
Solar	3,402,255	3,402,255	3,402,255			
Interest on Bonds						
Park Bonds	253,460	253,460	253,460			
County College	857,595	857,595	857,594			(1)
Other Bonds	4,805,807	4,805,807	4,805,807			
Capital Lease Obligation						
Principal	885,006	885,006	885,006			
Interest	554,549	554,549	554,548			(1)
Green Acres Trust Loan Program						
Principal and Interest	22,915	22,915	22,912			(3)
State of NJ DEP Loan Payments	101,685	101,685	101,682			(3)
TOTAL DEBT SERVICE	A-1 41,803,272	41,803,272	41,803,264			(8)
DEFERRED CHARGES & STATUTORY EXPENDITURES						
Contribution to:						
Public Employees Retirement System	10,244,069	10,244,069	10,244,069			
Social Security System	6,912,102	6,762,102	5,508,520		1,253,582	
Defined Contribution Retirement Plan	100,000	100,000	64,915		35,085	
Detective Pension Fund	60,000	60,000	37,936		22,064	
Police & Firemen's Retirement System	6,087,359	6,087,359	6,087,359			
Unemployment Insurance	600,000	600,000	600,000			
TOTAL DEFERRED CHARGES & STATUTORY EXPENDITURES	A-1 24,003,530	23,853,530	22,542,799		1,310,731	
TOTAL GENERAL APPROPRIATIONS	\$ 315,345,537	\$ 341,985,293	\$ 301,263,091	\$ 7,965,420	\$ 32,756,774	\$ (8)
					A	
Budget as Adopted	A-2	\$ 315,345,537				
Amendments per N.J.S.A. 40A:4-87	A-2	26,639,756				
	A-2	<u>\$ 341,985,293</u>				
Cash Disbursed	A-4		\$ 298,476,445			
Accounts Payable	A		2,786,646			
			<u>\$ 301,263,091</u>			

COUNTY OF MORRIS

2019

TRUST FUND

COUNTY OF MORRIS

**TRUST FUND
BALANCE SHEET - REGULATORY BASIS**

ASSETS			LIABILITIES AND RESERVES				
	Ref.	December 31,			Ref.	December 31,	
		2019	2018			2019	2018
REGULAR FUND:							
Cash & Cash Equivalents		\$ 7,138,601	\$ 7,095,404	Reserve for Trust Funds	B-1	\$ 2,835,361	\$ 2,504,133
	B-1	7,138,601	7,095,404	Due to Local Government Units	B-1	3,797,240	4,051,844
Federal Grant Funds Receivable	B-5	3,816,915	3,473,362	Due to Current Fund	A,B-1	500,000	500,000
Local Home Trust Funds Receivable	B-6	2,048,300	1,628,917	Community Development: Block Grant Appropriations	B-7	1,034,299	1,095,030
				Local Home Trust Appropriations	B-9	1,063,931	1,032,911
				Contracts Payable: Community Development Block Grant	B-8	2,532,626	2,172,690
				Emergency Shelter Grant	B-8	255,990	205,642
				Local Home Trust	B-10	984,369	635,433
		<u>13,003,816</u>	<u>12,197,683</u>			<u>13,003,816</u>	<u>12,197,683</u>
DEDICATED FUND:							
Cash & Cash Equivalents		92,572,772	88,297,156	Reserve for Dedicated Funds	B-2	92,172,772	87,897,156
	B-2	92,572,772	88,297,156	Reserve for Added and Omitted Taxes	B-11	23,005	24,254
Added and Omitted Taxes Receivable	B-11	23,005	24,254	Due to General Capital Fund	B-2,C	400,000	400,000
		<u>92,595,777</u>	<u>88,321,410</u>			<u>92,595,777</u>	<u>88,321,410</u>
REVOLVING FUND:							
Cash & Cash Equivalents	B-3	6,139,264	5,434,753	Reserve for Revolving Fund	B-3	6,139,264	5,434,753
ROAD OPENING DEPOSITS:							
Cash & Cash Equivalents	B-4	3,028,404	3,203,934	Reserve for Road Opening Deposits	B-4	3,028,404	3,203,934
		<u>\$ 114,767,261</u>	<u>\$ 109,157,780</u>			<u>\$ 114,767,261</u>	<u>\$ 109,157,780</u>

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

COUNTY OF MORRIS

2019

CAPITAL FUND

COUNTY OF MORRIS

**CAPITAL FUND
BALANCE SHEET - REGULATORY BASIS**

ASSETS				LIABILITIES, RESERVES AND FUND BALANCES			
Ref.	December 31,			Ref.	December 31,		
	2019	2018			2019	2018	
GENERAL CAPITAL:				GENERAL CAPITAL:			
Cash and Cash Equivalents	\$ 69,370,633	\$ 59,900,968		Serial Bonds	C-12	\$ 176,142,000	\$ 174,406,000
	C-2,C-3	69,370,633	59,900,968	Guaranteed Pooled Program:			
				Lease Revenue Bonds	C-20	15,270,000	15,910,000
				Capital Lease Payable	C-21		245,006
Federal/State Grants Receivable	C-17		1,214,597	NJ DEP Loan Payable	C-15	1,236,272	1,312,089
Deferred Charges to Future Taxation:				Improvement Authorizations:			
Funded	C-5	192,648,272	191,873,095	Funded	C-9	59,852,723	52,778,554
Unfunded	C-6	28,945,136	28,632,526	Unfunded	C-9	25,885,588	27,514,882
				Capital Improvement Fund	C-8	4,897,325	4,541,087
Due From:				Reserve for Countywide Communications System	C-3	695,658	610,047
Dedicated Trust Fund	B,C-3	400,000	400,000	Reserve for Preliminary Expenses - Facilities Assessment	C-3	25,109	25,109
		291,364,041	282,021,186	Reserve to Pay Debt Service	C-3	54,096	110,065
				Fund Balance	C-1	7,305,270	4,568,347
						<u>291,364,041</u>	<u>282,021,186</u>
PARK CAPITAL:				PARK CAPITAL:			
Cash and Cash Equivalents		2,538,291	2,346,026	Serial Bonds	C-13	8,188,000	8,322,000
	C-2,C-4	2,538,291	2,346,026	Green Acres Loan Payable - State of New Jersey	C-14	55,601	77,078
Deferred Charges to Future Taxation:				Improvement Authorizations:			
Funded	C-5	8,243,601	8,399,078	Funded	C-10	2,320,629	2,128,364
		10,781,892	10,745,104	Fund Balance	C-1	217,662	217,662
						<u>10,781,892</u>	<u>10,745,104</u>
		<u>\$ 302,145,933</u>	<u>\$ 292,766,290</u>			<u>\$ 302,145,933</u>	<u>\$ 292,766,290</u>

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

COUNTY OF MORRIS

CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

	Ref.	<u>General Capital</u>	<u>Park Capital</u>
BALANCE, DECEMBER 31, 2018	C,C-3,C-4	\$ 4,568,347	\$ 217,662
Increased by:			
Reimbursement of Funds:			
County/Municipality Share of Cost	C-2	216,880	
Premium on Sale of Bonds and Notes	C-2	2,738,985	
Cancellation of Improvement			
Authorizations	C-9	786,440	
MUA Capital Repayments:			
Other	C-2	66,406	
		<u>3,808,711</u>	
		8,377,058	217,662
Decreased by:			
Premium on Sale of Bonds and Notes:			
State of New Jersey - Chapter 12	C-2,C-3	282,135	
Anticipated as Revenue in Current Fund Budget	C-2	461,000	
Funded by Ordinance Amendment	C-6	328,653	
		<u>1,071,788</u>	
BALANCE, DECEMBER 31, 2019	C,C-3,C-4	<u>\$ 7,305,270</u>	<u>\$ 217,662</u>

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

COUNTY OF MORRIS

2019

GENERAL FIXED ASSETS ACCOUNT GROUP

COUNTY OF MORRIS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018 (Continued)

J. RISK MANAGEMENT (Cont'd)

Workers' Compensation Insurance (Cont'd)

The following is a summary of the Workers' Compensation Insurance activity for the current and previous year:

	<u>2019</u>	<u>2018</u>
Paid Claims	\$ 1,829,541	\$ 1,552,015
Loss Reserves	6,041,185	6,134,589
Self Insured Retention	500,000	500,000

New Jersey Unemployment Compensation Insurance

The County has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the County 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 County is billed quarterly for amounts due to the State.

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

<u>Year</u>	<u>County Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2017	\$ 1,000,000	\$ 346,737	\$	\$ 364,569	\$ 3,924,492
2018	900,000	303,633		997,540	4,130,585
2019	600,000	305,062	59,349	234,337	4,860,659

K. POST RETIREMENT BENEFITS OTHER THAN PENSIONS (OPEB)

1. State Health Benefit Local Government Retired Employees Plan

General Information about the OPEB Plan

Plan Description

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost sharing multiple employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*; therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

COUNTY OF MORRIS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018 (Continued)

K. POST RETIREMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

1. State Health Benefit Local Government Retired Employees Plan (Cont'd)

General Information about the OPEB Plan (Cont'd)

Benefits Provided

The Plan provides medical and prescription drug coverage to retirees and their covered dependents of the participating employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A. 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

The County provides post-retirement benefits, as follows, to County employees who meet the following criteria:

1. Retire after 25 or more years of service with a New Jersey State Retirement System and with at least 15 years of service with the County;
2. Retire after attainment of age 62 with at least 15 or more years of service with the County, for employees hired on or before November 1, 2012 (or later for certain collective bargaining agreements); or
3. Retire under a disability retirement from the New Jersey State Retirement System.

COUNTY OF MORRIS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018 (Continued)

K. POST RETIREMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

1. State Health Benefit Local Government Retired Employees Plan (Cont'd)

General Information about the OPEB Plan (Cont'd)

Benefits Provided (Cont'd)

Benefits are provided to the retiree and, if the retiree was hired prior to a certain date, the spouse as well depending on the employee's union affiliation or whether the employee is not affiliated with a union. If the spouse is covered, benefits continue to the surviving spouse after the death of the retiree.

Certain employees hired after certain dates are not eligible for postretirement healthcare benefits. This depends on the union the employee is affiliated with or whether the employee is not affiliated with a union.

A small number of County retirees receive their post retirements benefits under this plan while the majority of the retirees receive post retirement benefits under the County's OPEB plan.

Contributions

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

COUNTY OF MORRIS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018 (Continued)

K. POST RETIREMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

1. State Health Benefit Local Government Retired Employees Plan (Cont'd)

General Information about the OPEB Plan (Cont'd)

Allocation Methodology

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective inflows of resources, and collective OPEB expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are based on separately calculated total OPEB liabilities. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2017 through June 30, 2018. Employer and nonemployer allocation percentages were rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer and nonemployer may result in immaterial differences.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The total OPEB liability as of June 30, 2019 was not available from the State of New Jersey Division of Pensions and Benefits as of the date of this report. The total OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018.

At June 30, 2018, the County had a liability of \$453,862 for its proportionate share of the net OPEB liability. At June 30, 2018, the County's proportion was .002897% which was an increase of .0038% from its proportion measured as of June 30, 2017. Additionally, the State's proportionate share of the net OPEB liability attributable to the County at June 30, 2018 was \$57,073,975. At June 30, 2018, the State's proportion related to the County was .918497%. This is the percentage of the total State Share of the net OPEB liability of the Plan.

For the year ended June 30, 2018 the County's OPEB expense as determined by the State of New Jersey Division of Pensions and Benefits was \$10,592.

Additionally, during the year ended June 30, 2018, the State of New Jersey's OPEB expense related to the County was \$1,727,696.

The County's actual post retirement payments in 2019 for 3 retiree employees were \$20,683.

COUNTY OF MORRIS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018 (Continued)

K. POST RETIREMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

1. State Health Benefit Local Government Retired Employees Plan (Cont'd)

General Information about the OPEB Plan (Cont'd)

Actuarial Assumptions and Other Inputs

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases*:	
Through 2026	1.65% - 8.98%
Thereafter	2.65% to 9.98%

* - Salary increases are based on the defined benefit plan that the member is enrolled in and his or her age.

Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee male/Female Mortality Table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Health Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

Certain actuarial assumptions used in the June 30, 2017 valuation were based on the results of the pension plans' experience studies for which the members are eligible for coverage under this Plan – the Police and Firemen Retirement System (PFRS) and the Public Employees' Retirement System (PERS). The PFRS and PERS experience studies were prepared for the periods July 1, 2010 to June 30, 2013 and July 1, 2011 – June 30, 2014, respectively.

100% of active members are considered to participate in the Plan upon retirement.

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially is 5.8% and decreases to a 5.0% long term trend rate after eight years. For self-insured post 65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long term rate after seven years. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

COUNTY OF MORRIS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018 (Continued)

K. POST RETIREMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

1. State Health Benefit Local Government Retired Employees Plan (Cont'd)

General Information about the OPEB Plan (Cont'd)

Discount Rate

The discount rate for June 30, 2018 was 3.87%. This represents the municipal bond rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of the Net OPEB Liability Attributable to the County to Changes in the Discount Rate

The following presents the net OPEB Liability of the County as of June 30, 2018, calculated using the discount rate as disclosed in this note, as well as what the net OPEB Liability of the County would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2018		
	At 1% Decrease (2.87%)	At Discount Rate (3.87%)	At 1% Increase (4.87%)
Net OPEB Liability Attributable to the County	\$ 532,500	\$ 453,862	\$ 391,048

Sensitivity of the Net OPEB Liability Attributable to the County to Changes in the Healthcare Trend Rate

The following presents the net OPEB Liability of the County as of June 30, 2018, calculated using the healthcare trend rate as disclosed in this note, as well as what the net OPEB Liability of the County would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2018		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Net OPEB Liability Attributable to the County	\$ 378,594	\$ 453,862	\$ 551,270

COUNTY OF MORRIS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018 (Continued)

K. POST RETIREMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

2. General Information about the County's OPEB Plan

Plan Description and Benefits Provided

The County provides post-retirement benefits, as follows, to County employees who meet the following criteria:

1. Retire after 25 or more years of service with a New Jersey State Retirement System and with at least 15 years of service with the County;
2. Retire after attainment of age 62 with at least 15 or more years of service with the County, for employees hired on or before November 1, 2012 (or later for certain collective bargaining agreements); or
3. Retire under a disability retirement from the New Jersey State Retirement System.

Benefits are provided to the retiree and, if the retiree was hired prior to a certain date, the spouse as well depending on the employee's union affiliation or whether the employee is not affiliated with a union. If the spouse is covered, benefits continue to the surviving spouse after the death of the retiree.

Certain employees hired after certain dates are not eligible for postretirement healthcare benefits. This depends on the union the employee is affiliated with or whether the employee is not affiliated with a union.

Medical benefits are provided thru fully-insured, minimum premium plans with CIGNA. There are two plans offered to retirees: a PPO plan and an HMO plan. Prescription benefits are provided through a fully-insured, minimum premium plan with CIGNA. Effective January 1, 2018, prescription drug coverage changed to self-funded. There is a 3-tier co-pay of \$1/\$20/\$35 for retail and \$2/\$40/\$70 for mail-order. Medicare benefits coordinate with Medicare primary and the County plan secondary for retirees eligible for Medicare. Medicare eligible retirees and dependents are required to enroll in Medicare Part B. The County reimburses Medicare eligible retirees and spouses for the full cost of the Medicare Part B premium.

Contributions

The County's portion of postretirement benefits is funded on a pay-as-you-go basis from the Current Fund operating budget. During 2019 and 2018, the County had approximately 1,290 and 1,212 employees who met eligibility requirements and recognized expenses of approximately \$16,845,942 and \$15,866,535 respectively.

Any employee who retires after satisfying the eligibility requirements who had less than 20 years of NJ State Retirement System service as of June 28, 2011, shall be required to contribute toward the cost of postretirement healthcare. The retiree contributions are based on a percentage of the postretirement healthcare cost. The contribution percentages vary based on coverage tier and pension amounts, based on the below table:

COUNTY OF MORRIS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018 (Continued)

K. POST RETIREMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

2. General Information about the County's OPEB Plan (Cont'd)

Contributions (Cont'd)

Retirees Share of Benefit Related Costs		
Pension Range	Single	Member/Spouse
less than \$20,000	4.50%	3.50%
\$20,000- \$24,999.99	5.50%	3.50%
\$25,000- \$29,999.99	7.50%	4.50%
\$30,000- \$34,999.99	10.00%	6.00%
\$35,000- \$39,999.99	11.00%	7.00%
\$40,000- \$44,999.99	12.00%	8.00%
\$45,000- \$49,999.99	14.00%	10.00%
\$50,000- \$54,999.99	20.00%	15.00%
\$55,000- \$59,999.99	23.00%	17.00%
\$60,000- \$64,999.99	27.00%	21.00%
\$65,000- \$69,999.99	29.00%	23.00%
\$70,000- \$74,999.99	32.00%	26.00%
\$75,000- \$79,999.99	33.00%	27.00%
\$80,000- \$94,999.99	34.00%	28.00%
\$95,000- \$99,999.99	35.00%	30.00%
\$100,000 and over	35.00%	35.00%

Employees Covered by Benefit Terms

As of January 1, 2018, there were a total of 2,506 active employees and retirees, reflecting the sum of 1,309 active employees and 1,197 retirees and surviving spouses.

Total OPEB Liability

The County's OPEB liability of \$1,031,589,464 was measured as of December 31, 2019 and was determined by an actuarial valuation as of January 1, 2018.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	4.25% at December 31, 2018
	2.75% at December 31, 2019
Salary Increases	3.00% per year
Inflation Assumption	2.50% per year

The selected discount rate was based on the Bond Buyer 20 Bond GO Index as of the measurement date, which represents the average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA.

COUNTY OF MORRIS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018 (Continued)

K. POST RETIREMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

2. General Information about the County's OPEB Plan (Cont'd)

Actuarial Assumptions and Other Inputs (Cont'd)

Health Care Trend Rates	Year	Pre 65* Medical	Post 65 Medical	Prescription Drug*	Medicare Part B
Year 1 Trend	2019	5.65%	4.50%	9.25%	5.00%
Ultimate Trend	2023 & Later	5.00%	4.50%	5.00%	5.00%
Grading per Year		0.10%	None	0.50%	None

* - The ultimate trend for Pre 65 Medical is reached in 2023 and the ultimate trend for Prescription drug is reached in 2022.

Mortality rates were based on the following:

Pre-Retirement: U.S. Public Pension Plan Mortality (2010) Headcount-Weighted Healthy Employee Male/Female Mortality Projected with Scale MP-2019.

Post-Retirement: U.S. Public Pension Plan Mortality (2010) Headcount-Weighted Healthy Annuitant Male/Female Mortality Projected with Scale MP-2019.

Disabled: U.S. Public Pension Plan Mortality (2010) Headcount-Weighted Disabled Employee Male/Female Mortality Projected with Scale MP-2019.

<u>Changes in the Total OPEB Liability</u>	<u>Total OPEB Liability</u>
Balance at January 1, 2019	\$ 841,945,280
Changes for Year:	
Service Cost	17,201,249
Interest Cost	35,986,878
Benefit Payments	(24,792,921)
Actuarial Assumption Changes	161,167,800
Actuarial Demographic Gain	81,178
Net Changes	<u>189,644,184</u>
Balance at December 31, 2019	<u>\$ 1,031,589,464</u>

COUNTY OF MORRIS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018 (Continued)

K. POST RETIREMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

2. General Information about the County's OPEB Plan (Cont'd)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the County as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage lower (1.75 percent) or 1 percentage higher (3.75 percent) than the current discount rate:

	December 31, 2019		
	1%	Discount Rate	1%
	Decrease (1.75%)	(2.75%)	Increase (3.75%)
Total OPEB Liability	\$ 1,244,093,657	\$ 1,031,589,464	\$ 867,913,691

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the County as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage lower or 1 percentage higher than the valuation healthcare cost trend rates:

	December 31, 2019		
	1%	Valuation Healthcare Trend Rates	1%
	Decrease		Increase
Total OPEB Liability	\$ 843,415,481	\$ 1,031,589,464	\$ 1,281,575,891

OPEB Expense

For the year ended December 31, 2019, the County's OPEB expense was \$55,886,282 as determined by the actuarial valuation.

COUNTY OF MORRIS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018 (Continued)

L. VALUATION OF REAL PROPERTY, NET VALUATION TAXABLE, COUNTY TAX RATE BASE AND COUNTY TAX CALENDAR

<u>Year</u>	<u>State Equalized Valuation of Real Property (1)</u>	<u>Assessed Valuation of Real Property</u>	<u>Net Valuation Taxable of Real and Personal Property</u>	<u>Equalized Valuation of Real and Personal Property</u>	<u>Tax Rate per \$1,000</u>
2015*	90,939,499,128	79,157,656,319	79,191,497,500	90,711,159,054	2.41
2016	92,508,395,488	82,133,879,912	82,168,381,134	91,741,656,968	2.47
2017*	94,119,262,459	84,360,342,250	84,395,813,691	93,227,169,471	2.51
2018	95,353,197,886	85,132,224,280	85,165,747,677	94,755,062,034	2.51
2019	96,217,882,250	87,099,022,775	87,132,854,490	96,090,769,477	2.54

(1) - October 1, State Division of Taxation Equalized Valuation as Utilized for Debt Statements, including Assessed Valuation of Class II Railroad Property.

* Revised as per Tax Court

County Tax Calendar

County taxes are billed approximately two months prior to the respective due dates to the municipalities in the County. The first three quarterly billings are based on an estimate of the current year's levy based on the prior year's taxes. These three quarterly billings are due February 15th, May 15th and August 15th. The fourth quarter's billing reflects an adjustment to the current year's actual levy and is due November 15th.

COUNTY OF MORRIS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018 (Continued)

M. RELATED PARTY TRANSACTIONS

During the years ended December 31, 2019 and 2018, the County of Morris provided financial support for current operations to the following component units:

	December 31,	
	2019	2018
Morris County School of Technology	\$ 6,248,095	\$ 6,248,095
County College of Morris	11,830,000	11,830,000
Morris County Park Commission	13,975,000	13,675,000
	\$ 32,053,095	\$ 31,753,095

These funds are raised through the County’s tax levy and disbursed to the county vocational school, the county college and the Park Commission for their operations. There are no amounts due to, or due from, these three entities at December 31, 2019.

N. CONTINGENT LIABILITIES

The County is involved in various lawsuits arising in the normal course of business, including claims for property damage, personal injury, and various contract disputes. The County is vigorously contesting 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 County 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. The County is always subject to oversight review, and each grant review would be resolved on a case by case basis.

A prior dispute has been settled in connection with the solar improvements funded by the MCIA's \$33,100,000 original par amount of County of Morris Guaranteed Renewable Energy Program Lease Revenue Bonds, Series 2011A (Federally Taxable) ("A Bonds"), and the \$1,200,000 original par amount of the County of Morris Guaranteed Renewable Energy Program Lease Revenue Note, Series 2011B (Federally Taxable) ("B Note"), both issued December 8, 2011 which was paid off by the County of Morris 2016 budget. The prior dispute was between the MCIA, the developer, and the contractor of the solar improvements. The A Bonds and the hereinafter defined 2019 Refunding Bonds are guaranteed by Morris County. Both the A Bonds and the County of Morris Guaranteed Renewable Energy Program Lease Revenue Refunding Bonds, Series 2019 (the “2019 Bonds”, refunded “2009 Bonds”) are in part reliant on revenues from the sale of SREC's generated by the program. Any deficiency in SREC revenues that result in a debt service insufficiency are also ultimately guaranteed by the County of Morris.

It is anticipated that there may be a shortfall in revenues to cover the \$2,689,445 June 15, 2020 debt service payment in connection with the A Bonds, and the County intends to satisfy any such shortfall in accordance with the County guaranty. It is anticipated that there will be sufficient revenues to cover the \$363,487 December 15, 2020 debt service payment in connection with the A Bonds. During 2019, the County refunded the 2009 Bonds and took over as administrator of the project. In connection with these Bonds, it is anticipated there may be a shortfall in revenues available to cover the \$1,675,500 August 15, 2020 and \$168,750 February 15, 2021 debt service payments. The County intends to satisfy the potential shortfall in accordance with the County guaranty and has provided \$3,292,255 in the 2020 budget to cover the total of any short that occurs during 2020 and through February 15, 2021.

COUNTY OF MORRIS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018 (Continued)

N. CONTINGENT LIABILITIES (Cont'd)

The County is currently in dispute over a \$1.66m recoupment notice issued by the State of New Jersey Department of Human Services. The recoupment amount was a result of the State’s notice of revised Medicaid rates effective July 1, 2007 to July 1, 2009 and notice of revised FFS case mix rates effective July 1, 2010 to June 30, 2015. These revised rates were issued as a result of an acuity audit of Morris View’s 2006 cost report performed in 2009. The County has been disputing the findings of the audit and the resulting revised rates. The County has submitted an appeal with the Appellate Division of Superior Court. The County has recorded a Reserve for Litigation for the potential payout of the recoupment.

O. INTERFUND RECEIVABLES AND PAYABLES

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 2,328,050	\$
Grant Fund		1,828,050
General Capital Fund	400,000	
Regular Trust Fund		500,000
Dedicated Trust Fund		400,000
	<u>\$ 2,728,050</u>	<u>\$ 2,728,050</u>

The interfund receivable in the General Fund and the interfund payables in the Grant Fund and Regular Trust Fund are due to a normal timing difference between the disbursement and receipt of grant funds as a number of the grants received by the County are on a reimbursement basis. The interfund receivable in the General Capital Fund and the interfund payable in the Dedicated Trust Fund are due to local funding for a capital ordinance due from the Dedicated Trust Fund to the General Capital Fund.

The most significant interfund activity during the year relates to interest earned in the General Capital Fund and paid to the Current Fund.

P. OPEN SPACE TRUST FUND

On December 22, 1992, the Morris County Open Space and Farmland Preservation Trust Fund was created. Collection of funds for the Trust Fund commenced on July 1, 1993 with a tax equal to one-half cent per \$100 of total county equalized real property valuation. The County Freeholders review the tax rate annually and may set the tax anywhere from \$.00 to \$.05. The levies for 2019 and 2018 were set at 0.750 and 0.875 cents, respectively. In 2012, the Flood Mitigation Program was created as a special sub-program of Open Space for the buyout of flood-prone residential properties.

In 2019, the Trust Fund was divided among the following programs:

- ¼ cent per \$100 of valuation to the Morris County Park Commission for Capital Improvements under the Park Improvement Trust
- ¼ cent per \$100 of valuation to the Historic Preservation Program

The remaining balance of the collected tax was allocated as follows:

- 33% to the Morris County Park Commission
- 40% to municipal and/or qualified charitable conservancy for open space preservation projects
- 27% to the Morris County Trails Program

COUNTY OF MORRIS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018 (Continued)

P. OPEN SPACE TRUST FUND (Cont'd)

In 2019, the Morris County Open Space Trust Fund approved 6 projects to municipalities and/or non-profit organizations in 6 towns totaling \$1,963,150. Also in 2019, the Flood Mitigation Program approved 5 projects in 1 town totaling \$678,750. Additionally, the Morris County Historic Preservation Trust Fund approved 29 projects to municipalities and non-profit organizations in 18 towns totaling \$2,851,699.

As of 2019, the Morris County Agriculture Development Board has approved 136 projects preserving 8,026 acres of farmland since the inception of the Morris County Farmland Preservation Program in 1987, and the Flood Mitigation Program has approved 145 projects totaling \$8,442,990 since its inception in 2012.

As of 2019, the Morris County Trails Program approved 31 grants totaling \$2,865,024 in 21 municipalities since its inception in 2016.

As of December 31, 2019, the balance in the Reserve for Open Space Trust Fund was approximately \$66.59 million of which approximately \$11.25 million has been encumbered for approved Historic Preservation Trust Fund projects.

In 2018, the Trust Fund was divided among the following programs:

- ¼ cent per \$100 of valuation to the Morris County Park Commission for Capital Improvements under the Park Improvement Trust
- ¼ cent per \$100 of valuation to the Historic Preservation Program

The remaining balance of the collected tax was allocated as follows:

23% to the Morris County Park Commission

56% to municipal and/or qualified charitable conservancy for open space preservation projects

21% to the Morris County Trails Program

In 2018, the Morris County Open Space Trust Fund approved 5 projects to municipalities and/or non-profit organizations in 5 towns totaling \$1,930,000. Also in 2018, the Flood Mitigation Program approved 8 projects in 1 town totaling \$1,343,710. Additionally, the Morris County Historic Preservation Trust Fund approved 21 projects to municipalities and non-profit organizations in 16 towns totaling \$2,152,141.

As of 2018, the Morris County Agriculture Development Board has approved 136 projects preserving 8,026 acres of farmland since the inception of the Morris County Farmland Preservation Program in 1987, and the Flood Mitigation Program has approved 140 projects totaling \$8,371,643 since its inception in 2012.

As of 2018, the Morris County Trails Program approved 25 grants totaling \$2,037,611 in 18 municipalities since its inception in 2016.

As of December 31, 2018, the balance in the Reserve for Open Space Trust Fund was approximately \$65.79 million of which approximately \$11.85 million has been encumbered for approved Historic Preservation Trust Fund projects.

COUNTY OF MORRIS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018 (Continued)

Q. ECONOMIC DEPENDENCY

The County 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 County’s programs and activities.

R. DEFERRED COMPENSATION

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, which is administered by Great-West, permits participants to defer a portion of their salary until future years. Amounts deferred under the plan are not available to employees until termination, retirement, death or unforeseeable emergency.

S. FIXED ASSETS

	Balance December 31, 2017	Additions	Adjustments/ Deletions	Balance December 31, 2018
Land	\$ 20,513,616	\$	\$	\$ 20,513,616
Building and Building Improvements	79,123,904			79,123,904
Machinery, Vehicles and Equipment	48,879,197	4,684,383	1,441,886	52,121,694
	<u>\$ 148,516,717</u>	<u>\$ 4,684,383</u>	<u>\$ 1,441,886</u>	<u>\$ 151,759,214</u>
	Balance December 31, 2018	Additions	Adjustments/ Deletions	Balance December 31, 2019
Land	\$ 20,513,616	\$	\$ (4)	\$ 20,513,620
Building and Building Improvements	79,123,904		1,144,773	77,979,131
Machinery, Vehicles and Equipment	52,121,694	4,706,798	2,162,988	54,665,504
	<u>\$ 151,759,214</u>	<u>\$ 4,706,798</u>	<u>\$ 3,307,757</u>	<u>\$ 153,158,255</u>

T. TAX ABATEMENT

Governmental Accounting Standards Board (GASB) requires disclosure of tax abatement information about (1) a reporting government’s own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government’s tax revenues.

County property tax revenues were potentially reduced by approximately \$784,000 under agreements entered by several municipalities in the County, however, because the County property tax levy is guaranteed to be paid in full by the municipalities, the County collected its full tax levy in 2019. The entities (including nonprofit organizations and redevelopers) under these agreements pay the municipalities an annual service charge or payment in lieu of taxes. Under a certain number of these agreements, the municipalities remit 5% of the annual service charges to the County.

COUNTY OF MORRIS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018 (Continued)

U. SUBSEQUENT EVENT

The COVID-19 outbreak in the United States and specifically in New Jersey has caused disruption of the County's normal financial operations with the county offices being closed to the public and minimal staff working on site. Though the impact on the County's operations cannot be reasonably estimated at this date, it is likely that there could be a timing impact on levy collections while other revenues could possibly be adversely impacted in the Current Fund.

SUPPLEMENTAL SCHEDULES

**COUNTY OF MORRIS
ROSTER OF OFFICIALS**

The following officials were in office during 2019:

Name	Title	Term Expires
Douglas R. Cabana	Director	December 2019
Heather Darling	Deputy Director	December 2020
Kathryn A. DeFillippo	Freeholder	December 2019
Thomas J. Mastrangelo	Freeholder	December 2019
John Krickus	Freeholder	December 2021
Deborah Smith	Freeholder	December 2021
Stephen H. Shaw	Freeholder	December 2021

Other Officials:

Debra Lynch	Clerk of the Board
John Bonanni	County Administrator
John Napolitano	County Counsel
Joseph A. Kovalcik, Jr. (res. 11/6/19)	Director of Finance and County Treasurer
Beti Bauer (eff. 11/6/19)	Director of Finance and Chief Financial Officer

COUNTY OF MORRIS

2019

CURRENT FUND

COUNTY OF MORRIS

CURRENT FUND
SCHEDULE OF CASH AND INVESTMENTS - TREASURER

	Ref.		
BALANCE, DECEMBER 31, 2018	A		\$ 106,918,747
Increased by Receipts:			
County Taxes	A-2	\$ 243,350,332	
Reserve for Litigation	A	6,678	
Revenue Accounts Receivable	A-6	76,012,005	
Miscellaneous Revenue Not Anticipated	A-2	8,110,830	
Due to State of New Jersey	A-9	47,174,680	
Due to Boonton / Dover - Tower Rental	A	54,222	
Reserve for Sale of County Assets	A	1,324,768	
Interfund Returned:			
Due from Grant Fund	A-1, A-10	1,390,933	
Due from Regular Trust Fund:			
Local Home Trust Fund	A-1, B-1	250,000	
Community Development Block Grant	A-1, B-1	250,000	
		<u>377,924,448</u>	<u>484,843,195</u>
Decreased by Disbursements:			
Budget Expenditures	A-3	298,476,445	
Appropriation Reserves	A-7	14,551,791	
Interfund Advanced:			
Due from Grant Fund	A-1, A-10	1,828,050	
Due from Regular Trust Fund:			
Local Home Trust Fund	A-1, B-1	250,000	
Community Development Block Grant	A-1, B-1	250,000	
Due to State of New Jersey	A-9	47,174,680	
Refund of Prior Year Revenue	A-1	83,496	
Due to Boonton / Dover - Tower Rental	A	52,643	
Contracts Payable	A-8	6,195,521	
		<u>368,862,626</u>	
BALANCE, DECEMBER 31, 2019	A		<u>\$ 115,980,569</u>

COUNTY OF MORRIS

**CURRENT FUND
SCHEDULE OF ADDED AND OMITTED TAXES RECEIVABLE**

	Ref.	
BALANCE, DECEMBER 31, 2018	A	\$ 665,714
Increased by:		
Levy - Year 2019		<u>1,047,387</u>
		1,713,101
Decreased by:		
Collections	A-2	<u>983,648</u>
BALANCE, DECEMBER 31, 2019	A	<u><u>\$ 729,453</u></u>

COUNTY OF MORRIS

CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Ref.	Balance, December 31, 2018	Charges	Realized	Balance, December 31, 2019
Local Revenues:					
County Clerk	A-2	\$ 698,129	\$ 10,766,420	\$ 10,794,115	\$ 670,434
Surrogate	A-2	12,719	585,450	598,169	
Sheriff	A-2		1,774,859	1,774,859	
Emergency Dispatching	A-2		3,997,724	3,997,724	
Emergency Management Services	A-2		532,988	532,988	
Shared Medical Examiner	A-2		530,551	530,551	
Rental of County Owned Property	A-2	8,621	367,703	365,982	10,342
Management Information Systems Services	A-2		14,139	14,139	
Book Fines - Library	A-2		23,169	23,169	
Fees for Morris County Public Safety Training Academy	A-2	12,378	627,543	620,691	19,230
Human Services - Youth Center/Shelter	A-2	13,446	1,440,989	1,449,185	5,250
Local Health Services	A-2	51,293	501,643	552,936	
Housing of Federal, State and other Counties Inmates	A-2	87	1,001,767	1,001,854	
Public Works	A-2		538,278	538,278	
Morris View Lease	A-2	147,986	1,585,654	1,733,640	
Subtotal Local Revenues		944,659	24,288,877	24,528,280	705,256
State Aid:					
State Aid - County College Bonds (N.J.S.A. 18A:64A-22.6)	A-2		2,343,655	2,343,655	
Social Services - State & Federal Share	A-2		9,580,549	9,580,549	
NJ Ease Phase II	A-2	2,870	(2,870)		
Vo-Tech State Aid Debt Service	A-2		255,704	255,704	
Subtotal State Aid		2,870	12,177,038	12,179,908	
State Assumption of Costs of County Social and Welfare Services and Psychiatric Facilities:					
Social and Welfare Services (c.66. P.L. 1990):					
Supplemental Social Security Income	A-2		553,109	553,109	
Psychiatric Facilities (c.73, P.L. 1990):					
Board of County Patients in State and Other Institutions	A-2		75,454	75,454	
Subtotal State Assumption of Costs			628,563	628,563	
Public and Private Revenues Offset with Appropriations:					
New Jersey Department of Health and Senior Services:					
Area Plan Grant - Title IIIB, IIIC1, and IIIC2	A-2		3,004,124	3,004,124	
New Jersey Department of the Treasury:					
NJ Governor's Council on Alcoholism and Drug Abuse	A-2		473,890	473,890	
New Jersey Department of Community Affairs:					
LIHEAP - CWA	A-2		6,986	6,986	
2019 Universal Service Fund - CWA Administration	A-2		4,467	4,467	
New Jersey Department of Children and Families:					
ALPN - HSAC/YIP/Transportation	A-2		171,113	171,113	
New Jersey Department of Human Services:					
Chapter 51 - Alcoholism and Drug Abuse	A-2		870,141	870,141	
REACH Program, F1PZN	A-2		473,074	473,074	
Social Services for the Homeless, H1PZN	A-2		555,110	555,110	
PASP (ALPN)	A-2		44,166	44,166	
Hope One Program	A-2		150,000	150,000	
U.S. Department of Health and Human Services:					
Bio-Terrorism and Public Health Emergency Grant	A-2		491,311	491,311	
U.S. Department of Housing and Urban Development:					
Continuum of Care Planning Grant	A-2		51,882	51,882	

COUNTY OF MORRIS

CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

Ref.	Balance, December 31, 2018	Charges	Realized	Balance, December 31, 2019
Public and Private Revenues Offset with Appropriations: (continued):				
New Jersey Department of Law and Public Safety:				
Drug Recognition Expert Call Out and Assistance Program	A-2	\$ 86,575	\$ 86,575	\$
County Driving While Intoxicated Grant	A-2	33,000	33,000	
Body Armor Replacement	A-2	59,190	59,190	
Law Enforcement Officers Training and Equipment Fund	A-2	20,503	20,503	
Insurance Fraud Reimbursement Program	A-2	250,000	250,000	
Comprehensive Opioid Abuse Site-based Program	A-2	332,658	332,658	
State / Community Partnership Program	A-2	497,662	497,662	
New Jersey Chapter International Association of Arson Investigators				
Morris County Juvenile Firesetters Program	A-2	1,000	1,000	
U.S. Department of Justice:				
Victim Assistance Project	A-2	510,991	510,991	
SART/SANE Program	A-2	82,895	82,895	
State Criminal Alien Assistance Program (SCAAP)	A-2	465,726	465,726	
U.S. Department of Homeland Security:				
Emergency Food & Shelter	A-2	1,256	1,256	
Pre-Disaster Mitigation Competitive Grant	A-2	126,000	126,000	
Homeland Security	A-2	347,322	347,322	
UASI (Urban Areas Security Initiative)	A-2	3,468,379	3,468,379	
Presidential Residence Protection Assistance Grant	A-2	55,938	55,938	
New Jersey Department of Environmental Protection:				
CEHA Grant	A-2	175,075	175,075	
New Jersey Department of Labor and Workforce Development:				
Work First New Jersey	A-2	1,691,096	1,691,096	
Workforce Development	A-2	3,390,437	3,390,437	
Smart Steps Program	A-2	2,408	2,408	
New Jersey Department of Military and Veteran Affairs:				
MAPS (Veterans Transportation)	A-2	15,000	15,000	
New Jersey Transit Corporation:				
MAPS (Senior Citizens and Disabled Residents)	A-2	900,480	900,480	
Non-Urbanized Area Formula Program (Section 5311)	A-2	358,634	358,634	
U.S. Election Assistance Commission				
Help America Vote Act - VVPAT Grant Program	A-2	40,790	40,790	
U.S. Department of Transportation:				
Annual Transportation Program	A-2	7,953,564	7,953,564	
Subregional Support Program	A-2	30,000	30,000	
Bi-County Bridge No. 1400521 Passaic Street (CR 647)	A-2	1,295,261	1,295,261	
Bridge No. 1400132 Carey Avenue (CR 511)	A-2	785,553	785,553	
Highway Rail Grade Crossing/RHC-0613(300)H210	A-2	244,775	244,775	
Highway Rail Grade Crossing/RHC-0619(300)H210	A-2	244,775	244,775	
High Bridge Branch Resurfacing	A-2	1,941,984	1,941,984	
Schooleys Mt Road Bridge, Township of Washington	A-2	800,250	800,250	
Russia Road Bridge No. 1400948 Reconstruction	A-2	235,000	235,000	
Northern New Jersey Safe Communities Grant	A-2	99,950	99,950	
New Jersey Department of State:				
County History Partnership Program	A-2	43,520	43,520	
Complete Count Commission County Grant Program	A-2	100,774	100,774	
Other Miscellaneous Programs:				
Sheriff / Private Donations	A-2	74,718	74,718	
Project Lifesaver Program / Private Contribution	A-2	5,050	5,050	
Subtotal Public & Private Revenues		33,064,453	33,064,453	
Other Special Items:				
Pension Reimbursements	A-2	1,493,585	1,493,585	
Capital Fund Balance	A-2	461,000	461,000	
School Board Elections	A-2	56,987	56,987	
Interest Income - Social Services	A-2	1,146	1,146	
Motor Vehicle Fines - Dedicated Fund	A-2	2,542,209	2,542,209	
Weights & Measures - Dedicated Fund	A-2	1,055,874	1,055,874	
Subtotal Other Special Items		5,610,801	5,610,801	
TOTAL MISCELLANEOUS REVENUES		\$ 947,529	\$ 76,012,005	\$ 705,256
Ref.	A		A-2, A-4	A

COUNTY OF MORRIS

CURRENT FUND
 SCHEDULE OF APPROPRIATION RESERVES
 YEAR ENDED DECEMBER 31, 2019

	<u>Balance December 31, 2018</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
GENERAL GOVERNMENT:				
Administrative & Executive				
County Administrator				
Salaries and Wages	\$ 186,704	\$ 166,704	\$ 126,354	\$ 40,350
Other Expenses	480,318	480,318	360,825	119,493
Personnel				
Salaries and Wages	39,341	39,341	7,927	31,414
Other Expenses	227,844	254,844	115,740	139,104
Board of Chosen Freeholders				
Salaries and Wages	16,719	16,719	6,617	10,102
Other Expenses	31,206	31,206	6,007	25,199
County Clerk				
Salaries and Wages	195,463	115,463	37,695	77,768
Other Expenses	71,122	151,122	24,343	126,779
Elections				
Salaries and Wages	59,309	44,309	19,497	24,812
Other Expenses	206,813	222,813	46,799	176,014
Department of Finance				
Salaries and Wages	149,830	119,830	87,580	32,250
Other Expenses	156,405	191,405	120,210	71,195
Annual Audit	151,482	151,482	129,760	21,722
Information Technology Division				
Salaries and Wages	157,097	107,097	69,695	37,402
Other Expenses	743,264	614,764	347,490	267,274
Board of Taxation				
Salaries and Wages	14,106	14,106	4,893	9,213
Other Expenses	12,048	11,521	489	11,032
County Counsel				
Salaries and Wages	42,077	42,077	6,066	36,011
Other Expenses	288,120	288,120	82,788	205,332
County Surrogate				
Salaries and Wages	27,584	27,584	25,825	1,759
Other Expenses	60,007	60,007	16,289	43,718
Engineering				
Salaries and Wages	140,034	140,034	139,824	210
Other Expenses	211,866	211,866	211,282	584
Economic Development				
Salaries and Wages	106,596	81,596	80,984	612
Other Expenses	94,376	94,376	62,746	31,630
Heritage Commission				
Salaries and Wages	6,575	6,575	2,202	4,373
Other Expenses	10,145	10,145	1,994	8,151
TOTAL GENERAL GOVERNMENT	<u>3,886,451</u>	<u>3,695,424</u>	<u>2,141,921</u>	<u>1,553,503</u>
CODE ENFORCEMENT AND ADMINISTRATION:				
Weights & Measures				
Salaries and Wages	95,963	85,963	16,402	69,561
Other Expenses	65,827	75,827	16,757	59,070
TOTAL CODE ENFORCEMENT AND ADMINISTRATION	<u>161,790</u>	<u>161,790</u>	<u>33,159</u>	<u>128,631</u>

COUNTY OF MORRIS

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2019

	Balance December 31, 2018	Balance After Transfers	Paid or Charged	Balance Lapsed
INSURANCE:				
Workers' Compensation Insurance	\$ 25,229	\$ 25,229	\$	\$ 25,229
Group Insurance for Employees	7,551,816	5,551,816	1,214,313	4,337,503
Health Benefits Waiver	7,673	7,673		7,673
TOTAL INSURANCE	7,584,718	5,584,718	1,214,313	4,370,405
PUBLIC SAFETY:				
Emergency Management				
Salaries and Wages	580,775	370,775	336,200	34,575
Other Expenses	602,944	778,566	564,570	213,996
Medical Examiner				
Salaries and Wages	113,439	83,439	21,011	62,428
Other Expenses	69,361	99,361	60,483	38,878
Sheriff's Office				
Salaries and Wages	558,632	498,632	489,515	9,117
Other Expenses	612,987	672,987	511,820	161,167
Prosecutor's Office				
Salaries and Wages	386,443	346,443	210,294	136,149
Other Expenses	435,767	498,857	469,268	29,589
Jail				
Salaries and Wages	864,652	684,652	638,820	45,832
Other Expenses	450,798	495,247	485,268	9,979
Youth Center				
Salaries and Wages	247,317	247,317	48,425	198,892
Other Expenses	202,824	202,824	24,004	178,820
TOTAL PUBLIC SAFETY	5,125,939	4,979,100	3,859,678	1,119,422
PUBLIC WORKS:				
Road Repairs				
Salaries and Wages	470,045	370,045	369,747	298
Other Expenses	570,435	760,435	559,850	200,585
Bridges and Culverts				
Salaries and Wages	169,870	129,870	129,374	496
Other Expenses	30,401	70,401	69,913	488
Shade Tree Commission				
Salaries and Wages	96,685	96,685	96,355	330
Other Expenses	644,498	544,498	544,424	74
Buildings & Grounds				
Salaries and Wages	430,278	370,278	370,070	208
Other Expenses	589,460	649,460	649,179	281
Motor Service Center				
Salaries and Wages	264,015	209,015	208,612	403
Other Expenses	145,105	200,105	199,714	391
Mosquito Control				
Salaries and Wages	108,742	89,742	89,024	718
Other Expenses	15,102	34,102	34,071	31
TOTAL PUBLIC WORKS	3,534,636	3,524,636	3,320,333	204,303
HEALTH AND WELFARE:				
Department of Health Management				
Salaries and Wages	92,482	57,482	1,686	55,796
Other Expenses	79,302	114,302	76,978	37,324
Department of Human Services Planning				
Salaries and Wages	498,178	60,178	46,418	13,760
Other Expenses	473,014	503,014	165,048	337,966

COUNTY OF MORRIS

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2019

	<u>Balance December 31, 2018</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
HEALTH AND WELFARE (Continued):				
Office on Aging				
Salaries and Wages	\$ 224,546	\$ 144,546	\$ 118,828	\$ 25,718
Other Expenses	38,352	68,352	20,260	48,092
Senior, Disability and Veteran Services				
Salaries and Wages	12,484	12,484	2,029	10,455
Other Expenses	217,388	217,388	61,796	155,592
Grants in Aid	615,408	615,408	549,620	65,788
Morristown Memorial Hospital - SCS	22,295	22,295	22,295	
County Board of Social Services				
Salaries and Wages	1,349,542	1,189,542	158,434	1,031,108
Other Expenses	2,216,199	2,216,199	410,613	1,805,586
County Psych Patients in County Hospitals				
Other Expenses	471,246	471,246	29,673	441,573
Morris View Nursing Home				
Other Expenses	924,572	749,572	567,291	182,281
County Adjuster				
Salaries and Wages	36,043	26,043	11,537	14,506
Other Expenses	2,515	12,515	1,465	11,050
Dental Clinic	4,875	4,875		4,875
TOTAL HEALTH AND WELFARE	<u>7,278,441</u>	<u>6,485,441</u>	<u>2,243,971</u>	<u>4,241,470</u>
EDUCATIONAL:				
County Library Services				
Salaries and Wages	306,599	86,599	66,941	19,658
Other Expenses	85,807	135,807	84,149	51,658
Office of County Superintendent of Schools				
Salaries and Wages	9,948	8,948	3,735	5,213
Other Expenses	1,725	2,725	1,309	1,416
County Extension Services				
Salaries and Wages	83,032	53,032	52,160	872
Other Expenses	3,036	33,036	3,001	30,035
Reimbursement for Residents attending out of County 2 year Colleges (N.J.S. 18A:64A-23)	34,295	34,295	13,711	20,584
Aid to Museums	3,000	3,000		3,000
Morris County Public Safety Training Academy				
Salaries and Wages	26,331	26,331	12,464	13,867
Other Expenses	46,055	69,555	50,950	18,605
TOTAL EDUCATIONAL	<u>599,828</u>	<u>453,328</u>	<u>288,420</u>	<u>164,908</u>
OTHER COMMON OPERATING FUNCTIONS:				
Salary Adjustment	617,820	617,820	617,677	143
TOTAL OTHER COMMON OPERATING FUNCTIONS	<u>617,820</u>	<u>617,820</u>	<u>617,677</u>	<u>143</u>
UTILITY EXPENSES & BULK PURCHASES				
Utilities	578,981	883,981	164,893	719,088
TOTAL UTILITY EXPENSES & BULK PURCHASES	<u>578,981</u>	<u>883,981</u>	<u>164,893</u>	<u>719,088</u>

COUNTY OF MORRIS

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2019

	<u>Balance December 31, 2018</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES:				
Department of Health and Senior Services				
Title III Nutrition Program:				
Salaries and Wages	\$ 213,572	\$ 113,572	\$ 35,424	\$ 78,148
Other Expenses	1,447,989	1,447,989	170,771	1,277,218
Area Plan Grant	300,968	283,189	257,286	25,903
Department of Human Services:				
ALPN	175,586	175,586	131,005	44,581
TOTAL PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUE	<u>2,138,115</u>	<u>2,020,336</u>	<u>594,486</u>	<u>1,425,850</u>
TOTAL OPERATIONS	31,506,719	28,406,574	14,478,851	13,927,723
Contingent	30,000	30,000		30,000
TOTAL OPERATIONS INCLUDING CONTINGENT	<u>31,536,719</u>	<u>28,436,574</u>	<u>14,478,851</u>	<u>13,957,723</u>
DEFERRED CHARGES & STATUTORY EXPENDITURES:				
Contribution to:				
Public Employees' Retirement System	364,000			
Police and Fire Retirement System	542,000			
Social Security System	1,282,600	1,182,600	72,044	1,110,556
Detective Pension Fund System of New Jersey	36,168	36,168	896	35,272
Defined Contribution Retirement Plan	37,513	37,513		37,513
TOTAL DEFERRED CHARGES & STATUTORY EXPENDITURES	<u>2,262,281</u>	<u>1,256,281</u>	<u>72,940</u>	<u>1,183,341</u>
TOTAL GENERAL APPROPRIATIONS	<u>\$ 33,799,000</u>	<u>\$ 29,692,855</u>	<u>\$ 14,551,791</u>	<u>\$ 15,141,064</u>
	Ref.		A-4	A-1
Appropriation Reserves	A	\$ 23,320,809		
Reserve for Encumbrances		8,218,030		
Accounts Payable	A	<u>2,260,161</u>		
		33,799,000		
Less: Transferred to Contracts Payable	A-8	<u>4,106,145</u>		
		<u>\$ 29,692,855</u>		

The Honorable Director and Members
of the Board of Chosen Freeholders
County of Morris
Page 2

Opinion on Each Major and Federal and State Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2019.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and NJOMB 15-08, 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 County'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 a 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 the Uniform Guidance or NJOMB 15-08. Accordingly, this report is not suitable for any other purpose.

Mount Arlington, New Jersey
April 1, 2020

NISIVOCCIA

Francis Jones of Nisivoccia LLP
Francis Jones

Registered Municipal Accountant #442
Certified Public Accountant

COUNTY OF MORRIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2019

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the County'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.
- 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 County 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 major federal and state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major Federal and State Program; Report on Internal Control Over Compliance Required by the Uniform Guidance and New Jersey OMB's Circular 15-08*.
- The auditor's report on compliance for its major federal and state programs for the County expresses an unmodified opinion on all major federal and state programs.
- The audit did not disclose any findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The threshold for distinguishing between Type A and B federal and state programs was \$750,000.
- The County was determined to be a "low-risk" auditee for federal and state programs.

Findings Related to Financial Statements Which are Required to be Reported in Accordance with Government Auditing Standards:

- There were none.

Findings and Questioned Costs for Federal Awards:

- The audit did not disclose any findings or questioned costs for federal awards as defined in 2 CFR 200.516(a) of the Uniform Guidance.

Findings and Questioned Costs for State Awards:

- The audit did not disclose any findings or questioned costs for state awards as defined in 2 CFR 200.516(a) of the Uniform Guidance or NJ OMB 15-08.

COUNTY OF MORRIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2019
(Continued)

Summary of Auditors' Results:

- The County's programs tested as major federal programs for the current year consisted of the following federal programs:

<u>Federal:</u>	<u>CFDA #</u>	<u>Program Disbursements</u>
U.S. Department of Transportation:		
Highway Planning and Construction Cluster:		
Passed through New Jersey Department of Transportation:		
FY2019 County Aid Program - Annual Transportation Program	20.205	\$ 3,301,959
FY2018 County Aid Program - Annual Transportation Program	20.205	5,139,978
FY2017 County Aid Program - Annual Transportation Program	20.205	233,566
FY2016 County Aid Program - Annual Transportation Program	20.205	1,164,090
Schooleys Mountain Road Bridge	20.205	6,728
Passed through New Jersey Transportation Planning Authority:		
FY 2020 Subregional Transportation Planning	20.205	65,333
FY 2019 Subregional Transportation Planning	20.205	69,557
FY 2019 Subregional Transportation Planning - STP Supplemental	20.205	13,306
NYS&W Rail Line Bicycle/Pedestrian Path	20.205	957,360
NYS&W Rail Line Bicycle/Pedestrian Path	20.205	62,705

The County's programs tested as major state programs for the current year consisted of the following state programs:

<u>State:</u>	<u>State Account #</u>	<u>Program Disbursements</u>
New Jersey Department of Transportation:		
(Pass Through New Jersey Transit):		
FY19 SCDRTAP - MAPS (Paratransit)	N/A	\$ 850,848
FY18 SCDRTAP - MAPS (Paratransit)	N/A	18,466
Crane Road Bridge #1400-166	2018-480-078-6320-AMU-6010	200,000
High Bridge Branch Resurfacing Project	N/A	1,730,090
Landing Road Bridge Replacement	2017-DT-BLA1-FEP-01	190,534
SH 46, Roxbury Twp., RE#2018-09	N/A	133,200
FY17 Ridgedale Ave, Bridge No. 1400-376, Hanover Twp.	17-480-078-6320-AMK-6010	13,102

COUNTY OF MORRIS
SUMMARY OF RECOMMENDATIONS

It is recommended that:

1. The County continue to communicate its policy regarding the transfer and disposal of capital assets to all departments.