

TOWNSHIP OF CHATHAM
SUMMARY OR SYNOPSIS OF AUDIT REPORT FOR PUBLICATION

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

Summary or Synopsis of 2015 Audit Report of Township of Chatham, County of Morris as required by N.J.S. 40A:5-7.

Combined Comparative Balance Sheet

	December 31,	
	2015	2014
<u>ASSETS AND OTHER DEBITS:</u>		
Assets:		
Cash and Cash Equivalents	\$ 13,182,668.93	\$ 12,023,008.43
Taxes, Utilities and Liens Receivable	1,120,570.19	1,598,931.34
Property Acquired for Taxes	599,650.00	599,650.00
Accounts Receivable	731,583.98	2,150,697.20
Deferred Charges to Future Taxation - General Capital	11,906,750.00	10,276,750.00
Deferred Charges	30,000.00	
Fixed Capital - Utilities	19,154,263.88	18,627,125.46
Fixed Capital Authorized and Uncomplete	7,825,000.00	8,300,000.00
General Fixed Assets	31,046,298.00	30,828,390.00
<u>TOTAL ASSETS</u>	<u>\$ 85,596,784.98</u>	<u>\$ 84,404,552.43</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE:</u>		
Bonds, Loans & Notes Payable	\$ 20,625,779.59	\$ 19,815,560.46
Improvement Authorizations	3,607,989.65	527,674.63
Other Liabilities and Special Funds	4,593,645.07	8,348,448.85
Reserve for Amortization	16,779,584.84	15,855,716.00
Investment in General Fixed Assets	31,046,298.00	30,828,390.00
Reserve for Receivable	2,047,222.88	2,207,724.98
Fund Balance	6,896,264.95	6,820,997.51
Total Liabilities, Reserves and Fund Balances	<u>\$ 85,596,784.98</u>	<u>\$ 84,404,552.43</u>

TOWNSHIP OF CHATHAM
SUMMARY OR SYNOPSIS OF AUDIT REPORT FOR PUBLICATION

(Continued)

Comparative Schedule of Operations and Change in Fund

Balance -

Current Fund

	Year Ended December 31,	
	2015	2014
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 2,800,000.00	\$ 2,400,000.00
Miscellaneous Revenue Anticipated	2,076,836.18	2,000,143.66
Receipts from Delinquent Taxes	577,240.95	579,637.89
Receipts from Current Taxes	53,695,864.24	52,764,057.65
Nonbudget Revenue	645,290.89	882,002.46
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	581,166.76	553,154.97
Cancellation of Grant Reserves	1,984.44	3,244.56
Tax Overpayments Cancelled		29,917.38
Sale of Foreclosed Property		350,154.36
Interfunds Returned	9,143.64	9,460.19
	60,387,527.10	59,571,773.12
<u>Expenditures</u>		
Budget and Emergency Appropriations:		
Municipal Purposes	13,017,852.73	12,888,770.85
County Taxes	8,470,021.45	8,474,428.12
Regional School District Taxes	35,852,245.00	34,744,206.00
Open Space Taxes	154,917.46	153,620.19
Refund of Prior Year Revenue	1,379.00	954.00
Interfunds Advanced	408.78	
Prior Year Tax Appeals Granted		26,312.10
Prior Year School Taxes Payable Cancelled		.73
Grant Receivables Cancelled	9,706.81	3,358.66
	57,506,531.23	56,291,650.65
Total Expenditures		
Statutory Excess to Fund Balance	2,880,995.87	3,280,122.47
Adjustment to Excess Before Fund Balance:		
Expenditures included above which are by Statute		
Deferred Charges to Budget of Succeeding Year	30,0000.00	
	2,910,995.87	
<u>Fund Balance</u>		
Balance January 1	4,767,030.32	3,886,907.85
	7,678,026.19	7,167,030.32
Decreased by:		
Utilization as Anticipated Revenue	2,800,000.00	2,400,000.00
	4,878,026.19	4,767,030.32
Balance December 31	\$ 4,878,026.19	\$ 4,767,030.32

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Comparative Schedule of Operations and Change in Fund Balance -

Sewer Utility Operating Fund

	Year Ended December 31,	
	2015	2014
<u>Revenue and Other Income Realized</u>		
Operating Surplus Anticipated	\$ 470,000.00	\$ 250,000.00
Rents	2,121,024.84	2,214,556.90
Miscellaneous Revenue	42,417.68	40,570.18
Sewer Assessment Fund Balance	98,000.00	130,000.00
Sewer Utility Capital Fund Balance	50,000.00	
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	297,675.59	319,771.99
 Total Income	 3,079,118.11	 2,954,899.07
<u>Expenditures</u>		
Budget Expenditures:		
Operating	1,714,918.55	1,735,000.00
Capital Improvements	40,000.00	63,975.14
Debt Service	882,081.44	605,024.86
Statutory Expenditures	46,000.00	46,000.00
 Total Expenditures	 2,682,999.99	 2,450,000.00
 Statutory Excess to Fund Balance	 396,118.12	 504,899.07
<u>Fund Balance</u>		
Balance January 1	1,000,280.63	745,381.56
	1,396,398.75	1,250,280.63
Decreased by:		
Utilization as Anticipated Revenue	470,000.00	250,000.00
 Balance December 31	 \$ 926,398.75	 \$ 1,000,280.63

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(Continued)

Comparative Schedule of Operations and Change in Fund Balance -

Sewer Utility Operating Fund#2 – River Road Condominium Complex

	Year Ended December 31,	
	2015	2014
<u>Revenue and Other Income Realized</u>		
Operating Surplus Anticipated	\$ 150,000.00	\$ 120,000.00
Rents	508,279.97	519,431.67
Miscellaneous Revenue	3,022.66	3,411.12
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	208,264.33	178,181.01
 Total Income	 869,566.96	 821,023.80
<u>Expenditures</u>		
Budget Expenditures:		
Operating	435,525.38	440,101.25
Capital Improvements	10,000.00	30,000.00
Debt Service	170,177.77	114,898.75
Statutory Expenditures	9,000.00	10,000.00
 Total Expenditures	 624,703.15	 595,000.00
 Statutory Excess to Fund Balance	 244,863.81	 226,023.80
<u>Fund Balance</u>		
Balance January 1	324,336.86	218,313.06
	569,200.67	444,336.86
Decreased by:		
Utilization as Anticipated Revenue	150,000.00	120,000.00
 Balance December 31	 \$ 419,200.67	 \$ 324,336.86

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(Continued)

RECOMMENDATIONS

It is recommended that:

1. Adequate segregation of duties is maintained with respect to the recording and treasury functions.
2. A continuing effort be made to utilize all means provided by statute to liquidate the remainder of tax title liens in order to get such properties back on a tax paying basis.
3. Older appropriated reserves are reviewed for possible cancellation.

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A Corrective Action Plan, which outlines actions the Township of Chatham will take to correct the findings listed above, will be prepared in accordance with federal and state requirements. A copy of it will be placed on file and made available for public inspection in the office of the Municipal Clerk in the Township of Chatham within 45 days of this notice.

The above summary or synopsis was prepared from the Report of Audit of the Township of Chatham, County of Morris, for the calendar year 2015. This Report of Audit, submitted by Valerie Dolan, Registered Municipal Accountant, of Nisivoccia LLP, is on file at the Township Clerk's office and may be inspected by any interested person.

Gregory J. LaConte
Township Clerk