

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 2019 Audit report of the Township of Chatham
as required by N.J.S. 40A:5-7.

COMBINED COMPARATIVE BALANCE SHEET

<u>ASSETS</u>	December 31,	
	2019	2018
Cash and Cash Equivalents	\$ 10,763,024.86	\$ 10,963,714.65
Taxes, Utilities, & Liens Receivable	832,741.49	1,206,097.58
Property Acquired for Taxes	1,424,250.00	599,650.00
Accounts and Notes Receivable	1,725,589.94	1,208,731.73
Deferred Charges to Future Taxation - General Capital	14,104,339.00	13,793,222.00
Fixed Capital - Sewer Utility	25,033,419.99	19,313,353.80
Fixed Capital Authorized & Uncompleted - Sewer Utility	1,626,048.03	9,175,000.00
Fixed Assets	34,147,366.00	34,067,455.00
 <u>TOTAL ASSETS</u>	 \$ 89,656,779.31	 \$ 90,327,224.76
 <u>LIABILITIES, RESERVES AND FUND BALANCES</u>		
Bonds, Loans & Notes Payable	\$ 18,893,433.39	\$ 20,559,654.87
Improvement Authorizations	1,409,405.28	3,331,238.92
Other Liabilities and Special Funds	6,182,811.00	4,805,304.45
Deferred Reserve for Amortization	27,000.00	27,000.00
Reserve for Amortization	19,760,873.63	19,680,734.65
Reserve for Certain Assets Receivable	3,333,650.64	1,805,747.58
Investment in General Fixed Assets	34,147,366.00	34,067,455.00
Fund Balances	5,902,239.37	6,050,089.29
 <u>TOTAL LIABILITIES, RESERVES AND FUND BALANCES</u>	 \$ 89,656,779.31	 \$ 90,327,224.76

TOWNSHIP OF CHATHAM
SUMMARY OR SYNOPSIS OF AUDIT REPORT FOR PUBLICATION

(Continued)

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

	<u>Year Ended December 31,</u>	
	<u>2019</u>	<u>2018</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 3,500,000.00	\$ 3,000,000.00
Miscellaneous Revenue Anticipated	2,820,740.63	2,871,040.30
Receipts from:		
Delinquent Taxes	395,125.34	746,774.89
Current Taxes	59,768,031.68	58,565,472.59
Nonbudget Revenue	604,111.24	846,167.42
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	526,147.21	515,073.34
Cancellation of Tax Overpayments	28,712.80	2,159.18
Cancellation of Tax Sale Premiums		130,500.00
Appropriated Grant Reserve Cancelled	200.00	
Cancellation of Accounts Payable		60,000.00
Interfunds Returned		30,237.14
	<u>67,643,068.90</u>	<u>66,767,424.86</u>
<u>Expenditures</u>		
Budget and Emergency Appropriations:		
Municipal Purposes	15,181,833.16	14,600,755.16
County Taxes	9,567,162.07	9,308,141.46
Due County for Added and Omitted Taxes	58,293.89	81,717.55
Regional High School Taxes	39,903,037.00	38,957,184.00
Municipal Open Space Trust Taxes	324,671.17	321,950.61
Refund of Prior Year Revenue	29,180.21	991.00
Reinstatement of Prior Year Accounts Payable	60,000.00	
Prior Year Grants Receivable Cancelled	2,881.30	765.34
	<u>65,127,058.80</u>	<u>63,271,505.12</u>
Excess in Revenue	2,516,010.10	3,495,919.74
<u>Fund Balance</u>		
Balance January 1	4,472,473.86	3,976,554.12
	<u>6,988,483.96</u>	<u>7,472,473.86</u>
Decreased by:		
Utilized as Anticipated Revenue	<u>3,500,000.00</u>	<u>3,000,000.00</u>
Balance December 31	<u>\$ 3,488,483.96</u>	<u>\$ 4,472,473.86</u>

TOWNSHIP OF CHATHAM
SUMMARY OR SYNOPSIS OF AUDIT REPORT FOR PUBLICATION

(Continued)

Comparative Schedule of Operations and Change in
Fund Balance - Sewer Utility Operating Fund #1

	Year Ended December 31,	
	2019	2018
<u>Revenue and Other Income Realized</u>		
Operating Surplus Anticipated	\$ 275,000.00	\$ 200,000.00
Rents	2,327,083.67	2,496,670.81
Miscellaneous Revenue	60,058.31	61,430.64
Sewer Assessment Fund Balance		100,000.00
Sewer Utility Capital Fund		30,000.00
Sewer Utility Operating Fund #2 - Service Agreement	80,000.00	80,000.00
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	107,618.47	158,228.65
Total Income	2,849,760.45	3,126,330.10
<u>Expenditures</u>		
Budget Expenditures:		
Operating	1,560,000.00	1,477,891.82
Capital Improvements	30,000.00	30,000.00
Debt Service	810,133.73	977,056.14
Statutory Expenditures	41,324.00	39,552.04
Refund of Prior Year Revenue		1,067.55
Total Expenditures	2,441,457.73	2,525,567.55
Excess in Revenue/Statutory Excess to Fund Balance	408,302.72	600,762.55
<u>Fund Balance</u>		
Balance January 1	708,318.35	307,555.80
	1,116,621.07	908,318.35
Decreased by:		
Utilized as Anticipated Revenue	275,000.00	200,000.00
Balance December 31	\$ 841,621.07	\$ 708,318.35

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

Schedule of Operations and Change in
Fund Balance - Sewer Utility Operating Fund #2

	Year Ended December 31,	
	2019	2018
<u>Revenue and Other Income Realized</u>		
Operating Surplus Anticipated	\$ 159,000.00	\$ 139,000.00
Rents	546,684.41	574,226.30
Miscellaneous Revenue	12,359.93	10,360.15
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	63,666.86	119,867.98
Total Income	781,711.20	843,454.43
<u>Expenditures</u>		
Budget Expenditures:		
Operating	560,000.00	530,000.00
Capital Outlay	30,920.00	30,380.00
Debt Service	10,720.00	11,620.00
Statutory Expenditures	9,820.00	9,000.00
Total Expenditures	611,460.00	581,000.00
Statutory Excess in Revenue	170,251.20	262,454.43
<u>Fund Balance</u>		
Balance January 1	493,641.32	370,186.89
	170,251.20	632,641.32
Decreased by:		
Utilized as Anticipated Revenue	159,000.00	139,000.00
Balance December 31	\$ 504,892.52	\$ 493,641.32

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

It is recommended that:

1. Adequate segregation of duties is maintained with respect to the recording and treasury functions.

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 2019. 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.

Municipal Clerk