

BOROUGH OF CHATHAM

**REPORT ON EXAMINATION OF FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

BOROUGH OF CHATHAM

TABLE OF CONTENTS

<u>Part I</u>	<u>Page</u>
Independent Auditor's Report	1-3
<u>Current Fund</u>	<u>Exhibit</u>
Comparative Balance Sheet – Regulatory Basis	A
Comparative Statement of Operations and Change in Fund Balance – Regulatory Basis	A-1
Statement of Revenues – Regulatory Basis	A-2
Statement of Expenditures – Regulatory Basis	A-3
<u>Trust Fund</u>	
Comparative Balance Sheet – Regulatory Basis	B
Statement of Assessment Trust Fund Balance – Regulatory Basis	B-1
<u>General Capital Fund</u>	
Comparative Balance Sheet – Regulatory Basis	C
Statement of Fund Balance – Regulatory Basis	C-1
<u>Water Utility Fund</u>	
Comparative Balance Sheet – Regulatory Basis	D
Comparative Statement of Operations and Change in Fund Balance – Regulatory Basis	D-1
Comparative Statement of Capital Fund Balance – Regulatory Basis	D-2
Statement of Revenues – Regulatory Basis	D-3
Statement of Expenditures – Regulatory Basis	D-4
<u>Solid Waste Utility Fund</u>	
Comparative Balance Sheet – Regulatory Basis	E
Comparative Statement of Operations and Change in Fund Balance – Regulatory Basis	E-1
Statement of Revenues – Regulatory Basis	E-2
Statement of Expenditures – Regulatory Basis	E-3
<u>Public Assistance Trust Fund</u>	
Comparative Balance Sheet – Regulatory Basis	F
<u>General Fixed Assets Account Group</u>	
Comparative Balance Sheet – Regulatory Basis	G

BOROUGH OF CHATHAM

TABLE OF CONTENTS
(CONTINUED)

<u>Part I (Continued)</u>	<u>Page</u>
<u>Notes to Financial Statements</u>	<u>Page</u>
	41-73
<u>Supplementary Data</u>	
Comparative Statement of Operations and Change in Fund Balance -- Current Fund	75
Comparative Statement of Operations and Change in Fund Balance -- Water Utility Operating Fund	
Comparative Statement of Operations and Change in Fund Balance -- Solid Waste Utility Fund	76
Comparative Schedule of Tax Rate Information	77
Comparison of Tax Levies and Collection Currently	78
Delinquent Taxes and Tax Title Liens	78
Property Acquired by Tax Title Lien Liquidation	79
Comparison of Water Utility Levies	79
Comparison of Solid Waste Utility Levies	80
Comparative Schedule of Fund Balances	80
Officials in Office and Surety Bonds	81
	82
<u>Current Fund</u>	<u>Schedule</u>
Schedule of Cash -- Treasurer	A-4
Schedule of Cash -- Tax Collector	A-5
Schedule of Change Funds	A-6
Schedule of Petty Cash	A-7
Schedule of Amount Due from/to) State of New Jersey for Senior Citizens' and Veterans' Deductions	A-8
Schedule of Taxes Receivable and Analysis of 2014 Property Tax Levy	A-9
Schedule of Tax Title Liens	A-10
Schedule of Property Acquired for Taxes -- Assessed Valuation	A-11
Schedule of Revenue Accounts Receivable	A-12
Schedule of Interfund Accounts Receivable	A-13
Schedule of Other Accounts Receivable	A-14
Schedule of Deferred Charges	A-15
Schedule of Appropriation Reserves -- 2013	A-16
Schedule of Reserve for Encumbrances	A-17
Schedule of Interfund Accounts Payable	A-18
Schedule of Prepaid Taxes	A-19
Schedule of Tax Overpayments	A-20
Schedule of Reserve for Tax Appeals Pending	A-21
Schedule of Reserve for Funds -- Appropriated	A-22
Schedule of Reserve for Funds -- Unappropriated	A-23
Schedule of Other Liabilities and Reserves	A-24
Schedule of Local Open Space, Regional School District and County Taxes	A-25

BOROUGH OF CHATHAM

TABLE OF CONTENTS (CONTINUED)

Part I (Continued)

Schedule

Current Fund

Schedule of Amount Due From Current Fund	
To Federal and State Grants Fund	A-26
Schedule of Amount Due From Solid Waste Operating Fund	
To Federal and State Grants Fund	A-26a
Schedule of Amount Due From Other Trust Fund	
To Federal and State Grants Fund	A26-b
Schedule of Federal and State Aid Receivable	A-27
Schedule of Appropriated Reserves for Federal and State Grants	A-28
Schedule of Unappropriated Reserves for Federal and State Grants	A-29
Schedule of Reserve for Encumbrances for Federal and State Grants	A-30

Trust Fund

Schedule of Cash – Treasurer	B-2
Analysis of Assessment Cash and Investments	B-3
Schedule of Assessments Receivable	B-3
Schedule of Interfund Accounts Receivable	B-4
Schedule of Interfund Accounts Payable	B-5
Schedule of Reserve for Assessment Receivable	B-6
Schedule of Reserve for Animal Control Fund Expenditures	B-7
Schedule of Amount Due to State Board of Health	B-8
Schedule of Prepaid License Fees	B-9
Schedule of Amount Due to State of New Jersey	B-10
Reserve for Special Funds	B-11
Schedule of Reserve for Encumbrances	B-12
	B-13

General Capital Fund

Schedule of Cash – Treasurer	C-2
Analysis of Cash	C-3
Schedule of Deferred Charges to Future Taxation – Funded	C-3
Schedule of Deferred Charges to Future Taxation – Unfunded	C-4
Schedule of Deferred Charges to Future Taxation – Canceled Federal and State Aid Receivable	C-5
Schedule of Federal, State and Other Aid Receivable	C-6
Schedule of Interfund Accounts Receivable	C-7
Schedule of Improvement Authorizations	C-8
Schedule of Reserve for Encumbrances	C-9
Schedule of Capital Improvement Fund	C-10
Schedule of Capital Reserves	C-11
Schedule of Interfund Accounts Payable	C-12
Schedule of Reserve for Federal, State and Other Aid Receivable	C-13
Schedule of Serial Bonds	C-14
Schedule of New Jersey Wastewater Treatment Financing Program Loan Payable	C-15
	C-16

BOROUGH OF CHATHAM

TABLE OF CONTENTS
(CONTINUED)

<u>Part I (Continued)</u>	<u>Schedule</u>
<u>Supplementary Date (Continued)</u>	
<u>General Capital Fund</u>	
Schedule of Bond Anticipation Notes	C-17
Schedule of Bonds and Notes Authorized but not Issued	C-18
<u>Water Utility Fund</u>	
Schedule of Cash – Treasurer	D-5
Analysis of Water Capital Cash	D-6
Schedule of Cash – Water Collector	D-7
Schedule of Interfund Accounts Receivable	D-8
Schedule of Water Utility Consumers' Accounts Receivable	D-9
Schedule of Other Accounts Receivable	D-10
Schedule of Deferred Charges – Operating Deficit	D-11
Schedule of Fixed Capital	D-12
Scheduled of Fixed Capital Authorized and Uncompleted	D-13
Schedule of Wastewater Treatment Trust Loans Receivable	D-14
Schedule of Federal and State Aid Receivable	D-15
Schedule of Appropriation Reserves – 2013	D-16
Schedule of Reserve for Encumbrances	D-17
Schedule of Interfund Accounts Payable	D-18
Schedule of Utility Charges Overpayments	D-19
Schedule of Accrued Interest on Bonds	D-20
Schedule of Accrued Interest on Loans	D-21
Schedule of Accrued Interest on Notes	D-22
Schedule of Improvement Authorizations	D-23
Schedule of Reserve for Encumbrances	D-24
Schedule of Capital Improvement Fund	D-25
Schedule of Capital Reserves	D-26
Schedule of Reserve for Amortization	D-27
Schedule of Deferred Reserve for Amortization	D-28
Schedule of Serial Bonds Payable	D-29
Schedule of New Jersey Wastewater Treatment Financing Program Loan Payable	D-30
Schedule of Bond Anticipation Notes	D-31
Schedule of Bonds and Notes Authorized but not Issued	D-32
<u>Solid Waste Utility Fund</u>	
Schedule of Cash – Treasurer	E-4
Schedule of Cash – Solid Waste Collector	E-5
Schedule of Interfund Accounts Receivable	E-6
Schedule of Solid Waste Utility Consumers' Accounts Receivable	E-7
Schedule of Solid Waste Liens Receivable	E-8
Schedule of Deferred Charges – Operating Deficit	E-9
Schedule of Appropriation Reserves – 2013	E-10

BOROUGH OF CHATHAM
TABLE OF CONTENTS
(CONTINUED)

<u>Part I (Continued)</u>	<u>Schedule</u>
<u>Supplementary Date (Continued)</u>	
<u>Solid Waste Utility Fund (Continued)</u>	
Schedule of Reserve for Encumbrances	E-11
Schedule of Interfund Accounts Payable	E-12
Schedule of Utility Charges Overpayments	E-13
Schedule of Fixed Capital	E-14
Schedule of Reserve for Amortization	E-15
<u>Public Assistance Trust Fund</u>	
Schedule of Cash – Treasurer	F-1
Schedule of Reserve for Public Assistance	F-2
Schedule of Reserve for Public Assistance Revenues – 2014	F-3
Schedule of Public Assistance Expenditures – 2014	F-4
Schedule of Amount Due to Current Fund	F-5
<u>Report Pursuant to Government Auditing Standards</u>	<u>Page</u>
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Governmental Auditing Standards	174-176
Schedule of Expenditures of Federal Awards for the Year Ended December 31, 2013	<u>Schedule</u> A
Schedule of Expenditures of State Financial Assistance for the Year Ended December 31, 2013	B
Notes to Schedules of Expenditures of Awards and Financial Assistance – Year Ended December 31, 2014	<u>Page</u> 179
<u>Part II</u>	<u>Page</u>
General Comments and Recommendations	180-185

INDEPENDENT AUDITOR'S REPORT

T. M. Vrabel & Associates, LLC

Accountants and Auditors

Timothy M. Vrabel, RMA, PSA

Chris C. Hwang, CPA

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Borough Council
Borough of Chatham
County of Morris, New Jersey

Report on the Financial Statements

We have audited the accompanying balance sheets – regulatory basis of the various funds and account groups of the Borough of Chatham as of December 31, 2015 and December 31, 2014, and the results of operations and changes in fund balance – regulatory basis of such funds for the years then ended and the statements of revenues – regulatory basis and statements of expenditures – regulatory basis of the various funds for the year ended December 31, 2015 and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statement that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States; and in compliance with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not

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for the purpose of expressing an opinion on the effectiveness of the entity'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.

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

As described in Note 1 of the financial statements, the financial statements are prepared by Borough of Chatham on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the modified accrual basis, with certain exceptions, the budget laws of New Jersey, which is a basis of accounting other than accounting principals generally accepted in the United States of America, to meet the requirements of New Jersey.

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 on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Borough of Chatham as of December 31, 2015, or the results of its operations for the year then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As described in Note XI of the financial statements, the Borough of Chatham participates in a Length of Service Award Program (LOSAP) for its volunteer fire and rescue personnel. The amount reflected in the trust fund statements of \$192,304.76 and \$193,848.05 for 2015 and 2014 respectively were not audited and, therefore, we express no opinion on the LOSAP program.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinion on Regulatory Basis of Accounting" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds and account groups of the Borough of Chatham as of December 31, 2015 and December 31, 2014, and the results of operations and changes in fund balances – regulatory basis of such funds for the years then ended and the statements of revenues – regulatory basis and statements of expenditures – regulatory basis of the various funds for the year ended December 31, 2015, in accordance with financial reporting provisions described in Note 1.

Other Matters


Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements of the Borough of Chatham, in the County of Morris, State of New Jersey, taken as a whole. The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and supplemental schedules presented in the Supplementary Data Section are presented for purposes of additional analysis and are not required part of the financial statements.

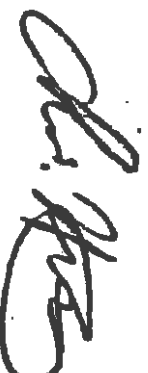
The Schedules of Expenditures of Federal Awards and State Financial Assistance and the supplemental schedules presented in the Supplementary Data Section required by the Division of Local Governments Services is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all materials respects in relation the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have issued our report dated April 11, 2016 on our consideration of the Borough of Chatham's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Borough of Chatham's internal control over financial reporting and compliance.



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Registered Municipal Accountant
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Chris C.W. Hwang
Certified Public Accountant
License No. CC033704

Montville, New Jersey
April 11, 2016

SECTION A
CURRENT FUND

CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

<u>Assets</u>	<u>Ref.</u>	<u>2015</u>	<u>December 31,</u>	<u>2014</u>
General Fund:				
Cash - Treasurer	A-4	\$ 4,019,145.16	\$ 4,340,332.58	
Change Fund	A-6	300.00	300.00	
Petty Cash	A-7	<u>92.64</u>	<u>400.00</u>	
		4,019,537.80	4,341,032.58	
Receivables and other Assets With Full Reserves :				
Delinquent Property Taxes	A-9	330,685.95	444,951.79	
Tax Title Liens	A-10	8,822.21	8,241.27	
Property Acquired for Taxes - Assessed Valuation	A-11	32,200.00	32,200.00	
Revenue Accounts Receivable	A-12	48,997.49	63,422.70	
Interfunds Accounts Receivable	A-13	<u>182,142.87</u>	<u>75,430.29</u>	
		602,848.52	624,246.05	
Deferred Charges :				
Special Emergency Authorization	A-15	24,000.00	68,976.00	
Expenditure Without Grant Appropriation	A-15	<u>-</u>	<u>1,215.13</u>	
		24,000.00	70,191.13	
		<u>4,646,386.32</u>	<u>5,035,469.76</u>	
Federal and State Grants Fund :				
Amount Due From Current Fund	A-26	65,764.12	76,151.92	
Amount Due From Solid Waste Operating Fund	A-26a	-	30,115.91	
Amount Due From Other Trust Fund	A-26b	750.00	750.00	
Federal and State Aid Receivable	A-27	<u>3,887.76</u>	<u>3,887.76</u>	
		70,401.88	110,905.59	
		<u>\$ 4,716,788.20</u>	<u>\$ 5,146,375.35</u>	

The accompanying Notes to Financial Statements are an integral part of this statement.

CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
(CONCLUDED)

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>2015</u>	<u>December 31,</u>	<u>2014</u>
Liabilities :				
Appropriation Reserves	A-3, 16	\$ 353,360.82	\$	447,880.92
Amount Due to State of New Jersey for Senior Citizens and Veterans Deductions	A-8	27,195.43		26,926.94
Reserve for Encumbrances	A-17	100,228.29		151,480.80
Interfunds Accounts Payable	A-18	610,202.98		643,336.85
Prepaid Taxes	A-19	176,700.92		220,267.17
Tax Overpayments	A-20	216,043.73		198,055.09
Reserve for Funds - Unappropriated	A-23	88,478.67		107,812.70
Special Emergency Notes Payable	A-24	24,000.00		68,976.00
Library Tax Payable	A-25	10,888.03		6,050.27
Reserve for Receivables and Other Assets		1,607,098.87		1,870,786.74
Fund Balance	A-1	602,848.52		624,246.05
		2,436,438.93		2,540,436.97
		<u>4,646,386.32</u>		<u>5,035,469.76</u>
Federal and State Grants Fund :				
Appropriated Reserves	A-28	65,643.56		61,449.11
Unappropriated Reserves	A-29	2,335.42		49,456.48
Reserves for Encumbrances	A-30	2,422.90		-
		<u>70,401.88</u>		<u>110,905.59</u>
		<u>\$ 4,716,788.20</u>		<u>\$ 5,146,375.35</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF CHATHAM
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE
IN FUND BALANCE - REGULATORY BASIS

<u>Revenue and Other Income Realized</u>	<u>Ref.</u>	<u>Year 2015</u>	<u>Year 2014</u>
Fund Balance Utilized			
Miscellaneous Revenue Anticipated	A-2	\$ 2,195,000.00	\$ 2,195,000.00
Receipts from Delinquent Taxes	A-2	3,123,568.59	3,359,713.62
Receipts from Current Taxes	A-2	433,209.25	333,210.67
Non - Budget Revenue	A-2	39,285,009.63	38,691,948.94
Other Credits to Income :		238,363.92	764,423.02
Interfund Advance Returned	A=13	3,045.71	20,000.00
Unexpended Balance of Appropriation			
Reserves Lapsed			
Total Income	A-16	<u>281,636.34</u>	<u>136,171.61</u>
		<u>45,559,833.44</u>	<u>45,500,467.86</u>
<u>Expenditures</u>			
Budgetary and Emergency Appropriations :			
Appropriations Within "CAP"			
Operations:			
Salaries and Wages	A-3	5,061,121.00	4,860,647.00
Other Expenses	A-3	3,055,760.99	2,982,716.00
Deferred Charges and Statutory			
Expenditures	A-3	889,087.13	951,594.21
Appropriations Excluded from "CAP"			
Operations:			
Salaries and Wages	A-3	6,240.00	6,120.00
Other Expenses	A-3	1,484,173.84	1,507,277.22
Capital Improvements	A-3	74,400.00	215,000.00
Debt Service	A-3	1,768,024.42	1,759,295.59
Deferred Charges - Municipal		44,976.00	146,488.00

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF CHATHAM
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE
IN FUND BALANCE - REGULATORY BASIS
(CONCLUDED)

<u>Expenditures (Continued)</u>	<u>Ref.</u>	<u>Year 2015</u>	<u>Year 2014</u>
Refund of Prior Year Revenue		\$ -	\$ 8,158.61
Prior Year Tax Appeals Granted			2,787.89
Reimbursement Due to Taxation Audit			1,250.00
Prior Year Senior Citizen Deduction Disallowed			250.00
Interfund Advance			
Borough Open Space Tax	A-13	101,387.01	2,000.00
Library Share of Added and Omitted Taxes	A-25	103,685.42	103,151.31
Regional School District Tax	A-25	4,837.76	2,045.36
County Taxes	A-25	25,010,151.00	24,719,456.00
County Open Space Preservation	A-25	5,597,726.62	5,612,990.65
County Share of Added and Omitted Taxes	A-25	233,587.30	232,580.65
Total Expenditures	A-25	33,672.99	14,597.20
		<u>43,468,831.48</u>	<u>43,128,405.69</u>
Excess in Revenue			
Fund Balance January 1	A	2,091,001.96	2,372,062.17
		<u>2,540,436.97</u>	<u>2,363,374.80</u>
Decreased by :			
Utilized as Anticipated Revenue	A-1	4,631,438.93	4,735,436.97
		<u>2,195,000.00</u>	<u>2,195,000.00</u>
Fund Balance December 31	A	\$ <u>2,436,438.93</u>	\$ <u>2,540,436.97</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF CHATHAM

A-2
Sheet 1CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS

	Ref.	Anticipated	Added by 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	A-1	\$ 2,195,000.00	\$ -	\$ 2,195,000.00	\$ -
Miscellaneous Revenues :					
Licenses :					
Alcohol Beverages					
Fees and Permits :	A-12	15,400.00		14,700.00	(700.00)
Construction Code Official					
Other	A-12,13	11,900.00		32,238.01	20,338.01
Municipal Court - Fines and Costs	A-2	94,250.00		62,331.90	(31,918.10)
Interest and Costs on Taxes	A-12	155,500.00		120,926.86	(34,573.14)
Parking Meters	A-12	92,800.00		97,699.26	4,899.26
Sewer User Fees	A-12	442,750.00		449,529.12	6,779.12
Energy Receipts Tax	A-12	1,041,701.00		1,075,380.13	33,679.13
Watershed Moratorium Offset Aid	A-12	569,796.00		569,796.00	-
Additional Revenues Offset with Appropriations:	A-12	2,303.00		2,303.00	-
Farmers Market Fees					
Public and Private Revenues Off-Set with Appropriations:	A-12	20,597.00		19,170.00	(1,427.00)
Clean Communities Program					
Alcohol Education and Rehabilitation Fund	A-18	13,835.92	16,816.27	30,652.19	-
Body Armor Replacement Fund	A-18	354.48		354.48	-
NJCF - Highlands Grant (Farmers Market)	A-18	3,688.61		3,688.61	-
Bulletproof Vest Program (Federal)	A-18	1,152.00		1,152.00	-
Other Special Items :	A-18	309.56		309.56	-
Water Utility Operating Surplus					
FEMA Reserve to Fund Deferred Charges	A-12	52,000.00		-	(52,000.00)
Lease of Municipal Property	A-23	20,976.00		20,976.00	-
Total Miscellaneous Revenues	A-12	616,401.00	-	622,361.47	5,960.47
Receipts from Delinquent Taxes	A-1	3,155,714.57	16,816.27	3,123,568.59	(48,962.25)
Amount to be raised by Taxes for Support of Municipal Budget :	A-1,2	311,900.00		433,209.25	121,309.25
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes					
Minimum Library Tax	A-2	7,593,286.05		9,160,438.54	1,567,152.49
Budget Totals	A-2	860,910.00	-	860,910.00	-
Non-Budget Revenues	A-1,2	14,116,810.62	16,816.27	15,773,126.38	1,639,499.49
		-	-	238,363.92	238,363.92
		\$ 14,116,810.62	\$ 16,816.27	\$ 16,011,490.30	\$ 1,877,863.41
	Ref.	A-3	A-3		

The accompanying Notes to Financial Statements are an integral part of this statement.

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
(CONTINUED)

<u>Analysis of Realized Revenue</u>	<u>Ref.</u>
Allocation of Current Tax Collections :	
2015 Taxes Collected in 2014	A-9 \$ 220,267.17
2015 Taxes Collected in 2015	A-9 39,023,631.50
State's Share of Senior Citizens' and Veterans' Deductions	A-9 41,110.96
Allocated to School and County Taxes	A-1 39,285,009.63
	A-25 30,983,661.09
	8,301,348.54
Add : Reserve for Uncollected Taxes	A-3 1,720,000.00
Amount for Support of Municipal Budget	A-2 \$ 10,021,348.54
Receipts from Delinquent Taxes :	
Prior Year Taxes Collected	A-9 \$ 433,209.25
Tax Title Lien Collected	A-10 -
	A-2 \$ 433,209.25
Fees and Permits - Other :	
Board of Health - Fees and Permits	A-12 \$ 20,745.00
Board of Adjustment - Fees and Permits	A-12 16,237.50
Uniform Fire Safety Act - Fees	A-12 24,251.40
Gun Permits	A-12 421.00
Tax Assessor - Fees	A-12 540.00
Duplicate Tax Bills and Copies	A-12 125.00
Tax Searches	A-12 12.00
	A-2 \$ 62,331.90

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF CHATHAM

A-2
Sheet 3

CURRENT FUND STATEMENT OF REVENUES - REGULATORY BASIS (CONCLUDED)

<u>Ref.</u>		
	<u>Analysis of Non-Budget Revenue</u>	
	Interfund Accounts Receivable:	
	Interest on Investments and Deposits	A-13
	Miscellaneous Revenue- Treasurer	
	Interest on Investments	\$ 16,419.58
	Cable TV Franchise Fee	127,730.36
	Commons Room	16,938.00
	Police Department-Accident Reports	6.95
	Alarm Board Connections	7,150.00
	Bid Deposits	1,090.00
	Road Opening Fees	6,922.55
	Recreation Badge Sales	57,897.10
	Vendor Permits	2,605.00
	2% Administrative Fee-Senior Citizens/Veterans' Deductions	827.59
	Miscellaneous	<u>776.79</u>
A-4		<u>238,363.92</u>
A-2		<u>\$ 238,363.92</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF CHATHAM
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Ref.	<u>Appropriations</u> Budget	Budget After Modification	<u>Expended</u> Paid or Charged	Reserved	Unexpended Balance Canceled
<u>OPERATIONS WITHIN "CAP"</u>						
<u>GENERAL GOVERNMENT :</u>						
General Administration						
Salaries and Wages	\$	170,000.00	\$ 170,000.00	\$ 169,582.82	\$ 417.18	\$ -
Other Expenses		105,300.00	105,300.00	102,538.52	2,761.48	
Community Services						
Salaries and Wages		93,380.00	93,380.00	90,449.99	2,930.01	
Other Expenses		15,437.00	12,108.99	9,076.05	3,032.94	
Human Resources						
Salaries and Wages		25,500.00	25,500.00	24,013.82	1,486.18	
Other Expenses		11,000.00	21,000.00	14,679.64	6,320.36	
Mayor and Council						
Other Expenses		3,500.00	3,500.00	3,389.78	110.22	
Borough Clerk						
Salaries and Wages		116,300.00	116,300.00	109,746.45	6,553.55	
Other Expenses		19,700.00	19,700.00	13,933.02	5,766.98	
Financial Administration						
Salaries and Wages		129,000.00	129,000.00	128,478.24	521.76	
Other Expenses		48,000.00	48,000.00	47,048.88	951.12	
Audit Services						
Other Expenses		37,000.00	37,000.00	35,591.00	1,409.00	
Collection of Taxes						
Salaries and Wages		58,000.00	58,000.00	55,609.71	2,390.29	
Other Expenses		5,235.00	5,235.00	3,774.85	1,460.15	
Assessment of Taxes						
Salaries and Wages		49,500.00	49,500.00	48,968.40	531.60	
Other Expenses		28,500.00	38,500.00	36,557.87	1,942.13	
Legal Services and Costs						
Other Expenses		200,000.00	230,000.00	229,131.45	868.55	
Municipal Court						
Interlocal Service Agreement:						
Other Expenses		190,500.00	190,500.00	190,228.00	272.00	
Engineering Services and Costs						
Salaries and Wages		62,450.00	62,450.00	62,404.56	45.44	
Other Expenses		6,000.00	6,000.00	4,566.62	1,433.38	
Historical Preservation Commission						
Other Expenses		1,000.00	1,000.00	40.46	959.54	
Municipal Land Use Law (N.J.S.A. 40:55D-1)						
Planning Board						
Salaries and Wages		27,000.00	27,000.00	26,886.72	113.28	
Other Expenses		54,700.00	44,700.00	33,881.89	10,818.11	
Zoning Costs						
Salaries and Wages		27,000.00	27,000.00	26,886.72	113.28	
Other Expenses		7,900.00	4,400.00	2,469.78	1,930.22	
<u>INSURANCE:</u>						
General Liability		135,915.00	97,915.00	97,849.44	65.56	
Worker's Compensation Insurance		135,915.00	135,915.00	135,915.00	-	
Group Insurance - Hospital and Medical		600,000.00	600,000.00	584,298.89	15,701.11	
Health Benefit Waiver		35,000.00	35,000.00	34,999.44	0.56	
Unemployment Compensation Insurance		17,000.00	17,000.00	17,000.00	-	

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF CHATHAM
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
(CONTINUED)

	<u>Ref.</u>	<u>Appropriations</u> <u>Budget</u>	<u>Budget After</u> <u>Modification</u>	<u>Expended</u> <u>Paid or</u> <u>Charged</u>	<u>Reserved</u>	<u>Unexpended</u> <u>Balance</u> <u>Canceled</u>
<u>OPERATIONS WITHIN "CAP" (CONTINUED)</u>						
PUBLIC SAFETY :						
Police						
Salaries and Wages		\$ 2,716,881.00	\$ 2,696,881.00	\$ 2,610,918.99	\$ 85,962.01	\$ -
Other Expenses		170,111.00	142,611.00	82,407.29	60,203.71	
Purchase of Police Vehicles		54,164.00	54,164.00	52,436.81	1,727.19	
Interlocal Service Agreement:						
Police Dispatching						
Other Expenses		207,029.00	207,029.00	207,029.00		
Project Pride						
Other Expenses		27,571.00	27,571.00	27,571.00		
Parking						
Salaries and Wages		116,000.00	116,000.00	115,026.94	973.06	
Other Expenses		15,000.00	15,000.00	13,170.64	1,829.36	
Emergency Management Services						
Salaries and Wages		13,200.00	13,200.00	13,192.08	7.92	
Other Expenses		4,250.00	4,250.00	1,349.98	2,900.02	
Emergency Squad						
Other Expenses		10,000.00	10,000.00	10,000.00		
Fire						
Salaries and Wages		44,000.00	44,000.00	43,395.99	604.01	
Other Expenses		96,072.00	96,072.00	80,867.00	15,205.00	
Fire Safety Official						
Salaries and Wages		40,100.00	40,100.00	39,280.62	819.38	
Other Expenses		4,000.00	4,500.00	4,141.01	358.99	
PUBLIC WORKS FUNCTIONS:						
Road Repairs and Maintenance						
Salaries and Wages		1,024,500.00	1,029,500.00	1,029,173.46	326.54	
Other Expenses		128,540.00	148,540.00	131,785.50	16,754.50	
Shade Tree Commission						
Other Expenses		22,000.00	22,000.00	21,080.57	919.43	
Public Buildings and Grounds						
Other Expenses		60,500.00	60,500.00	56,430.96	4,069.04	
Public Employees Occupational Safety and Health Act						
Other Expenses		8,000.00	8,000.00	6,305.67	1,694.33	
Vehicle Maintenance						
Salaries and Wages		112,000.00	112,000.00	109,700.60	2,299.40	
Other Expenses		63,100.00	63,100.00	58,353.35	4,746.65	
Community Services Act - Condo Costs						
Other Expenses		3,600.00	3,600.00		3,600.00	

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF CHATHAM
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
(CONTINUED)

	<u>Ref.</u>	<u>Appropriations</u> <u>Budget</u>	<u>Budget After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Expended</u> <u>Reserved</u>	<u>Unexpended</u> <u>Balance</u> <u>Canceled</u>
OPERATIONS WITHIN "CAP" (CONTINUED)						
RECREATION AND EDUCATION :						
HEALTH AND WELFARE :						
Board of Health						
Salaries and Wages		\$ 14,750.00	\$ 14,750.00	\$ 14,506.08	\$ 243.92	\$ -
Other Expenses		87,700.00	87,700.00	86,176.29	1,523.71	
Environmental Commission						
Salaries and Wages		7,600.00	7,600.00	7,570.80	29.20	
Other Expenses		1,700.00	1,700.00	684.64	1,015.36	
Animal Control Regulations						
Other Expenses		20,500.00	20,500.00	20,500.00		
Recreation Services and Programs						
Salaries and Wages		116,960.00	113,960.00	109,091.32	4,868.68	
Other Expenses		21,000.00	21,000.00	15,111.63	5,888.37	
Senior Citizen Center Transportation						
Other Expenses		16,000.00	16,000.00	16,000.00		
Maintenance of Parks						
Other Expenses		47,000.00	47,000.00	43,813.82	3,186.18	
OTHER COMMON OPERATING FUNCTIONS:						
Accumulated Leave Compensation						
Salaries and Wages		13,000.00	13,000.00	13,000.00		
Celebration of Public Events						
Other Expenses		6,000.00	6,000.00	6,000.00		
UTILITY EXPENSES AND BULK PURCHASES:						
Electricity		80,000.00	86,000.00	82,726.16	3,273.84	
Street Lighting		71,000.00	63,500.00	61,297.46	2,202.54	
Telephone and Telegraph		59,200.00	59,200.00	53,317.72	5,882.28	
Natural Gas		24,000.00	27,500.00	23,892.65	3,607.35	
Diesel Fuel, Fuel Oil		1,000.00	1,000.00		1,000.00	
Sewerage Processing and Disposal (Sewer System)						
Salaries and Wages		102,000.00	102,000.00	101,888.79	111.21	
Other Expenses		7,700.00	7,700.00	5,966.28	1,733.72	
Gasoline		90,000.00	86,250.00	72,835.41	13,414.59	
TOTAL OPERATIONS WITHIN "CAP"		8,143,460.00	8,111,881.99	7,787,994.52	323,887.47	
CONTINGENT		5,000.00	5,000.00	1,212.00	3,788.00	
TOTAL OPERATIONS INCLUDING CONTINGENT - WITHIN "CAP"		8,148,460.00	8,116,881.99	7,789,206.52	327,675.47	
DETAIL :						
Salaries and Wages	A-1	5,079,121.00	5,061,121.00	4,949,773.10	111,347.90	
Other Expenses	A-1	3,069,339.00	3,055,760.99	2,839,433.42	216,327.57	
		8,148,460.00	8,116,881.99	7,789,206.52	327,675.47	

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF CHATHAM

A-3
Sheet 4CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
(CONTINUED)

	Ref.	Appropriations Budget	Budget After Modification	Expended Paid or Charged	Reserved	Unexpended Balance Canceled
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAP"</u>						
DEFERRED CHARGES:						
Expenditure Without Grant Appropriation		1,215.13	1,215.13	1,215.13	-	
STATUTORY EXPENDITURES :						
Contribution to:						
Public Employees' Retirement System		215,000.00	215,000.00	215,000.00	-	
Social Security System (O.A.S.I.)		224,000.00	224,000.00	220,772.87	3,227.13	
Defined Contribution Retirement Program		2,000.00	2,000.00		2,000.00	
Police and Firemen's Retirement System of N.J.		446,872.00	446,872.00	446,872.00	-	
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAP"	A-1	889,087.13	889,087.13	883,860.00	5,227.13	
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAP"		9,037,547.13	9,005,969.12	8,673,066.52	332,902.60	
<u>OPERATIONS EXCLUDED FROM "CAP"</u>						
Length of Service Awards Program (N.J.S.A. 40A:4-45.3j)		15,000.00	15,000.00		15,000.00	
Maintenance of Joint Free Public Library						
Proportionate Share (N.J.S.A. 40A:54-29.17)		860,910.00	860,910.00	860,910.00		
Madison-Chatham Joint Meeting						
Sewer Service Charge-Contractual (N.J.S.A. 40A:4-45.3j)		554,000.00	554,000.00	554,000.00	-	
Farmers Market						
Salaries and Wages		6,240.00	6,240.00	6,240.00		
Other Expenses		14,357.00	14,357.00	8,898.78	5,458.22	
Public and Private Programs Offset by Revenues:						
Clean Communities Program (N.J.S.A. 40A:4-87 +16,816.27)		13,835.92	30,652.19	30,652.19	-	
Alcohol Education and Rehabilitation Fund		354.48	354.48	354.48	-	
Body Armor Replacement Fund		3,688.61	3,688.61	3,688.61	-	
NJCFC - Highlands Grant (Farmers Market)		1,152.00	1,152.00	1,152.00	-	
Bulletproof Vest Program (Federal)		309.56	309.56	309.56	-	
Matching Funds for Grants:						
Municipal Alliance on Alcoholism and Drug Abuse		3,750.00	3,750.00	3,750.00	-	
TOTAL OPERATIONS EXCLUDED FROM "CAP"		1,473,597.57	1,490,413.84	1,469,955.62	20,458.22	
DETAIL :						
Salaries and Wages	A-1	6,240.00	6,240.00	6,240.00	-	
Other Expenses	A-1	1,467,357.57	1,484,173.84	1,463,715.62	20,458.22	
		1,473,597.57	1,490,413.84	1,469,955.62	20,458.22	

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF CHATHAM
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
(CONTINUED)

	Ref.	<u>Appropriations</u> Budget	Budget After Modification	<u>Expended</u> Paid or Charged	Reserved	Unexpended Balance Canceled
<u>CAPITAL IMPROVEMENTS EXCLUDED FROM "CAP"</u>						
Capital Improvement Fund		\$ 74,400.00	\$ 74,400.00	\$ 74,400.00	\$	\$
TOTAL CAPITAL IMPROVEMENTS EXCLUDED FROM "CAP"	A-1	<u>74,400.00</u>	<u>74,400.00</u>	<u>74,400.00</u>		
<u>MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAP"</u>						
Payment of Bond Principal		1,240,650.00	1,240,650.00	1,240,650.00		-
Payment of Bond Anticipation Notes		100,000.00	100,000.00	100,000.00		-
Interest on Bonds		287,063.83	287,063.83	287,063.82		0.01
Interest on Notes		11,000.00	11,000.00	10,781.50		218.50
New Jersey Wastewater Treatment Financing Program:						
Principal on Loans-2010 Loan (Borough)		78,495.75	78,495.75	63,495.75		15,000.00
Interest on Loans-2010 Loan (Borough)		15,855.00	15,855.00	1,230.00		14,625.00
Principal on Loans-2010 Loan (Joint Meeting)		23,320.34	23,320.34	23,320.34		-
Interest on Loans-2010 Loan (Joint Meeting)		9,905.00	9,905.00	9,905.00		-
Principal on Loans-2015 Loan (Joint Meeting)		-	26,983.05	26,983.05		-
Interest on Loans-2015 Loan (Joint Meeting)		-	4,594.96	4,594.96		-
TOTAL MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAP"	A-1	<u>1,766,289.92</u>	<u>1,797,867.93</u>	<u>1,768,024.42</u>		<u>29,843.51</u>
<u>DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM "CAP"</u>						
DEFERRED CHARGES:						
Special Emergency Authorizations - 5 Years (N.J.S.A. 40A:4-55) (N.J.S.A. 40A: 4-87 +\$84,000.00)		44,976.00	44,976.00	44,976.00	-	-
TOTAL DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM "CAP"	A-1	<u>44,976.00</u>	<u>44,976.00</u>	<u>44,976.00</u>		
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES - EXCLUDED FROM "CAP"		<u>3,359,263.49</u>	<u>3,407,657.77</u>	<u>3,357,356.04</u>	<u>20,458.22</u>	<u>29,843.51</u>
SUBTOTAL GENERAL APPROPRIATIONS		12,396,810.62	12,413,626.89	12,030,422.56	353,360.82	29,843.51
RESERVE FOR UNCOLLECTED TAXES		<u>1,720,000.00</u>	<u>1,720,000.00</u>	<u>1,720,000.00</u>		
TOTAL GENERAL APPROPRIATIONS		<u>\$ 14,116,810.62</u>	<u>\$ 14,133,626.89</u>	<u>\$ 13,750,422.56</u>	<u>\$ 353,360.82</u>	<u>\$ 29,843.51</u>
	Ref.				A	
Adopted Budget	A-2		\$ 14,116,810.62			
Added by N.J.S.A. 40A:4-87	A-2		<u>16,816.27</u>			
			<u>\$ 14,133,626.89</u>			
Cash Disbursed			\$ 12,173,272.85			
Less: Refunds			<u>(329,176.55)</u>			
	A-4			\$ 11,844,096.30		
Deferred Charges	A-15			46,191.13		
Reserve for Encumbrances	A-17			100,228.29		
Amount Due to Federal and State Grants Fund	A-18			39,906.84		
Reserve for Uncollected Taxes	A-2			<u>1,720,000.00</u>		
				<u>\$ 13,750,422.56</u>		

SECTION B
TRUST FUND

TRUST FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

		<u>December 31,</u>	
		<u>Ref.</u>	<u>2014</u>
<u>Assets</u>		<u>2015</u>	
Animal Control Fund :			
Cash - Treasurer	B-2	<u>70.02</u>	<u>(2,565.30)</u>
		<u>70.02</u>	<u>(2,565.30)</u>
Other Funds :			
Cash - Treasurer	B-2	<u>1,184,171.28</u>	<u>1,199,681.13</u>
Interfunds Accounts Receivable	B-5	<u>360,169.04</u>	<u>454,734.93</u>
		<u>1,544,340.32</u>	<u>1,654,416.06</u>
		<u>\$ 1,544,410.34</u>	<u>\$ 1,651,850.76</u>
Length of Service Award Program:			
Cash with Agent Provider (Unaudited)		<u>\$ 192,304.76</u>	<u>\$ 193,848.05</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF CHATHAM

B
Sheet 2

TRUST FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	<u>December 31,</u>		
<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Animal Control Fund :			
Interfunds Accounts Payable	B-6	\$ 1.85	\$ -
Reserve for Animal Control Fund Expenditures	B-8	38.77	(2,565.30)
Amount Due to State Board of Health	B-9	29.40	-
		<u>70.02</u>	<u>(2,565.30)</u>
Other Funds :			
Interfunds Accounts Payable	B-6	33,771.52	40,292.80
Amount Due to State of New Jersey	B-11	-	193.46
Reserve for Special Funds	B-12	1,510,568.80	1,613,929.80
		<u>1,544,340.32</u>	<u>1,654,416.06</u>
		<u>\$ 1,544,410.34</u>	<u>\$ 1,651,850.76</u>
Length of Service Award Program: Reserve for Qualified Participants - Enrolled (Unaudited)		<u>\$ 192,304.76</u>	<u>\$ 193,848.05</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF CHATHAM

TRUST FUND

STATEMENT OF ASSESSMENT TRUST FUND BALANCE-REGULATORY BASIS

NOT APPLICABLE

The accompanying Notes to Financial Statements are an integral part of this statement.

SECTION C

GENERAL CAPITAL FUND

BOROUGH OF CHATHAM

GENERAL CAPITAL FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

<u>Assets</u>	<u>Ref.</u>	<u>December 31,</u>	
		<u>2015</u>	<u>2014</u>
Cash - Treasurer	C-2	\$ 1,182,027.02	\$ 741,567.86
Deferred Charges to Future Taxation:			
Funded	C-4	11,236,519.77	11,714,318.91
Unfunded	C-5	4,393,625.00	4,127,079.00
Federal, State and Other Aid Receivable	C-7	103,055.11	80,305.11
Interfund Accounts Receivable	C-8	181,877.68	112,500.00
		<u>\$ 17,097,104.58</u>	<u>\$ 16,775,770.88</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Serial Bonds	C-15	\$ 9,122,000.00	\$ 10,517,000.00
N.J. Wastewater Treatment Financing Program			
and NJEIT Loans Payable	C-16	2,114,519.77	1,197,318.91
Bond Anticipation Notes	C-17	3,443,350.00	2,131,330.00
Improvement Authorizations :			
Funded	C-9	136,580.42	243,714.74
Unfunded	C-9	1,225,115.37	2,071,324.16
Reserve for Encumbrances	C-10	897,799.37	525,838.37
Capital Improvement Fund	C-11	9,869.37	9,813.37
Interfund Accounts Payable	C-13	40,914.95	3,814.88
Fund Balance	C-1	106,955.33	75,616.45
		<u>\$ 17,097,104.58</u>	<u>\$ 16,775,770.88</u>

There were Bonds and Notes Authorized but not issued at December 31, 2015 in the amount of \$950,275.00.
See Schedule C-18 for analysis.

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF CHATHAM
GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	<u>Year 2015</u>	<u>Year 2014</u>
Fund Balance January 1	C	\$ 75,616.45	\$ 75,616.45
Increased by :			
Premium on Bond Anticipation Notes	C-2	<u>31,338.88</u>	<u>-</u>
Fund Balance December 31	C	<u>\$ 106,955.33</u>	<u>\$ 75,616.45</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

SECTION D
WATER UTILITY FUND

BOROUGH OF CHATHAM
WATER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

<u>Assets</u>	<u>Ref.</u>	<u>2015</u>	<u>December 31,</u>	<u>2014</u>
Water Operating Fund:				
Cash - Treasurer	D-5	\$ 1,224,536.92	\$ 827,547.24	
Interfunds Accounts Receivable	D-8	15,130.69	4,553.59	
		<u>1,239,667.61</u>	<u>832,100.83</u>	
Receivables with Full Reserves:				
Consumers' Accounts Receivable	D-9	77,607.11	90,008.33	
Other Account Receivable	D-10	2,300.00	2,300.00	
		<u>79,907.11</u>	<u>92,308.33</u>	
Deferred Charges:				
Overexpenditure of Budget Appropriation	D-11	-	98.26	
		<u>-</u>	<u>98.26</u>	
Total Water Operating Fund		<u>1,319,574.72</u>	<u>924,507.42</u>	
Water Capital Fund :				
Cash - Treasurer	D-5	341,181.41	297,170.57	
Fixed Capital	D-12	6,137,008.65	6,137,008.65	
Fixed Capital Authorized and Uncompleted	D-13	1,913,586.00	1,552,586.00	
		<u>8,391,776.06</u>	<u>7,986,765.22</u>	
Total Water Capital Fund		<u>\$ 9,711,350.78</u>	<u>\$ 8,911,272.64</u>	

The accompanying Notes to Financial Statements are an integral part of this statement.

WATER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
(CONCLUDED)

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>2015</u>	<u>December 31,</u> <u>2014</u>
Water Operating Fund :			
Liabilities :			
Appropriation Reserves	D-4,16	\$ 80,196.99	\$ 31,462.11
Reserve for Encumbrances	D-17	15,083.17	9,026.20
Interfund Accounts Payable	D-18	20,894.90	10,179.79
Utility Charges Overpayments	D-19	5,276.62	2,758.46
Accrued Interest on Bonds	D-20	16,806.85	19,822.67
Accrued Interest on Notes	D-22	2,469.65	2,871.33
		140,728.18	76,120.56
Reserve for Receivables		77,607.11	90,008.33
Fund Balance	D-1	1,101,239.43	758,378.53
Total Water Operating Fund		1,319,574.72	924,507.42
Water Capital Fund :			
Serial Bonds	D-29	1,925,000.00	2,172,000.00
Bond Anticipation Notes	D-31	814,650.00	633,200.00
Interfund Accounts Payable	D-18	1,844.99	1,267.89
Improvement Authorizations - Funded	D-23	56,561.98	65,942.93
Improvement Authorizations - Unfunded	D-23	390,757.57	173,331.20
Reserve for Encumbrances	D-24	22,609.82	19,671.50
Capital Improvement Fund	D-25	13,472.02	19,522.02
Reserve for Amortization	D-27	4,851,652.48	4,604,652.48
Deferred Reserve for Amortization	D-28	296,786.00	278,736.00
Fund Balance	D-2	18,441.20	18,441.20
Total Water Capital Fund		8,391,776.06	7,986,765.22
		\$ 9,711,350.78	\$ 8,911,272.64

There were Bonds and Notes Authorized but not Issued as of December 31, 2015 in the amount of \$162,506.17.
See Schedule D-32 for analysis.

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF CHATHAM

WATER UTILITY FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE
IN FUND BALANCE - REGULATORY BASIS

<u>Revenue and Other Income Realized</u>	<u>Ref.</u>	<u>Year 2015</u>	<u>Year 2014</u>
Operating Fund Balance Utilized	D-1,3	\$ 52,993.94	\$ 50,138.79
Rents	D-3	1,643,480.03	1,544,414.19
Miscellaneous Revenues	D-3	22,307.03	26,368.85
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-16	8,067.78	54,406.22
Total Income		<u>1,726,848.78</u>	<u>1,675,328.05</u>
<u>Expenditures</u>			
Budgetary and Emergency Appropriations:			
Operating	D-4	912,250.00	889,079.00
Capital Improvements	D-4	12,000.00	10,000.00
Debt Service	D-4	319,195.68	333,709.79
Deferred Charges and Statutory Expenditures	D-4	87,548.26	77,350.00
Total Expenditures		<u>1,330,993.94</u>	<u>1,310,138.79</u>
Excess in Revenue			
Fund Balance January 1	D	395,854.84	365,189.26
		<u>758,378.53</u>	<u>443,328.06</u>
Decreased by :			
Utilization by Water Operating Budget	D-1	<u>1,154,233.37</u>	<u>808,517.32</u>
		<u>52,993.94</u>	<u>50,138.79</u>
Fund Balance December 31	D	<u>\$ 1,101,239.43</u>	<u>\$ 758,378.53</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF CHATHAM

WATER UTILITY FUND

STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	<u>Year 2015</u>	<u>Year 2014</u>
Fund Balance January 1	D	\$ 18,441.20	\$ 18,441.20
Fund Balance December 31	D	\$ 18,441.20	\$ 18,441.20

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF CHATHAM

WATER UTILITY FUND
STATEMENT OF REVENUES - REGULATORY BASIS

	Ref.	Budget Anticipated	Realized	Excess or (Deficit)
Operating Fund Balance Utilized	D-1	\$ 52,993.94	\$ 52,993.94	\$ -
Water Rents	D-1,3	1,278,000.00	1,643,480.03	365,480.03
Miscellaneous Revenues	D-1,3	10,000.00	22,307.03	12,307.03
	D-4	<u>\$ 1,340,993.94</u>	<u>\$ 1,718,781.00</u>	<u>\$ 377,787.06</u>
<u>Analysis of Realized Revenue</u>				
Water Service Charges:				
Consumer Accounts Receivable	D-9	\$ 1,840,721.57		
Utility Charge Overpayments/Applied	D-19	<u>2,758.46</u>		
	D-3		<u>\$ 1,843,480.03</u>	
Miscellaneous :				
Interest on Water Rents		\$ 5,352.81		
Interest on Investments - Operating		3,527.12		
Bulk water		660.00		
Water Tap/Meters		<u>12,190.00</u>		
	D-5		\$ 21,729.93	
Interfunds Accounts Receivable:				
Water Capital Fund - Interest	D-8		<u>577.10</u>	
	D-3		<u>\$ 22,307.03</u>	

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF CHATHAM

D-4

WATER UTILITY FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS

	<u>Ref.</u>	<u>Budget Appropriations</u>	<u>Transfers</u>	<u>Budget After Transfers</u>	<u>Expended</u> <u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Operating :							
Salaries and Wages		\$ 504,500.00	\$ -	\$ 504,500.00	\$ 461,935.75	\$ 42,564.25	\$ -
Other Expenses		407,750.00		407,750.00	372,921.27	34,828.73	
Total Operating	D-1	<u>912,250.00</u>		<u>912,250.00</u>	<u>834,857.02</u>	<u>77,392.98</u>	
Capital Improvement :							
Capital Improvement Fund		12,000.00		12,000.00	12,000.00		
Total Capital Improvement	D-1	<u>12,000.00</u>		<u>12,000.00</u>	<u>12,000.00</u>		
Debt Service :							
Payment of Bond Principal		247,000.00		247,000.00	247,000.00		
Payment of Notes Principal		10,000.00		10,000.00			10,000.00
Interest on Bonds		69,494.68		69,494.68	69,494.68		
Interest on Notes		2,701.00		2,701.00	2,701.00		-
Total Debt Service	D-1	<u>329,195.68</u>		<u>329,195.68</u>	<u>319,195.68</u>		<u>10,000.00</u>
Deferred Charges and Statutory Expenditures :							
Overexpenditure of Budget Appropriation		98.26		98.26	98.26	-	
Contribution to:							
Public Employees Retirement System		48,500.00		48,500.00	48,500.00	-	
Social Security (O.A.S.I.)		38,600.00		38,600.00	35,795.99	2,804.01	
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et seq.)		350.00		350.00	350.00	-	
Total Statutory Expenditures	D-1	<u>87,548.26</u>	<u>-</u>	<u>87,548.26</u>	<u>84,744.25</u>	<u>2,804.01</u>	<u>-</u>
		<u>\$ 1,340,993.94</u>	<u>\$ -</u>	<u>\$ 1,340,993.94</u>	<u>\$ 1,250,796.95</u>	<u>\$ 80,196.99</u>	<u>\$ 10,000.00</u>

Ref. D-3

D

	<u>Ref.</u>	
Disbursed	D-5	\$ 1,163,419.84
Deferred Charges	D-11	\$ 98.26
Encumbrances	D-17	15,083.17
Accrued Interest on Bonds	D-20	69,494.68
Accrued Interest on Notes	D-22	2,701.00
		<u>\$ 1,250,796.95</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

SECTION E

SOLID WASTE UTILITY FUND

BOROUGH OF CHATHAM

E
Sheet 1

SOLID WASTE UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

<u>Assets</u>	<u>Ref.</u>	<u>December 31,</u> <u>2015</u>	<u>2014</u>
Solid Waste Operating Fund:			
Cash - Treasurer	E-4	\$ 304,945.82	\$ 294,118.07
Receivables with Full Reserves:			
Consumers' Accounts Receivable	E-7	<u>11,307.02</u>	<u>10,101.51</u>
Total Solid Waste Operating Fund		<u>316,252.84</u>	<u>304,219.58</u>
Solid Waste Capital Fund :			
Fixed Capital	E-14	<u>18,000.00</u>	<u>18,000.00</u>
Total Solid Waste Capital Fund		<u>18,000.00</u>	<u>18,000.00</u>
		<u>\$ 334,252.84</u>	<u>\$ 322,219.58</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF CHATHAM

E
Sheet 2SOLID WASTE UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
(CONCLUDED)

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>December 31,</u> <u>2015</u>	<u>2014</u>
Solid Waste Operating Fund :			
Liabilities :			
Appropriation Reserves	E-3,10	\$ 61,825.36	\$ 55,697.92
Reserve for Encumbrances	E-11	4,442.44	7,593.44
Interfund Accounts Payable	E-12	21,878.52	53,344.43
Utility Charges Overpayments	E-13	182.40	922.10
Reserve Receivables		88,328.72	117,557.89
Fund Balance	E-1	11,307.02	10,101.51
Total Solid Waste Operating Fund		<u>216,617.10</u>	<u>176,560.18</u>
		316,252.84	304,219.58
Solid Waste Capital Fund :			
Reserve for Amortization	E-15	18,000.00	18,000.00
Total Solid Waste Capital Fund		<u>18,000.00</u>	<u>18,000.00</u>
		<u>\$ 334,252.84</u>	<u>\$ 322,219.58</u>

There were no Bonds and Notes Authorized but not issued as of December 31, 2014.

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF CHATHAM

SOLID WASTE UTILITY FUND

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE

IN FUND BALANCE - REGULATORY BASIS

<u>Revenue and Other Income Realized</u>	<u>Ref.</u>	<u>Year 2015</u>	<u>Year 2014</u>
Operating Fund Balance Utilized	E-1,2	\$ 47,134.09	\$ 49,554.21
Solid Waste User Fees	E-2	489,074.30	486,950.77
Recycling Tonnage Grant	E-2	30,115.91	17,546.79
Miscellaneous	E-2	3,132.45	2,969.57
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	E-10	<u>50,984.26</u>	<u>11,725.26</u>
Total Income		<u>620,441.01</u>	<u>568,746.60</u>
<u>Expenditures</u>			
Budgetary and Emergency Appropriations:			
Operating	E-3	504,700.00	491,801.00
Capital Improvements	E-3	15,000.00	16,400.00
Statutory Expenditures	E-3	13,550.00	10,900.00
Refund of Prior Year Revenue		-	18,889.42
Total Expenditures		<u>533,250.00</u>	<u>537,990.42</u>
Excess in Revenue		87,191.01	30,756.18
Fund Balance January 1	E	<u>176,560.18</u>	<u>195,358.21</u>
Decreased by :			
Utilization by Solid Waste Operating Budget	E-1	<u>47,134.09</u>	<u>49,554.21</u>
Fund Balance December 31	E	<u>\$ 216,617.10</u>	<u>\$ 176,560.18</u>

BOROUGH OF CHATHAM

SOLID WASTE UTILITY FUND
STATEMENT OF REVENUES - REGULATORY BASIS

	<u>Ref.</u>	Budget <u>Anticipated</u>	<u>Realized</u>	Excess or (Deficit)
Operating Fund Balance Utilized	E-1	\$ 47,134.09	\$ 47,134.09	\$ -
Solid Waste User Fees	E-1,2	454,000.00	489,074.30	35,074.30
Recycling Tonnage Grant	E-1,12	30,115.91	30,115.91	-
Miscellaneous	E-1,2	<u>2,000.00</u>	<u>3,132.45</u>	<u>1,132.45</u>
	E-3	<u>\$ 533,250.00</u>	<u>\$ 569,456.75</u>	<u>\$ 36,206.75</u>
<u>Analysis of Realized Revenue</u>	<u>Ref.</u>			
Rents :				
Consumer Accounts Receivable	E-7	\$ 488,152.20		
Prepaid Water Charges Applied	E-7	<u>922.10</u>		
	E-2		<u>\$ 489,074.30</u>	
Miscellaneous :				
Interest on Investments - Operating		\$ 1,234.96		
Interest on Delinquent User Fees		<u>1,897.49</u>		
	E-2,4		<u>3,132.45</u>	

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF CHATHAM

E-3

**SOLID WASTE UTILITY FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS**

	<u>Ref.</u>	<u>Budget Appropriations</u>	<u>Transfers</u>	<u>Budget After Transfers</u>	<u>Expended Paid or Charged</u>	<u>Reserved</u>
Operating :						
Salaries and Wages		\$ 100,000.00	\$ -	\$ 100,000.00	\$ 87,925.15	\$ 12,074.85
Other Expenses		<u>404,700.00</u>		<u>404,700.00</u>	<u>371,622.23</u>	<u>33,077.77</u>
Total Operating	E-1	<u>504,700.00</u>		<u>504,700.00</u>	<u>459,547.38</u>	<u>45,152.62</u>
Capital Improvement :						
Capital Outlay		<u>15,000.00</u>		<u>15,000.00</u>		<u>15,000.00</u>
Total Capital Improvement	E-1	<u>15,000.00</u>		<u>15,000.00</u>		<u>15,000.00</u>
Statutory Expenditures :						
Contribution:						
Public Employees Retirement System		5,000.00		5,000.00	5,000.00	-
Social Security (O.A.S.I.)		<u>7,800.00</u>		<u>7,800.00</u>	<u>6,127.26</u>	<u>1,672.74</u>
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et seq.)		<u>750.00</u>		<u>750.00</u>	<u>750.00</u>	<u>-</u>
Total Statutory Expenditures	E-1	<u>13,550.00</u>	<u>-</u>	<u>13,550.00</u>	<u>11,877.26</u>	<u>1,672.74</u>
		<u>\$ 533,250.00</u>	<u>\$ -</u>	<u>\$ 533,250.00</u>	<u>\$ 471,424.64</u>	<u>\$ 61,825.36</u>
	Ref.	E-2				E
				<u>Ref.</u>		
			Disbursed	E-4	\$466,982.20	
			Encumbrances	E-11	<u>4,442.44</u>	
					<u>\$ 471,424.64</u>	

The accompanying Notes to Financial Statements are an integral part of this statement.

SECTION F

PUBLIC ASSISTANCE TRUST FUND

BOROUGH OF CHATHAM
PUBLIC ASSISTANCE TRUST FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

		December 31.	
<u>Assets</u>		<u>Ref.</u>	<u>2014</u>
		<u>2015</u>	<u>2014</u>
Cash - Treasurer			
Public Assistance Fund No. 1	F-1	\$ -	\$ 7,156.08
Public Assistance Fund No. 2	F-1	<u>17,867.01</u>	<u>17,867.01</u>
		<u>\$ 17,867.01</u>	<u>\$ 25,023.09</u>
<u>Liabilities and Reserves</u>			
Reserve for Public Assistance Fund No. 1	F-2	\$ -	\$ 7,156.08
Reserve for Public Assistance Fund No. 2	F-2	<u>17,867.01</u>	<u>17,867.01</u>
		<u>\$ 17,867.01</u>	<u>\$ 25,023.09</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

SECTION G

GENERAL FIXED ASSETS ACCOUNT GROUP

BOROUGH OF CHATHAM

G

GENERAL FIXED ASSETS ACCOUNT GROUP COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	December 31, 2015	2014
General Fixed Assets:		
Land	\$ 35,340,330.00	\$ 34,763,600.18
Buildings	31,681,782.47	31,208,867.76
Machinery and Equipment	<u>8,475,521.64</u>	<u>8,493,394.50</u>
	<u>\$ 75,497,634.11</u>	<u>\$ 74,465,862.44</u>
Investments in General Fixed Assets	<u>\$ 75,497,634.11</u>	<u>\$ 74,465,862.44</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF CHATHAM
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note I: Summary of Significant Accounting Policies

A. Basis of Presentation

The financial statements of the Borough of Chatham have been prepared in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Borough's accounting policies are described below.

B. Reporting Entity

The Borough of Chatham is an instrumentality of the State of New Jersey, established to function as a municipality. The Borough Council consists of elected officials and is responsible for the fiscal control of the Borough of Chatham.

The primary criterion for including activities within the Borough's reporting entity, as set forth in section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the Borough of Chatham. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters.

Except as noted below, the financial statements of the Borough of Chatham include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough of Chatham, as required by N.J.S. 40A:5-5. Accordingly, the financial statements of the Borough of Chatham do not include the operations of the municipal library, or volunteer fire and first aid squads. Furthermore, the Borough of Chatham is not includable in any other reporting entity on the basis of such criteria.

C. Description of Funds

The accounting policies of the Borough of Chatham conform to the accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the Division). Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough of Chatham accounts for its financial transactions through the following separate funds which differ from the fund structure required by accounting principles generally accepted in the United States of America.

Current Fund – resources and expenditures for governmental operations of a general nature, including Federal and State grants for operation.

Trust Fund – receipts, custodianship and disbursement of monies in accordance with the purpose for which each reserve was created.

General Capital Fund – receipt and disbursement of funds used for acquisition of general capital facilities other than those acquired in the Current Fund.

Water Operating and Capital Funds – account for the operations and acquisition of capital facilities of the water utility.

BOROUGH OF CHATHAM
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note I: Summary of Significant Accounting Policies (Continued)

C. Description of Funds (Continued)

Operating and Capital Funds – account for the operations and acquisition of capital facilities of the swimming pool utility.

Public Assistance Fund – receipts and disbursements of funds that provide assistance to certain residents of the Borough of Chatham pursuant to Title 44 of New Jersey statutes.

D. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. The more significant policies follow.

A modified accrual basis of accounting is followed with minor exceptions.

Revenues – are recorded as received in cash except for certain amounts that are due from other governmental units. Receipts from Federal and State grants are realized as revenue when anticipated in the budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

Expenditures – are recorded on the “budgetary” basis of accounting. Generally expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements. Appropriation reserves covering unencumbered appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts that may be canceled by the Governing Body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis. Compensated absences are treated on a pay as you go basis with no amount charged to operations in the year incurred.

BOROUGH OF CHATHAM
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note I: Summary of Significant Accounting Policies (Continued)

D. Basis of Accounting (Continued)

Foreclosed Property – Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily, it is the intention of the Governing Body to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of the foreclosed property has not been included in the General Fixed Assets Account Group. If such property is converted to a municipal use, it will be recorded in the General Fixed Assets Account Group.

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

Deferred Charges – The funding of certain expenditures incurred in the current year (i.e. emergencies, overexpenditures) are deferred to subsequent years' budgets.

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

Levy of Taxes – The County Board of Taxation certifies the tax levy of the municipality each year. The tax levy is based on the assessed valuation of taxable property within the municipality. Taxes are payable on the first day of February, May, August and November. Any taxes that have not been paid by the 11th day of the 11th month in the fiscal year levied are subject to being included in the tax sale and the lien enforced by selling the property in accordance with NJSA 54:4.5 et seq.

The municipality is responsible for remitting 100% of the school and county taxes to the respective agency. The loss for delinquent or uncollectible accounts is borne by the municipality and not the school district or county.

Interest on Delinquent Taxes – It is the policy of the Borough of Chatham to collect interest for the nonpayment of taxes or assessments on or before the date when they would become delinquent. The Tax Collector is authorized to charge eight percent (8%) per annum on the first \$1,500 of taxes becoming delinquent after the due date and eighteen percent (18%) per annum on any amount of taxes in excess of \$1,500 becoming delinquent after the due date and if a delinquency is in excess of \$10,000 and remains in arrears beyond December 31st, an additional penalty of six percent (6%) shall be charged against the delinquency. There is a ten day grace period.

Capitalization of Interest – It is the policy of the Borough of Chatham to treat interest on projects as a current expense and the interest is included in the current operating budget.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles or the regulatory basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

BOROUGH OF CHATHAM
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note I: Summary of Significant Accounting Policies (Continued)

D. Basis of Accounting (Continued)

Fixed Assets – In accordance with N.J.A.C. 5:30-5.6, Accounting Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, the Borough of Chatham has developed a fixed assets accounting and reporting system based on an inspection and appraisal prepared by an independent appraisal firm.

Fixed assets used in governmental operation (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvement other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage system are not capitalized.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available except for land and buildings which are valued at estimated market value. Expenditures for long lived assets with an original cost in excess of \$2,000 are capitalized.

No depreciation has been provided for in the financial statements.

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

Fixed assets acquired through grants in aid or contributed capitals have not been accounted for separately.

Accounting for utility fund "fixed capital" remains unchanged under the requirements of N.J.A.C. 5:30-5.6.

Property and equipment purchased by the Water and Solid Waste Utility Funds are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represent charges to operations for the costs of acquisitions of property, equipment and improvements. The utility does not record depreciation on fixed assets.

BOROUGH OF CHATHAM

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note 1: Summary of Significant Accounting Policies (Continued)

D. Basis of Accounting (Continued)

Fixed Assets(Continued)

The following schedules are a summarization of the changes in general fixed assets for the year ended December 31, 2015 and 2014:

	Balance as of December 31, 2014	Additions/ Transfers	Disposal / Transfers	Balance as of December 31, 2015
Land	\$34,763,600.18	\$576,729.82	\$	\$ 35,340,330.00
Buildings	31,208,867.76	472,914.71		31,681,782.47
Machinery and Equipment	<u>8,493,394.50</u>	<u>107,127.14</u>	<u>125,000.00</u>	<u>8,475,521.64</u>
	<u>\$74,465,862.44</u>	<u>1,156,771.67</u>	<u>\$ 125,000.00</u>	<u>\$75,497,634.11</u>

	Balance as of December 31, 2013	Additions/ Transfers	Disposal/ Transfers	Balance as of December 31, 2014
Land	\$35,864,600.00	\$	\$1,100,999.82	\$34,763,600.18
Buildings	31,476,859.60		267,991.84	31,208,867.76
Machinery and Equipment	<u>8,393,340.72</u>	<u>166,853.78</u>	<u>66,800.00</u>	<u>8,493,394.50</u>
	<u>\$75,734,800.32</u>	<u>\$ 166,853.78</u>	<u>\$1,435,791.66</u>	<u>\$74,465,862.44</u>

E. Required Financial Statements

The State of New Jersey requires the following financial statements to be presented for each fund on the regulatory basis of accounting: Balance Sheet, Statement of Operations and Changes in Fund Balance, Statement of Revenues and Statement of Expenditures. These statements differ from those presented under Generally Accepted Accounting Principles, which requires a Statement of Net Position and Statement of Activities in addition to the fund financial statements.

F. Comparative Date

Comparative total data for the prior year has been presented in the accompanying Balance Sheets and Statement of Operations in order to provide an understanding of changes in the Borough's financial position. However, comparative (i.e. presentation of prior year totals by fund type) data have not been presented in the Statement of Revenue-Regulatory Basis and Statement of Expenditures-Regulatory Basis since their inclusion would make the statements unduly complex and difficult.

BOROUGH OF CHATHAM
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note I: Summary of Significant Accounting Policies (Continued)

G. Recent Accounting Pronouncements Not Yet Effective

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". This statement, which is effective for fiscal periods beginning after June 15, 2017, will not have any effect on the entity's financial reporting. However, the provisions of this statement will require significant modifications to the disclosure requirements related to the entity's proportionate share of the benefit plans reported at the State of New Jersey level.

H. Budgetary Information

Annual budgets are adopted on a basis consistent with the requirements of the State of New Jersey, Department of Community Affairs, Division of Local Government Services.

Under New Jersey State Statutes, the annual budget is required to be balanced, prepared on a cash basis and to provide a reserve for uncollected taxes. The 2015 statutory budget included a reserve for uncollected taxes in the amount of \$1,720,000.00. To balance the budget, the municipality is permitted to utilize fund balance. The amount of fund balance utilized to balance the 2015 statutory budgets were as follows:

Current Fund	\$2,195,000.00
Water Utility Operating Fund	52,993.94
Solid Waste Utility Operating Fund	47,134.09

Transfers of line item amounts are permitted after November 1 and must be made by a resolution adopted by the governing body. The following significant budget transfers were approved in the 2015 calendar year.

<u>Budget Category</u>	<u>Amount</u>
Human Resources – Other Expenses	\$10,000.00
Assessment of Taxes – Other Expenses	10,000.00
Legal Services and Costs – Other Expenses	30,000.00
Planning Board – Other Expenses	(10,000.00)
General Liability	(38,000.00)
Police – Salaries and Wages	(20,000.00)
- Other Expenses	(27,500.00)
Road Repairs and Maintenance	20,000.00

N.J.S.A. 40A:4-87 permits special items of revenue and appropriations to be inserted into the annual budget, after the adoption of the budget, when the item has been made available by any public or private funding source. The following significant budget insertions were approved during the 2015 calendar year.

<u>Budget Category</u>	<u>Amount</u>
Clean Communities Program	\$16,816.27

BOROUGH OF CHATHAM

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014

(CONTINUED)

Note I: Summary of Significant Accounting Policies

H. Budgetary Information (Continued)

The municipality may make emergency appropriations, after the adoption of the budget, for a purpose which was not foreseen at the time the budget was adopted or for which adequate provision was not made therein. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety, morals or welfare or to provide temporary housing or public assistance prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budget of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. There were no emergency appropriations approved during the 2015 calendar year.

Note II: Detailed Notes On All Funds

A. Deposits and Investments

Deposits

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

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act (GUDPA). Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

At December 31, 2015 the Borough of Chatham's cash and cash equivalents amounted to \$8,758,735.66. Of this amount, \$750,000.00 was covered by federal depository insurance (F.D.I.C.) and \$7,856,905.60 was covered by a collateral pool maintained by the banks as required by GUDPA. Although the individual developers' accounts are subject to F.D.I.C. coverage, it cannot be accurately determined whether the total amount of \$151,830.06 included in Developers' Escrow deposits is covered.

At December 31, 2015 the Borough of Chatham had no participation in the State of New Jersey Cash Management Fund.

GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, requires the disclosure of bank deposits that are subject to custodial credit risk. The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Borough of Chatham will not be able to recover deposits or will not be able to recover collateral securities that may be in the possession of an outside party.

As of December 31, 2015, \$151,830.06 of the Borough of Chatham's cash and cash equivalents of \$8,758,735.66 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized

\$8,758,735.66

BOROUGH OF CHATHAM

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note II: Detailed Notes On All Funds (Continued)

A. Deposits and Investments (Continued)

Investments

New Jersey statutes (N.J.S.A. 40A:5-15.1) permit the Borough of Chatham to purchase the following types of securities:

- a. When authorized by a cash management plan approved pursuant to N.J.S. 40A:5-14, any local unit may use moneys which may be in hand for the purchase of the following types of securities which, if suitable for registry, may be registered in the name of the local unit:
 - (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
 - (2) Government money market mutual funds;
 - (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
 - (4) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located;
 - (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units;
 - (6) Local government investment pools;
 - (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
 - (8) Agreements for the repurchase of fully collateralized securities, if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (c.17:9-41); and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

The Borough of Chatham had no investments as described in Note I:F.1. at December 31, 2015.

BOROUGH OF CHATHAM

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note II: Detailed Notes On All Funds (Continued)

B. Property Taxes

The Borough of Chatham is responsible for assessing, collecting and distributing property taxes in accordance with enabling state legislation. All property tax revenue is recognized when received in cash. Property taxes receivable as of December 31, 2015 are composed of the following:

<u>Year of Levy</u>	<u>Amount</u>
1976	\$ 1,311.72
1985	2,002.90
1986	1,070.05
1987	6,934.98
1989	422.89
2015	318,943.41
	<u>\$ 330,685.95</u>

The years 1976 through 1989 are bankrupt properties.

C. Interfund Receivables and Payables

As of December 31, 2015 interfund receivables and payables resulting from various interfund transactions were as follows:

	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
Current Fund		
Federal and State Grants Fund	\$ 182,142.87	\$ 610,202.93
Trust Funds:	66,514.12	
Animal Control Fund		1.85
Other Trust Fund	360,169.04	33,771.52
General Capital Fund	181,877.68	40,914.95
Water Utility Fund:		
Operating Fund	15,130.69	20,894.90
Capital Fund		1,844.99
Solid Waste Utility Fund:		
Operating Fund		21,878.52
Payroll Account	-0-	76,324.69
	<u>\$805,834.40</u>	<u>\$ 805,834.40</u>

The amounts due to or from the current fund and grants fund are due to the fact that there is no separate grants fund bank account. All other interfunds are due to cash being transferred between accounts. It is anticipated that all other interfunds will be liquidated during the subsequent calendar year.

BOROUGH OF CHATHAM
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note II: Detailed Notes On All Funds (Continued)

D. Deferred Charges to be Raised in Succeeding Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2015, the following deferred charges are shown on the balance sheets of the various funds:

	Balance Dec. 31, 2015	2016 Budget Appropriation	Balance to Succeeding Budgets
Current Fund:			
Special Emergency	\$24,000.00	\$ 24,000.00	-0-

The appropriations in the 2016 Budget are not less than that required by statute.

E. Leases

The Borough of Chatham has commitments to lease copying equipment and postage meter under operating leases which expire in 2017. Total operating lease payments made during the year ended December 31, 2015 were \$69,072.43. Future minimum lease payments are as follows:

<u>Year ended</u>	<u>Amount</u>
December 31, 2016	24,369.58
December 31, 2017	15,424.06
Total future minimum lease payments	<u>\$39,793.64</u>

BOROUGH OF CHATHAM
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note II: Detailed Disclosures Regarding Liabilities and Expenses/Expenditures

F. Debt

The Local Bond Law governs the issuance of bonds and notes to finance general municipal and utility capital expenditures. Bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough of Chatham are general obligation bonds, backed by the full faith and credit of the Borough of Chatham. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within ten years or retired by the issuance of bonds.

Long-term debt as of December 31, 2014 and 2015 consisted of the following:

	Balance Dec. 31, 2014	Issued	Retired	Balance Dec. 31, 2015	Amounts Due Within One Year
Bonds Payable:					
General	\$ 10,517,000.00	\$ -	\$ 1,395,000.00	\$ 9,122,000.00	\$ 1,405,000.00
Water Utility	2,172,000.00	-	247,000.00	1,925,000.00	215,000.00
Solid Waste Utility	-	-	-	-	-
NJ Environmental Infrastructure Loan:					
General	1,197,318.91	1,046,000.00	128,799.14	2,114,519.77	157,290.66
	\$ 13,886,318.91	\$ 1,046,000.00	\$ 1,770,799.14	\$ 13,161,519.77	\$ 1,777,290.66

Short-term financing as of December 31, 2014 and 2015 consisted of the following:

	Balance Dec. 31, 2014	Issued	Retired	Balance Dec. 31, 2015	Amounts Due Within One Year
Bond Anticipation Notes:					
General	\$ 2,131,330.00	\$ 3,443,350.00	\$ 2,131,330.00	\$ 3,443,350.00	\$ 3,443,350.00
Water Utility	633,200.00	814,650.00	633,200.00	814,650.00	814,650.00
Solid Waste Utility	-	-	-	-	-
	\$ 2,764,530.00	\$ 4,258,000.00	\$ 2,764,530.00	\$ 4,258,000.00	\$ 4,258,000.00

Summary of Municipal Debt

	Year 2015	Year 2014	Year 2013
Issued			
General:			
Bonds, Loans and Notes	\$ 14,679,869.77	\$ 13,845,648.91	\$ 14,508,465.00
Water Utility:			
Bonds and Notes	2,739,650.00	2,805,200.00	2,407,000.00
Total Issued	17,419,519.77	16,650,848.91	16,915,465.00
Net Debt Issued	17,419,519.77	16,650,848.91	16,915,465.00
Authorized but not Issued			
General:			
Bonds and Notes	950,275.00	1,995,749.00	661,749.00
Water Utility:			
Bonds and Notes	162,506.17	1,006.17	1,006.17
Total Authorized but Not Issued	1,112,781.17	1,996,755.17	662,755.17
Net Bonds and Notes Issued and Authorized but not Issued	\$ 18,532,300.94	\$ 18,647,604.08	\$ 17,578,220.17

BOROUGH OF CHATHAM
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note II: Detailed Disclosures Regarding Liabilities and Expenses/Expenditures (Continued)

F. Debt (Continued)

Summary of Statutory Debt Condition-Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .673 %.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School District Debt	\$ 11,816,008.89	\$ 11,816,008.89	\$ -
Water Utility Debt	2,902,156.17	2,902,156.17	-
General Debt	<u>15,630,144.77</u>	<u>-</u>	<u>15,630,144.77</u>
	<u>\$ 30,348,309.83</u>	<u>\$ 14,718,165.06</u>	<u>\$ 15,630,144.77</u>
Net Debt of \$15,630,144.77 divided by Equalized Valuation Basis			
per N.J.S.A. 40A:2-2 as amended, \$2,322,126,462.00 = 0.673%			
<u>Borrowing Power Under N.J.S.A. 40a:2-6 As Amended</u>			
3 1/2% of Equalized Valuation Basis (Municipal)			\$ 81,274,426.17
Net Debt			<u>15,630,144.77</u>
Remaining Borrowing Power			<u>\$ 65,644,281.40</u>

BOROUGH OF CHATHAM
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note II: Detailed Disclosures Regarding Liabilities and Expenses/Expenditures (Continued)

F. Debt (Continued)

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

Cash Receipts from fees, rents or other charges for year		\$	1,718,781.00
Deductions:			
Operating and Maintenance Cost	\$	999,700.00	
Debt Service per Water Account		329,195.68	
Total Deductions		<u>1,328,895.68</u>	

Excess in Revenue-Self Liquidating \$ 389,885.32

Footnote:

If there is an "excess in revenue", all such utility debt is deductible.

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

Cash Receipts from fees, rents or other charges for year		\$	569,456.75
Deductions:			
Operating and Maintenance Cost	\$	518,250.00	
Debt Service per Solid Waste Account		-	
Total Deductions		<u>518,250.00</u>	

Excess in Revenue-Self Liquidating \$ 51,206.75

Footnote:

If there is an "excess in revenue", all such utility debt is deductible.

The foregoing debt information is in agreement with the annual debt statement filed by the Chief Financial Officer.

BOROUGH OF CHATHAM

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note II: Detailed Disclosures Regarding Liabilities and Expenses/Expenditures (Continued)

F. Debt (Continued)

1. Bonds Payable

Bonds are authorized in accordance with State law by the adoption of an ordinance. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough of Chatham are general obligation bonds.

Serial Bonds outstanding as of December 31, 2015 consisted of the following:

<u>Description</u>	<u>Interest</u> <u>Rate</u>	<u>Due</u> <u>Date</u>	<u>Maturity</u> <u>Date</u>	<u>Amount</u> <u>Issued</u>	<u>Amount</u> <u>Outstanding</u>
General of 2011	Multiple	8/15	2023	\$ 5,819,000.00	\$ 4,449,000.00
General of 2006	Multiple	12/15	2021	8,170,000.00	3,835,000.00
General of 2002	Multiple	8/1	2017	5,058,000.00	838,000.00
				<u>19,047,000.00</u>	<u>9,122,000.00</u>
Water of 2011	Multiple	8/15	2023	916,000.00	716,000.00
Water of 2006	Multiple	12/15	2026	945,000.00	655,000.00
Water of 2002	Multiple	8/1	2022	1,274,000.00	554,000.00
				<u>3,135,000.00</u>	<u>1,925,000.00</u>
				<u>\$ 22,182,000.00</u>	<u>\$ 11,047,000.00</u>

BOROUGH OF CHATHAM
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note II: Detailed Disclosures Regarding Liabilities and Expenses/Expenditures (Continued)

F. Debt (Continued)

1. Bonds Payable

Principal and interest due on serial bonds outstanding is as follows:

Calendar Year	General		Water Utility		Total
	Principal	Interest	Principal	Interest	
2016	\$ 1,405,000.00	\$ 276,457.50	\$ 215,000.00	\$ 65,145.00	\$ 1,961,602.50
2017	1,413,000.00	231,990.00	220,000.00	59,140.00	1,924,130.00
2018	1,220,000.00	183,387.50	225,000.00	52,002.50	1,680,390.00
2019	1,240,000.00	147,612.50	230,000.00	44,671.25	1,662,283.75
2020	1,260,000.00	111,437.50	230,000.00	37,021.25	1,638,458.75
2021	1,265,000.00	73,337.50	235,000.00	29,146.25	1,602,483.75
2022	650,000.00	32,975.00	239,000.00	20,677.50	942,652.50
2023	669,000.00	16,725.00	156,000.00	11,800.00	853,525.00
2024	-	-	60,000.00	7,000.00	67,000.00
2025	-	-	60,000.00	4,600.00	64,600.00
2026	-	-	55,000.00	2,200.00	57,200.00
	<u>\$ 9,122,000.00</u>	<u>\$ 1,073,922.50</u>	<u>\$ 1,925,000.00</u>	<u>\$ 333,403.75</u>	<u>\$ 12,454,326.25</u>

2. Bond Anticipation Notes

Bond Anticipation Notes outstanding as of December 31, consists of the following:

Ord. No.	Description	Interest Rate	Issue Date	Maturity Date	Amount Outstanding
General Capital:					
Ord. 12-06	Various Improvements	1.25%	7/16/15	7/15/16	\$ 745,130.00
Ord. 13-09	Various Improvements	1.25%	7/16/15	7/15/16	362,200.00
Ord. 14-04	Various Improvements	1.25%	7/16/15	7/15/16	924,000.00
Ord. 15-05	Various Improvements	1.25%	7/16/15	7/15/16	1,412,020.00
	Total General Capital				<u>3,443,350.00</u>
Water Capital:					
Ord. 12-07	Various Improvements	1.25%	7/16/15	7/15/16	229,600.00
Ord. 13-08	Various Improvements	1.25%	7/16/15	7/15/16	290,300.00
Ord. 14-05	Various Improvements	1.25%	7/16/15	7/15/16	113,300.00
Ord. 15-06	Various Improvements	1.25%	7/16/15	7/15/16	181,450.00
	Total Water Capital				<u>814,650.00</u>

3. Bonds Authorized but not issued

As of December 31, 2015 the Borough of Chatham had authorized but not issued bonds as follows:

General Capital Fund	\$ 950,275.00
Water Utility Capital Fund	\$ 162,506.17

BOROUGH OF CHATHAM
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note II: Detailed Notes on All Funds (Continued)

G. N.J. Wastewater Treatment and Environmental Infrastructure Financing Programs (Continued)

On March 10, 2010, two separate loan agreements were entered into by the Borough of Chatham for the purpose of improvements to the sanitary sewer system. Loans payable in the amount of \$1,133,827.00 are detailed as follows:

New Jersey Environmental Infrastructure Trust	\$ 283,456.00
New Jersey Environmental Infrastructure Fund	<u>850,371.00</u>
	<u>\$ 1,133,827.00</u>

On March 10, 2010, two separate loan agreements were entered into by the Borough of Chatham for the purpose of improvements at the sewer plant. Loans payable in the amount of \$521,967.00 are detailed as follows:

New Jersey Environmental Infrastructure Trust	\$ 260,000.00
New Jersey Environmental Infrastructure Fund	<u>261,967.00</u>
	<u>\$ 521,967.00</u>

On May 28, 2015, two separate loan agreements were entered into by the Borough of Chatham for the purpose of improvements at the sewer plant. Loans payable in the amount of \$1,046,000.00 are detailed as follows:

New Jersey Environmental Infrastructure Trust	\$ 250,000.00
New Jersey Environmental Infrastructure Fund	<u>796,000.00</u>
	<u>\$ 1,046,000.00</u>

Schedule of remaining annual principal and interest payments for the three combined loans are detailed as follows:

Calendar Year	Loan Number 1		Loan Number 2		Loan Number 3		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 83,495.75	\$ 15,105.00	\$ 23,320.34	\$ 9,405.00	\$ 50,474.57	\$ 14,603.26	\$ 157,290.66	\$ 39,113.26
2017	83,495.75	14,105.00	23,320.34	8,905.00	50,474.57	14,103.26	157,290.66	37,113.26
2018	83,495.75	13,105.00	23,320.34	8,405.00	50,474.57	13,603.26	157,290.66	35,113.26
2019	83,495.75	12,105.00	28,320.34	7,905.00	50,474.57	11,776.63	162,290.66	31,786.63
2020	83,495.75	11,305.00	28,320.34	7,305.00	50,474.57	9,950.00	162,290.66	28,560.00
2021	83,495.75	10,305.00	28,320.34	6,555.00	50,474.57	9,450.00	162,290.66	26,310.00
2022	88,495.75	9,705.00	28,320.34	6,105.00	50,474.57	8,950.00	167,290.66	24,760.00
2023	71,091.50	8,705.00	28,320.34	5,505.00	50,474.57	8,450.00	149,886.41	22,660.00
2024	25,000.00	7,705.00	28,320.34	4,905.00	50,474.57	7,950.00	103,794.91	20,560.00
2025	13,456.00	6,705.00	28,320.34	4,305.00	55,474.57	7,450.00	97,250.91	18,460.00
2026			28,320.34	3,705.00	55,474.57	6,700.00	83,794.91	10,405.00
2027			33,320.34	3,180.00	55,474.57	5,950.00	88,794.91	9,130.00
2028			33,320.34	2,580.00	55,474.57	5,350.00	88,794.91	7,730.00
2029			33,320.65	1,580.00	55,474.57	4,750.00	88,795.22	6,330.00
2030					55,474.57	4,150.00	55,474.57	4,150.00
2031					55,474.57	3,550.00	55,474.57	3,550.00
2032					55,474.57	2,950.00	55,474.57	2,950.00
2033					60,474.57	2,350.00	60,474.57	2,350.00
2034					60,474.69	1,550.00	60,474.69	1,550.00
	<u>\$ 699,017.75</u>	<u>\$ 108,850.00</u>	<u>\$ 396,485.07</u>	<u>\$ 80,145.00</u>	<u>\$ 1,019,016.95</u>	<u>\$ 143,586.41</u>	<u>\$ 2,114,519.77</u>	<u>\$ 332,581.41</u>

Installment payments of principal and interest on the above described Wastewater Treatment Loan and Environmental Infrastructure Loans are due on February 1 and August 1 of each year for Loans Number 1, 2 and 3.

BOROUGH OF CHATHAM

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note II: Detailed Notes On All Funds (Continued)

H. Fund Balance Appropriated

Fund balances at December 31, 2015, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2016 were as follows:

Current Fund	\$2,195,000.00
Water Utility Operating Fund	550,506.45
Sewer Waste Utility Operating Fund	48,888.57

Note III: Pension Plans

Description of Systems

Substantially all of the Borough's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Public Employees' Retirement System (PERS), the Police and Fireman's Retirement System (PFRS), Defined Contribution Retirement Program (DCRP) or the Consolidated Police and Fireman's Pension Fund (CPFPPF). These systems are sponsored and administered by the New Jersey Division of Pensions and Benefits. The PERS, PFRS and DCRP are considered cost sharing multiple-employer defined benefit plans. The CPFPPF is considered a cost sharing plan with special funding situation.

The Public Employees' Retirement System (PERS) was established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another State-administered retirement system.

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

BOROUGH OF CHATHAM

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note III: Pension Plans (Continued)

The Police and Fireman's Retirement System (PFRS) was established in July 1944, under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firemen and State Firemen appointed after June 30, 1944.

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement benefits as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after four years of service.

The following represents the membership tiers for PFRS:

<u>Tier</u>	<u>Definition</u>
<u>1</u>	<u>Members who were enrolled prior to May 22, 2010</u>
<u>2</u>	<u>Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011</u>
<u>3</u>	<u>Members who were eligible to enroll on or after June 28, 2011</u>

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tier 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case, benefits would begin at age 55 equal to 2% of final compensation for each year of service.

The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2008 under the provisions of Chapter 92, P.L. 2008 and Chapter 103, P.L. 2008 (N.J.S.A. 43:15C-1 et seq.). The DCRP is a cost sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et seq..

According to the state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement systems terminate. The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits issues a publicly available financial report that includes the financial statements and required supplementary information of each of the above systems. The financial reports may be accessed via the New Jersey Division of Pensions and Benefits website at www.state.nj.us/treasury/pensions.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note III: Pension Plans (Continued)

Significant Legislation

P.L. 2011, c.78, effective June 28, 2011, made various changes to the manner in which TPAF, PERS, PFRS, SPRS, and JRS operate and to the benefit provisions of those systems.

This legislation's provisions impacting employee pension and health benefits include:

- For new members of TPAF and PERS hired on or after June 28, 2011 (Tier 5 members), the years of creditable service needed for early retirement benefits increased from 25 to 30 years and the early retirement age increased from 55 to 65.
- The eligibility age to qualify for a service retirement in the TPAF and PERS increased from age 62 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), decreased from 65 percent of final compensation to 60 percent of final compensation after 25 years of service and from 70 percent of final compensation to 65 percent of final compensation after 30 or more years of service.
- It increased the active member contribution rates as follows: TPAF and PERS active member rates increased from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years; PFRS and PERS Prosecutors Part active member rates increased from 8.5 percent to 10 percent; SPRS active member rates increased from 7.5 percent to 9 percent; and JRS active member rates increased from 3 percent to 12 percent phased-in over seven years for members hired or reappointed on or after June 28, 2011. For Fiscal Year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contributions for TPAF, PERS and JRS members takes place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries was suspended until reactivated as permitted by this law.
- It changed the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay method).

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. The pension funds provide for employee contributions based on 10.0 percent for PFRS and 6.9 percent for PERS of employees' annual compensation.

During the state fiscal year ended June 30, 2014, for PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, the annual pension cost equals contributions made.

BOROUGH OF CHATHAM

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note III: Pension Plans (Continued)

Legislation enacted in 1993 provided early retirement incentives for Borough's employees in PERS and PFRS who met certain age and service requirements and applied for retirement between certain dates. In PERS the early retirement incentives included an additional five years of service credit, as defined, for employees at least age 50 with a minimum of 25 years of service; free health benefits for employees at least 60 years old with at least 20 years of service; and an additional \$500 per month for employees at least age 60 with ten but less than 20 years. In PFRS, an employee age 47 or older with 20 or more years of service credit received five additional years of service or any lesser number of years to provide the member with the maximum 30 years of service credit as of the date of retirement. The Borough of Chatham will assume the increased cost for the early retirement.

The Borough's total payroll for the year ended December 31, 2015 was \$5,793,354.51 and covered payroll was \$2,292,545.00 for PERS, \$2,152,248.00 for PFRS and \$30,082.00 for DCRP. Contributions to the PERS, PFRS and the DCRP for the last three years made by the employees and Borough of Chatham were as follows:

	Percent of		Percent of		Percent of	
	<u>PERS</u>	<u>Covered Payroll</u>	<u>PERS</u>	<u>Covered Payroll</u>	<u>DCRP</u>	<u>Covered Payroll</u>
Employees						
12/31/13	\$150,795.44	6.72%	\$193,300.60	10.21%	\$1,678.66	5.50%
12/31/14	157,872.46	6.98%	209,898.60	10.16%	1,616.18	5.50%
12/31/15	169,701.79	7.40%	217,325.70	10.10%	1,654.51	5.50%
Borough of Chatham						
12/31/13	\$268,980.00	11.87%	\$512,859.00	26.73%	\$ 915.63	3.00%
12/31/14	255,315.00	11.28%	445,157.00	21.55%	881.55	3.00%
12/31/15	275,499.16	12.02%	461,872.00	21.46%	902.46	3.00%

BOROUGH OF CHATHAM

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note IV: Public Employees Retirement System

At December 31, 2015, the Borough of Chatham reported a liability of \$7,297,535.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2015, the Borough's proportion was 0.0325086264%, which was a decrease of 2.72% from its proportion measured as of June 30, 2014.

For the year ended December 31, 2015, the Borough of Chatham recognized pension expense of \$275,499.16. At December 31, 2015, the Borough reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 174,094	\$
Changes of assumptions	783,697	
Net difference between projected and actual earnings on pension plan investments		151,137
Changes in proportion District contributions subsequent to the measurement data		427,800
Total	<u>275,499</u> <u>\$1,233,290</u>	<u>\$578,937</u>

\$275,499.16 reported as deferred outflows of resources related to pensions resulting from the Borough's contributions subsequent to the measurement date (June 30, 2015) will be recognized as a reduction of the net pension liability in the year ended December 31, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended December 31,</u>	
2016	\$153,006
2017	153,006
2018	153,006
2019	243,687
2020	<u>56,151</u>
Total	<u>\$758,856</u>

Note IV: Public Employees Retirement System

Schedule of the Borough's Proportionate Share of the Net Pension Liability-PERS

	Year Ending December 31,				
	2013	2014	2015	2016	2017
Borough's proportion of the net pension liability	0.0338847938%	0.0334187069%	0.0325086264%		
Borough's proportionate share of the net pension liability	\$ 6,476,057.00	\$ 6,256,896.00	\$ 7,297,535.00		
Borough's covered employee payroll	\$ 2,244,084.00	\$ 2,263,119.00	\$ 2,292,545.00		
Borough's proportionate share of the net pension liability as a percentage of its covered employee payroll	288.58%	276.47%	318.32%		
Plan fiduciary net position as a percentage of the total pension liability	48.72%	52.08%	47.92%		

	Year Ending December 31,				
	2018	2019	2020	2021	2022
Borough's proportion of the net pension liability					
Borough's proportionate share of the net pension liability					
Borough's covered employee payroll					
Borough's proportionate share of the net pension liability as a percentage of its covered employee payroll					
Plan fiduciary net position as a percentage of the total pension liability					

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during fiscal year ended June 30, 2015.

BOROUGH OF CHATHAM

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note IV: Public Employees Retirement System (Continued)

Actuarial Assumptions

The collective total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions:

Inflation rate	3.04%
Salary increases:	
2012-2021	2.15% - 4.40% (based on age)
Thereafter	3.15% - 5.40% (based on age)
Investment rate of return:	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disability Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERs's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasury	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%

BOROUGH OF CHATHAM

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note IV: Public Employees Retirement System (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% as of June 30, 2015, based on 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. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Borough's proportionate share of the net pension liability to changes in the discount rate

The following presents the Borough's proportionate share of the net pension liability calculated using the discount rate of 4.90%, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.90%) or 1-percentage point higher (5.90%) than the current rate:

	1% Decrease <u>(3.90%)</u>	Current Discount Rate <u>(4.90%)</u>	1% Increase <u>(5.90%)</u>
Borough's proportionate share of the net pension liability	\$9,070,106	\$7,297,535	\$5,811,757

Note V: Police and Fireman's Retirement System

At December 31, 2015, the Borough of Chatham reported a liability of \$11,505,061.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2015, the Borough's proportion was 0.0635034095%, which was an increase of 5.60% from its proportion measured as of June 30, 2014.

BOROUGH OF CHATHAM

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note V: Police and Fireman's Retirement System (Continued)

For the year ended December 31, 2015, the Borough of Chatham recognized pension expense of \$461,872.00. At December 31, 2015, the Borough of Chatham reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,952,861	\$ 91,234
Changes of assumptions		
Net difference between projected and actual earnings on pension plan investments		184,091
Changes in proportion	369,572	79,205
District contributions subsequent to the measurement data	461,872	
Total	<u>\$2,784,305</u>	<u>\$354,530</u>

\$461,872 reported as deferred outflows of resources related to pensions resulting from the Borough's contributions subsequent to the measurement date (June 30, 2015) will be recognized as a reduction of the net pension liability in the year ended December 31, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended December 31,</u>	
2016	\$ 318,595
2017	318,595
2018	318,595
2019	522,385
2020	<u>199,367</u>
Total	<u>\$1,677,537</u>

Note V: Police and Firemen's Retirement System

Schedule of the Borough's Proportionate Share of the Net Pension Liability-PFRS

	Year Ending December 31,				
	2013	2014	2015	2016	2017
Borough's proportion of the net pension liability	0.0610157043%	0.0601341754%	0.0635034095%		
Borough's proportionate share of the net pension liability	\$ 8,867,576.00	\$ 8,378,872.00	\$ 11,505,061.00		
Borough's covered employee payroll	\$ 1,951,642.00	\$ 2,065,370.00	\$ 2,152,248.00		
Borough's proportionate share of the net pension liability as a percentage of its covered employee payroll	454.36%	405.68%	534.56%		
Plan fiduciary net position as a percentage of the total pension liability	58.70%	62.41%	56.31%		
	Year Ending December 31,				
	2018	2019	2020	2021	2022
Borough's proportion of the net pension liability					
Borough's proportionate share of the net pension liability					
Borough's covered employee payroll					
Borough's proportionate share of the net pension liability as a percentage of its covered employee payroll					
Plan fiduciary net position as a percentage of the total pension liability					

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during fiscal year ended June 30, 2015.

BOROUGH OF CHATHAM

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note V: Police and Fireman's Retirement System (Continued)

Actuarial Assumptions

The collective total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following assumptions:

Inflation rate	3.04%
Salary increases:	
2012-2021	2.60% - 9.48% (based on age)
Thereafter	3.60% - 10.48% (based on age)
Investment rate of return:	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and one year using Projection Scale BB for male service retirements with adjustments for mortality improvements from the base year based on Projection Scale BB. Mortality rates were based on the RP-2000 Disability Mortality Tables projected fourteen years using Projection Scale BB for female service retirements and beneficiaries with adjustments for mortality improvements from the base year of 2014 based on Projection Scale BB.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasury	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%

BOROUGH OF CHATHAM

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014

(CONTINUED)

Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%

Note V: Police and Fireman's Retirement System (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 5.79% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% as of June 30, 2015, based on 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. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2045. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2045, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Borough's proportionate share of the net pension liability to changes in the discount rate

The following presents the Borough's proportionate share of the net pension liability calculated using the discount rate of 5.79%, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (4.79%) or 1-percentage point higher (6.79%) than the current rate:

	1% Decrease (4.79%)	Current Discount Rate (5.79%)	1% Increase (6.79%)
Borough's proportionate share of the net pension liability	\$608,886	\$461,872	\$341,970

Note VI: Health Benefits and Post Retirement Medical Benefits

P.L. 2011, c.78 effective October 2011, sets new employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to this new legislation's effective date with a minimum contribution required to be at least 1.5% of salary.

Health Benefits Program Fund (HBPF)-Local Government (including Prescription Drug Program Fund) – Certain local employers who participate in the State Health Benefits Program provide health insurance coverage to their employees at retirement. Under provisions of P.L. 1997, c.330, the State of New Jersey provides partially funded benefits to local police officers and firefighters who retire with 25 years of service (or on disability) from an employer who does not provide coverage. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program by paying the cost of the insurance for themselves and their covered dependents. Also, local employees are eligible for the PDP coverage after 60 days of employment.

BOROUGH OF CHATHAM
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note VI: Health Benefits and Post Retirement Medical Benefits (Continued)

P.L. 1997, C.330 provides State paid post-retirement health benefits to qualified retirees of the Police and Firemen's Retirement System and the Consolidated Police and Firemen's Pension Fund and to dependents of qualified retirees. The State is responsible for 80% of the premium for the category of coverage elected by the retiree under the State managed care plan or a health maintenance organization participating in the program, whichever provides the lower charge. The State contributed \$44.3 million for the state fiscal year 2015 to provide benefits under Chapter 330 to qualified retirees.

PERS employees do not receive past retirement medical benefits.

Note VII: Deferred Compensation Plan

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

All amounts of compensation deferred under this plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the Borough of Chatham (without being restricted to the provisions of benefits under the Plan) subject only to the claims of the Borough of Chatham's general creditors. Participants' right under the Plan are equivalent to those of general creditors of the Borough of Chatham in an amount equal to the fair market value of the deferred account for each participant.

The maximum amount of deferred compensation for any participant for any taxable year shall not exceed the lesser of \$18,000.00 or 100 percent of the participant's includable compensation for the taxable year except as provided by the limited catch-up provision which may effect a participant's last three taxable years ending before a participant attains normal retirement age as defined by plan.

During the year ended December 31, 2014 and 2015, the employees' contributions to the plan were \$145,882.06, and \$156,357.95, respectively.

Note VIII: Risk Management

The Borough of Chatham is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Borough of Chatham is a member of the Morris County Municipal Joint Insurance Fund (the "JIF"). The JIF is a self-administered group of municipalities established for the purpose of providing certain low-cost general liability, automobile liability and workers' compensation insurance coverage up to \$100,000 for member municipalities. The Borough of Chatham pays an annual assessment to the JIF and should it be determined that payments received by the JIF are deficient, additional assessments may be levied.

BOROUGH OF CHATHAM

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2015 AND 2014

(CONTINUED)

Note VIII: Risk Management(Continued)

The JIF can declare and return excess surplus to members upon approval of the State of New Jersey Department of Insurance. These distributions would be divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. In accordance with Statement No. 10 of the Government Accounting Standards Board, these distributions may be used to reduce the amount recorded for membership expense in the year in which the distribution was declared. Government Accounting Standards Board, these distributions may be used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

The Borough of Chatham continues to carry commercial insurance coverage for all other risks of loss, including employee health and accident insurance. There have been no significant reductions in insurance coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The Borough of Chatham is also a member of the Municipal Excess Liability Joint Insurance Fund (the "MEL"). The MEL provides insurance coverage for claims in excess of \$100,000 for general liability, automobile liability and workers' compensation. The MEL also provides insurance coverage for the following: employment practices liability, non-owned aircraft, public officials liability, directors and officers liability and Faithful Performance and Employee Dishonesty Blanket Bond (\$1,000,000 limit).

The JIF's members are also members of the New Jersey Municipal Environmental Risk Management Fund which provides commercial insurance coverage for environmental impairment liability.

The JIF provides Property coverage (i.e. Boiler and Machinery, Flood, Valuable Papers, etc.) to its members participating in a state-wide joint purchase program arranged by the MEL acting as a lead agency.

The Borough of Chatham continues to carry commercial insurance coverage for all other risks of loss, including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

BOROUGH OF CHATHAM

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note IX: Segment Information – Utility/Enterprise Funds

The Borough of Chatham maintains two utility funds which provide water and solid waste disposal services. Segment information for the year ended December 31, 2015 was as follows:

	Water Utility Fund	Solid Waste Utility Fund
Operating Revenues	\$1,661,682.84	\$521,087.70
Operating Income or (Loss)	661,982.84	2,837.70
Operating Transfers in	577.10	
Net Income or (Loss)	395,854.84	87,191.01
Fixed Assets:		
Additions	-0-	-0-
Net Working Capital	1,178,846.54	227,924.12
Total Operating Assets	1,319,574.72	316,252.84
Operating Fund Balance	1,101,239.43	216,617.10
Long Term Debt	1,925,000.00	-0-
Short Term Debt	977,156.17	-0-

Note X: Accrued Sick and Vacation Benefits

The Borough of Chatham permits employees to accrue a limited amount of unused vacation and sick pay, which may be taken as time off or paid upon retirement or separation at an agreed-upon rate.

It is estimated that the current cost of such unpaid compensation would approximate \$931,027.21. This amount is not reported either as an expenditure or a liability. It is expected that the cost of such unpaid compensation would be included in the Borough of Chatham's budget operating expenditures in the year in which it is used.

Note XI: Related Party Transactions

In 2015, Mayor Bruce A. Harris and the members of the Borough Council also served as members of the Madison-Chatham Joint Meeting. The Borough of Chatham contributed \$554,000.00 to the Joint Meeting in 2015 for operating expense.

In addition, the Borough of Chatham, together with the Borough of Madison, is funding the improvement of the Joint Meeting wastewater treatment plant.

In 2015, Mayor Bruce A. Harris also served as a Trustee for the Library of the Chatham. The Borough of Chatham contributed \$860,910.00 to the Library of the Chatham's in 2015.

BOROUGH OF CHATHAM
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note XII: Contingent Liabilities

The Borough of Chatham is a defendant in several lawsuits, none of which is unusual for a municipality of its size. Additional liabilities, if not covered by insurance, should not be material in amount.

Note XIII: Subsequent Events

The Borough of Chatham has evaluated subsequent events through April 11, 2016, the date which the financial statements were available to be issued and no additional items were noted for disclosure or adjustment.

Note XIV: Length of Service Awards Program (Unaudited)

During the 2003 calendar year, the voters of the Borough of Chatham approved the establishment of a Length of Service Awards Program (LOSAP) Deferred Compensation Plan. This plan is made available to all bona fide eligible volunteers who are performing qualified services which is defined as fire fighting and prevention services, emergency medical services and ambulance services pursuant to Section 457 of the Internal Revenue Code 1986, as amended, except for provisions added by reason of the LOSAP as enacted into federal law in 1997. The establishment of this LOSAP will also comply with New Jersey Public Law 1997, Chapter 388 and the LOSAP Document. The Borough of Chatham appropriated \$15,000.00 and \$20,000.00 in 2015 and 2014 budgets, respectively, for contributions to the LOSAP or volunteers who have met the established criteria.

The LOSAP is administered by an unrelated financial institution. Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred beneficiaries, are the property of the Borough of Chatham subject only to the claims of the Borough of Chatham general creditors. In addition, the participants in the plan have rights equal to those of the general creditors of the Borough of Chatham and each participant's rights are equal to his or her share of the fair market value of the plan assets. The Borough of Chatham believes that it is unlikely that plan assets will be needed to satisfy claims of general creditors that might arise.

As part of its fiduciary role, the Borough of Chatham has an obligation of due care in selecting the third party administrator. In the opinion of the Borough of Chatham legal counsel, the Borough of Chatham has acted in a prudent manner and is not liable for losses that may arise from the administration of the plan.

The Borough of Chatham issues a separate unaudited financial report that includes the statement of net assets available for benefits for the LOSAP.

SUPPLEMENTARY DATA

COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - CURRENT FUND

	<u>Year 2015</u>		<u>Year 2014</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$2,195,000.00	4.82%	\$2,195,000.00	4.82%
Miscellaneous-From other than Local Property Tax Levies	3,361,932.51	7.38%	4,124,136.64	9.06%
Collection of Delinquent Taxes and Tax Title Liens	433,209.25	0.95%	333,210.67	0.73%
Collection of Current Tax Levy	39,285,009.63	86.23%	38,691,948.94	85.04%
Other Credits to Income	<u>284,682.05</u>	<u>0.62%</u>	<u>156,171.61</u>	<u>0.34%</u>
Total Income	<u>45,559,833.44</u>	<u>100.00%</u>	<u>45,500,467.86</u>	<u>100.00%</u>
<u>Expenditures</u>				
Budget Expenditures:				
Municipal Purposes	12,383,783.38	28.49%	12,429,138.02	28.82%
Borough Open Space Tax	103,685.42	0.24%	103,151.31	0.24%
County Taxes	5,864,986.91	13.49%	5,860,168.50	13.59%
Regional School Taxes	25,010,151.00	57.54%	24,719,456.00	57.32%
Other Expenditures	<u>106,224.77</u>	<u>0.24%</u>	<u>16,491.86</u>	<u>0.04%</u>
Total Expenditures	<u>43,468,831.48</u>	<u>100.00%</u>	<u>43,128,405.69</u>	<u>100.00%</u>
Excess in Revenue	2,091,001.96		2,372,062.17	
Fund Balance January 1	<u>2,540,436.97</u>		<u>2,363,374.80</u>	
Less:	4,631,438.93		4,735,436.97	
Utilization as Anticipated Revenue	<u>2,195,000.00</u>		<u>2,195,000.00</u>	
Fund Balance December 31	<u>\$2,436,438.93</u>		<u>\$2,540,436.97</u>	

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN
FUND BALANCE - WATER UTILITY OPERATING FUND

	Year 2015		Year 2014	
	Amount	%	Amount	%
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$ 52,993.94	3.06%	\$ 50,138.79	2.99%
Collection of Water Rents	1,643,480.03	95.17%	1,544,414.19	92.19%
Miscellaneous	22,307.03	1.29%	26,368.85	1.57%
Other Credits to Income	8,067.78	0.47%	54,406.22	3.25%
Total Income	<u>1,726,848.78</u>	<u>100.00%</u>	<u>1,675,328.05</u>	<u>100.00%</u>
<u>Expenditures</u>				
<u>Budget Expenditures:</u>				
Operating	912,250.00	68.54%	889,079.00	67.86%
Capital Improvements	12,000.00	0.90%	10,000.00	0.76%
Debt Service	319,195.68	23.98%	333,709.79	25.47%
Statutory Expenditures	87,548.26	6.57%	77,350.00	5.90%
Total Expenditures	<u>1,330,993.94</u>	<u>100.00%</u>	<u>1,310,138.79</u>	<u>100.00%</u>
Excess in Revenue	395,854.84		365,189.26	
Fund Balance January 1	<u>758,378.53</u>		<u>443,328.06</u>	
Less:	1,154,233.37		808,517.32	
Utilization as Anticipated Revenue	<u>52,993.94</u>		<u>50,138.79</u>	
Fund Balance December 31	<u>\$1,101,239.43</u>		<u>\$ 758,378.53</u>	

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN
FUND BALANCE - SOLID WASTE UTILITY FUND

	<u>Year 2015</u>		<u>Year 2014</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$ 47,134.09	7.59%	\$ 49,554.21	8.71%
Collection of Solid Waste User Fees	489,074.30	78.83%	486,950.77	85.62%
Miscellaneous	33,248.36	5.36%	20,516.36	3.61%
Other Credits to Income	50,984.26	8.22%	11,725.26	2.06%
Total Income	<u>620,441.01</u>	<u>100.00%</u>	<u>568,746.60</u>	<u>100.00%</u>
<u>Expenditures</u>				
Budget Expenditures:				
Operating	504,700.00	94.65%	491,801.00	91.41%
Capital Improvements	15,000.00	2.81%	16,400.00	3.05%
Statutory Expenditures	13,550.00	2.55%	10,900.00	2.03%
Other Charges	-	0.00%	18,889.42	3.51%
Total Expenditures	<u>533,250.00</u>	<u>100.01%</u>	<u>537,990.42</u>	<u>100.00%</u>
Excess in Revenue	87,191.01		30,756.18	
Fund Balance January 1	<u>176,560.18</u>		<u>195,358.21</u>	
Less:	263,751.19		226,114.39	
Utilization as Anticipated Revenue	<u>47,134.09</u>		<u>49,554.21</u>	
Fund Balance December 31	<u>\$ 216,617.10</u>		<u>\$ 176,560.18</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

<u>Year</u>	<u>Assessed Valuation</u>	<u>Apportionment of Tax Rate</u>				
		<u>Total</u>	<u>Municipal</u>	<u>Municipal</u>	<u>County</u>	<u>Regional</u>
				<u>Open Space</u>		<u>School</u>
2015	\$ 2,061,855,877	\$ 1.911	\$ 0.409	\$ 0.005	\$ 0.284	\$ 1.213
2014	2,057,899,579	1.897	0.405	0.005	0.285	1.202
2013	2,056,543,173	1.868	0.399	0.005	0.283	1.181
2012	2,056,320,702	1.822	0.392	0.005	0.280	1.145
2011	2,059,732,257	1.750	0.367	0.005	0.262	1.116
2010	2,064,472,776	1.684	0.355	0.032	0.237	1.060
2009	2,057,959,626	1.630	0.333	0.010	0.301	0.986
2008	2,053,319,615	1.522	0.315	0.012	0.261	0.934
2007	2,045,037,166	1.500	0.307	0.012	0.254	0.927
2006	2,034,879,945	1.389	0.291	0.011	0.245	0.842
		(1)	Revaluation Effective (2005)			

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash</u> <u>Collection</u>	<u>Percentage</u> <u>of Collection</u>
2015	\$ 39,628,224.03	\$ 39,285,009.63	99.13%
2014	39,135,443.63	38,691,948.94	98.86%
2013	38,498,158.90	38,127,938.45	99.03%
2012	37,522,368.38	37,081,025.49	98.82%
2011	36,101,675.73	35,593,677.55	98.59%
2010	34,818,611.12	34,485,213.82	99.04%
2009	34,236,516.89	33,861,184.11	98.90%
2008	32,899,144.90	32,583,610.28	99.04%
2007	31,176,717.40	30,870,814.23	99.01%
2006	30,643,934.68	30,242,463.63	98.68%

DELINQUENT TAXES AND TAX TITLE LIENS

This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens, in relation to the tax levies of the last ten years.

<u>Dec. 31 Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2015	\$ 8,822.21	\$ 330,685.95	\$ 339,508.16	0.85%
2014	8,241.27	444,951.79	453,193.06	1.15%
2013	7,664.58	346,858.57	354,523.15	0.92%
2012	7,096.71	375,231.92	382,328.63	1.01%
2011	6,542.82	394,479.65	401,022.47	1.11%
2010	6,010.82	323,984.22	329,995.04	0.94%
2009	45,627.85	346,936.24	392,564.09	1.14%
2008	15,689.96	312,533.10	328,223.06	0.99%
2007	4,046.34	309,782.58	313,828.92	1.00%
2006	3,584.26	387,135.42	390,719.68	1.27%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

No properties have been acquired in 2015 by foreclosure or deed, as a result of liquidation of tax title liens.

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties, was as follows:

<u>Year</u>	<u>Amount</u>
2015	\$ 32,200.00
2014	32,200.00
2013	32,200.00
2012	32,200.00
2011	32,200.00
2010	32,200.00
2009	32,200.00
2008	32,200.00
2007	32,200.00
2006	32,200.00

COMPARISON OF WATER UTILITY LEVIES

<u>Year</u>	<u>Levy</u>	<u>Cash Collection</u>
2015	\$ 1,631,078.81	\$ 1,643,480.03
2014	1,540,949.05	1,544,414.19
2013	1,440,619.78	1,469,101.60
2012	1,373,946.39	1,378,798.86
2011	1,263,472.43	1,222,998.89
2010	1,242,245.69	1,231,932.80
2009	1,105,146.40	1,097,727.91
2008	1,162,167.76	1,156,138.50
2007	1,066,063.42	1,062,085.66
2006	1,149,146.72	1,165,210.76

COMPARISON OF SOLID WASTE UTILITY LEVIES

<u>Year</u>	<u>Levy</u>	<u>Cash Collection</u>
2015	\$ 490,279.81	\$ 489,074.30
2014	488,766.05	486,950.77
2013	489,235.75	492,557.80
2012	483,533.06	483,495.41
2011	471,028.34	470,653.35
2010	498,700.00	502,263.53
2009	470,979.02	460,940.34
2008	470,616.71	472,593.54
2007	445,383.57	445,015.66
2006	431,473.36	428,535.20

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>Year</u>	<u>Balance Dec. 31</u>	<u>Utilized In Budget of Succeeding Year</u>
Current Fund	2015	\$ 2,436,438.93	\$ 2,195,000.00
	2014	2,540,436.97	2,195,000.00
	2013	2,475,874.80	2,195,000.00
	2012	2,115,991.55	2,000,000.00
	2011	2,046,556.54	2,000,000.00
	2010	2,835,857.96	2,800,000.00
	2009	3,494,844.26	3,450,000.00
	2008	4,105,998.00	3,700,000.00
	2007	4,160,716.39	3,750,000.00
	2006	3,904,402.49	3,500,000.00
Water Utility Operating Fund	2015	\$ 1,101,239.43	\$ 550,506.45
	2014	758,378.53	52,993.94
	2013	443,328.06	50,138.79
	2012	153,223.49	17,113.89
	2011	99,969.69	66,482.98
	2010	145,215.60	45,267.21
	2009	38,331.70	38,000.00
	2008	80,522.79	57,375.00
	2007	85,416.58	76,843.40
	2006	212,350.22	172,144.10
Solid Waste Utility Operating Fund	2015	\$ 216,617.10	\$ 48,888.57
	2014	176,560.18	47,134.09
	2013	195,358.21	49,554.21
	2012	106,681.69	-
	2011	62,677.83	-
	2010	42,241.40	-
	2009	31,434.46	31,000.00
	2008	53,218.20	39,000.00
	2007	51,515.79	50,000.00
	2006	58,171.29	46,251.83

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
Bruce A. Harris	Mayor	
Victoria Fife	Council President	
James J. Collander	Councilman	
Gerald J. Helfrich	Councilman	
John Holman	Councilman	
Alida Kass	Councilwoman	
James Lonergan	Councilman	
Robert Falzarano	Borough Administrator	
Robin R. Kline	Borough Clerk	
	Deputy Registrar	
Timothy B. Day	Chief Financial Officer	
Tyrina Citterich	Assistant Financial Officer	
Madeline L. Polidor-LeBoeuf	Collector of Taxes	See Below
	Tax Search Officer	
	Tax Assessor	
Therese DePiero	Utilities Collector	
Cheri Morris	Registrar	
Anne Mandal	Purchasing Officer	See Below
	Tax Assesor Clerk	
	Assessment Searcher	

Employee dishonesty coverage in the amount of \$1,000,000.00 is provided through the Morris County Municipal Joint Insurance Fund (\$50,000) and Municipal Excess Liability Joint Insurance Fund (\$950,000) for all employees including the Tax Collector and Utilities Collector.

All of the bonds were examined and properly executed.

The surety bonds for Tax Collector and Utilities Collector were in accordance with the Local Finance Board promulgated schedule.

BOROUGH OF CHATHAM
CURRENT FUND
SCHEDULE OF CASH - TREASURER

<u>Ref.</u>			
	Balance December 31, 2014		\$ 4,340,332.58
	Increased by Receipts:		
	Miscellaneous Revenue Not Anticipated	A-2	\$ 238,363.92
	Tax Collector	A-5	39,788,078.01
	Petty Cash Returned	A-7	307.36
	Amount Due from State for Senior Citizens' and Veterans' Deductions	A-8	41,379.45
	Revenue Accounts Receivable	A-12	2,946,641.88
	Interfund Accounts Receivable	A-13	25,003.32
	Interfund Accounts Payable	A-18	21,995.51
	Unappropriated Reserves	A-23	1,641.97
	Other Liabilities and Reserves	A-24	72,033.32
			<u>43,135,444.74</u>
			47,475,777.32
	Decreased by Disbursements :		
	2015 Budget Appropriations	A-3	11,844,096.30
	Interfund Accounts Receivable	A-13	77,387.01
	2014 Appropriation Reserves	A-16	317,725.38
	Interfund Accounts Payable	A-18	136,440.80
	Tax Overpayments Refunded	A-20	38,711.44
	Other Liabilities and Reserves	A-24	167,133.32
	Regional District School and County Taxes	A-25	30,875,137.91
			<u>43,466,632.16</u>
	Balance December 31, 2015	A	\$ 4,019,145.16

BOROUGH OF CHATHAM

CURRENT FUND

SCHEDULE OF CASH - TAX COLLECTOR

<u>Ref.</u>		
Increased by Receipts :		
	Taxes Receivable	
A-9	\$ 39,456,840.75	
A-12	97,836.26	
A-19	176,700.92	
A-20	<u>56,700.08</u>	
		<u>\$ 39,788,078.01</u>
Decreased by Disbursements :		
	Paid to Treasurer	
A-4		<u>\$ 39,788,078.01</u>

BOROUGH OF CHATHAM

CURRENT FUND

SCHEDULE OF CHANGE FUNDS

Municipal Court
Clerk

	Balance	Balance
	<u>Dec. 31, 2014</u>	<u>Dec. 31, 2015</u>
	\$ 100.00	\$ 100.00
	<u>200.00</u>	<u>200.00</u>
	\$ 300.00	\$ 300.00
Ref.	A	A

SCHEDULE OF PETTY CASH

Balance December 31, 2014
Decreased by:
Returned in 2015

<u>Ref.</u>	
A	\$ 400.00
A-4	<u>307.36</u>
A	\$ <u>92.64</u>

Balance December 31, 2015

BOROUGH OF CHATHAM

A-8

CURRENT FUND
SCHEDULE OF AMOUNT DUE FROM/(TO) STATE OF NEW JERSEY
FOR SENIOR CITIZENS' AND VETERANS' DEDUCTIONS

	<u>Ref.</u>	
Balance December 31, 2014	A	\$ (26,926.94)
Increased by :		
Senior Citizens' Deductions Per Tax Billings	A-8	\$ 2,250.00
Veterans' Deductions Per Tax Billings	A-8	39,250.00
Veterans' Deductions Allowed by Tax Collector	A-8	<u>250.00</u>
		41,750.00
		<u>14,823.06</u>
Decreased by :		
Received in Cash from State of New Jersey	A-4	41,379.45
Senior Citizens' Deductions Disallowed by		
Tax Collector	A-8	389.04
Veterans' Deductions Disallowed by		
Tax Collector	A-8	<u>250.00</u>
		<u>42,018.49</u>
Balance December 31, 2015	A	<u>\$ (27,195.43)</u>
<u>Calculation of State's Share of</u>		
<u>Senior Citizens' and Veterans' Deductions</u>		
Senior Citizens' Deductions per Tax Billings	A-8	\$ 2,250.00
Veterans' Deductions per Tax Billings	A-8	39,250.00
Veterans' Deductions Allowed by		
Tax Collector	A-8	250.00
Senior Citizens' Deductions Disallowed by		
Tax Collector	A-8	(389.04)
Veterans' Deductions Disallowed by		
Tax Collector	A-8	<u>(250.00)</u>
	A-9	<u>\$ 41,110.96</u>

BOROUGH OF CHATHAM

A-9

CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF 2015 PROPERTY TAX LEVY

<u>Year</u>	<u>Balance Dec. 31, 2014</u>	<u>Added Taxes</u>	<u>2015 Levy</u>	<u>2014</u>	<u>Collections</u> <u>2015</u>	<u>State's Share of Senior Citizens' and Veterans' Deductions</u>	<u>Canceled</u>	<u>Transferred to Tax Title Liens</u>	<u>Balance Dec. 31, 2015</u>
1876	\$ 1,311.72		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,311.72
1985	2,002.90								2,002.90
1986	1,070.05								1,070.05
1987	6,934.98								6,934.98
1989	422.89								422.89
2014	<u>433,209.25</u>				<u>433,209.25</u>				<u>-</u>
	444,951.79	-			433,209.25				11,742.54
2015	<u>-</u>	<u>-</u>	<u>39,628,224.03</u>	<u>220,267.17</u>	<u>39,023,631.50</u>	<u>41,110.96</u>	<u>23,690.05</u>	<u>580.94</u>	<u>318,943.41</u>
	<u>\$ 444,951.79</u>	<u>\$ -</u>	<u>\$ 39,628,224.03</u>	<u>\$ 220,267.17</u>	<u>\$ 39,456,840.75</u>	<u>\$ 41,110.96</u>	<u>\$ 23,690.05</u>	<u>\$ 580.94</u>	<u>\$ 330,685.95</u>
Ref.	A			A-2,19	A-2,5	A-2,8		A-10	A

Analysis of 2015 Property Tax Levy

Tax Yield :

General Purpose Tax \$ 39,379,648.18
 Business Personality Tax 22,419.41

Added Taxes (54:4-63.1 et seq.) \$ 39,402,067.59
226,158.44

\$ 39,628,224.03

Tax Levy :

Regional School District Tax (Abstract) \$ 25,010,151.00
 County Taxes (Abstract) \$ 5,597,728.62
 County Open Space Preservation (Abstract) 233,587.30
 Amount Due to County for Added
 Taxes (54:4-63.1 et seq.) 33,672.98

5,864,986.91

Local Tax for Municipal Purposes (Abstract) 7,593,286.05
 Local Tax for Library Purposes (Abstract) 860,910.00
 Municipal Open Space 103,092.79
 Amount Due to Municipal Open Space for
 Added Taxes 592.63
 Add : Additional Tax Levied 195,204.65

8,753,086.12

\$ 39,628,224.03

BOROUGH OF CHATHAM

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS

<u>Ref.</u>	
	Balance December 31, 2014
A	Increased by :
	Transferred from Taxes Receivable
A-9	
	Balance December 31, 2015
A	
	<u>\$ 8,241.27</u>
	<u>580.94</u>
	<u>\$ 8,822.21</u>

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES - ASSESSED VALUATION

<u>Ref.</u>	
	Balance December 31, 2014
A	
	<u>\$ 32,200.00</u>
	Balance December 31, 2015
A	
	<u>\$ 32,200.00</u>

BOROUGH OF CHATHAM

CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Ref.	Balance <u>Dec. 31, 2014</u>	Accrued <u>in 2015</u>	<u>Collected by</u>		Balance <u>Dec. 31, 2015</u>
				<u>Collector</u>	<u>Treasurer</u>	
Alcohol Beverage Licenses	A-2	\$ -	\$ 14,700.00	\$ -	\$ 14,700.00	\$ -
Board of Health - Fees and Permits	A-2		20,745.00		20,745.00	-
Board of Adjustment - Fees and Permits	A-2		16,237.50		16,237.50	-
Uniform Fire Safety Act - Fees	A-2		24,251.40		24,251.40	-
Gun Permits	A-2		421.00		421.00	-
Tax Assessor - Fees	A-2		540.00		540.00	-
Duplicate Tax Bills and Copies	A-2		125.00	125.00		-
Tax Searches	A-2		12.00	12.00		-
Municipal Court - Fines and Costs	A-2	10,073.26	121,706.83		120,926.86	10,853.23
Interest and Costs on Taxes	A-2		97,699.26	97,699.26		-
Parking Meters and Permits	A-2		449,529.12		449,529.12	-
Sewer User Fees	A-2	53,349.44	1,060,174.95		1,075,380.13	38,144.26
Energy Receipts Tax	A-2		569,796.00		569,796.00	-
Watershed Moratorium Offset Aid	A-2		2,303.00		2,303.00	-
Construction Code Official - Fees and Permits	A-2		10,280.40		10,280.40	-
Farmers Market Fees	A-2		19,170.00		19,170.00	-
Lease of Municipal Property	A-2	-	622,361.47	-	622,361.47	-
		<u>\$ 63,422.70</u>	<u>\$ 3,030,052.93</u>	<u>\$ 97,836.26</u>	<u>\$ 2,946,641.88</u>	<u>\$ 48,997.49</u>
	Ref.	A		A-5	A-4	A

BOROUGH OF CHATHAM

CURRENT FUND
SCHEDULE OF INTERFUND ACCOUNTS RECEIVABLE

	<u>Balance Dec. 31, 2014</u>	<u>Accrued in in 2015</u>	<u>Accrued in in 2015</u>	<u>Interfund Advance Originating in 2015</u>	<u>Received in 2015</u>	<u>Balance Dec. 31, 2015</u>
Animal Control Fund - Interest	\$ -	\$ 1.85	\$ -	\$ -	\$ -	\$ 1.85
Other Trust Funds:						
Interest	663.39	307.87				971.26
Uniform Construction Code Fees and Permits	6,829.15	15,128.46			21,957.61	-
Open Space (Debt Service)	<u>28,764.56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,764.56</u>
	<u>36,257.10</u>	<u>15,436.33</u>	<u>-</u>	<u>-</u>	<u>21,957.61</u>	<u>29,735.82</u>
General Capital Fund - Advance			24,000.00	218.50		24,218.50
General Capital Fund - Interest	<u>3,764.88</u>	<u>2,881.57</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,646.45</u>
	<u>3,764.88</u>	<u>2,881.57</u>	<u>24,000.00</u>	<u>218.50</u>	<u>-</u>	<u>30,864.95</u>
Water Operating Fund - Advance	<u>10,179.79</u>	<u>12,009.14</u>	<u>-</u>	<u>-</u>	<u>1,695.71</u>	<u>20,493.22</u>
Solid Waste Operating Fund - Advance	<u>23,228.52</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,350.00</u>	<u>21,878.52</u>
Payroll Account - FSA Shortfall	<u>2,000.00</u>	<u>-</u>	<u>-</u>	<u>77,168.51</u>	<u>-</u>	<u>79,168.51</u>
	<u>\$ 75,430.29</u>	<u>\$ 30,328.89</u>	<u>\$ 24,000.00</u>	<u>\$ 77,387.01</u>	<u>\$ 25,003.32</u>	<u>\$ 182,142.87</u>
Ref.	A		A-1,24	A-1,4	A-4	A
				<u>Ref.</u>		
Interfund Advance Returned				A-1	\$ 3,045.71	
Construction Code Official				A-2	21,957.61	
Interest on Investments				A-2	<u>-</u>	
					<u>\$ 25,003.32</u>	

BOROUGH OF CHATHAM

CURRENT FUND

SCHEDULE OF OTHER ACCOUNTS RECEIVABLE

NOT APPLICABLE

BOROUGH OF CHATHAM
CURRENT FUND
SCHEDULE OF DEFERRED CHARGES

Date Authorized	Purpose	Net Amount Authorized	1/5 of Net Amount Authorized	Balance	Authorized	Raised in	Balance
				Dec. 31, 2014	In 2015	2015 Budget	Dec. 31, 2015
10/24/2011	Special Emergency (N.J.S.A. 40A:4-5b):	52,440.00	10,488.00	\$ 20,978.00	\$ -	\$ 20,978.00	\$ -
11/14/2011	Hurricane Irene Damage	120,000.00	24,000.00	48,000.00	-	24,000.00	24,000.00
	Police Retirement Severance Liability						
	Expenditure Without Grant Appropriation			1,215.13	-	1,215.13	-
				<u>\$ 70,191.13</u>	<u>\$ -</u>	<u>\$ 49,191.13</u>	<u>\$ 24,000.00</u>
			Ref.	A	A-4	A-3	A

BOROUGH OF CHATHAM

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2014

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Transfers</u> <u>To/From</u>	<u>Transferred -</u> <u>Reserve for</u> <u>Encumbrances</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Lapsed</u>
OPERATIONS WITHIN "CAP"						
Salaries and Wages :						
General Administration	\$ 1,248.93	\$ -	\$ -	\$ 1,248.93	\$ 440.39	\$ 808.54
Human Resources	304.57			304.57		304.57
Borough Clerk	589.40			589.40		589.40
Financial Administration	563.26			563.26		563.26
Collection of Taxes	23.22			23.22		23.22
Assessment of Taxes	1,104.90			1,104.90		1,104.90
Engineering Services and Costs	1,052.08			1,052.08		1,052.08
Municipal Land Use Law (N.J.S.A. 40:55D-1):						
Planning Board	802.85			802.85		802.85
Zoning Costs	821.34			821.34		821.34
Police	68,585.22	(8,800.00)		59,785.22		59,785.22
Parking	370.84			370.84		370.84
Emergency Management Services	45.04			45.04		45.04
Fire	4,172.96	(4,000.00)		172.96		172.96
Fire Safety Official	5,711.81			5,711.81	877.26	4,834.55
Road Repairs and Maintenance	1,989.25			1,989.25	84.99	1,904.26
Vehicle Maintenance	2,298.88			2,298.88		2,298.88
Board of Health	31.50			31.50		31.50
Environmental Commission	16.45			16.45		16.45
Recreation Services and Programs	8,211.25			8,211.25		8,211.25
Sewerage Processing and Disposal	10,646.60	(10,000.00)		646.60		646.60
Other Expenses :						
General Administration	21.80		581.28	603.08	281.28	321.80
Human Resources	437.47			437.47	437.00	0.47
Mayor and Council	4.54		57.44	61.98	57.44	4.54
Borough Clerk	3,536.05		422.25	3,958.30	751.23	3,207.07
Financial Administration	2,311.24		4,690.31	7,001.55	5,003.81	1,997.74
Audit Services	23,709.00			23,709.00	23,709.00	-
Collection of Taxes	1,069.00			1,069.00	153.46	915.54
Assessment of Taxes	1,807.20	3,000.00	1,019.66	5,826.86	5,655.00	171.86

BOROUGH OF CHATHAM

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2014

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Transfers</u> <u>To/From</u>	<u>Transferred -</u> <u>Reserve for</u> <u>Encumbrances</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Lapsed</u>
<u>Other Expenses: (Continued)</u>						
Legal Services and Costs	\$ 9,807.30	\$ 40,000.00	\$ 1,282.24	\$ 51,089.54	\$ 50,690.89	\$ 398.65
Municipal Court	56.02			56.02		56.02
Engineering Services and Costs	975.87			975.87		975.87
Historical Preservation	1,200.00			1,200.00		1,200.00
Municipal Land Use Law (N.J.S.A. 40:55D-1)						
Planning Board	18,277.34		6.57	18,283.91	2,117.74	16,166.17
Zoning Costs	692.67			692.67	64.97	627.70
Insurance:						
Group Insurance - Hospital and Medical	33,040.39			33,040.39	16,710.64	16,329.75
Health Benefit Waiver	0.16			0.16		0.16
Unemployment Compensation Insurance	12.86			12.86		12.86
Police	85,370.82	(33,700.00)	7,838.92	59,509.74	19,596.60	39,913.14
Purchase of Police Vehicles	2,791.67			2,791.67		2,791.67
Project Pride	647.50			647.50		647.50
Parking	347.30		779.97	1,127.27	566.57	560.70
Emergency Management Services	1,611.77			1,611.77		1,611.77
Fire	325.92		23,846.02	24,171.94	24,171.59	0.35
Fire Safety Official	1,193.57		333.18	1,526.75	403.17	1,123.58
Road Repairs and Maintenance	602.43		782.53	1,384.96	1,384.96	-
Shade Tree Commission	2,500.00			2,500.00	164.37	2,335.63
Public Buildings and Grounds	2,230.36		10,440.30	12,670.66	10,660.30	2,010.36
Public Employees Occupational Safety and Health Act	421.56			421.56		421.56
Vehicle Maintenance	1,244.49		1,829.33	3,073.82	1,958.90	1,114.92
Community Services Act - Condo Costs	1,891.55			1,891.55	1,682.40	209.15
Board of Health	923.09			923.09		923.09
Environmental Commission	1,700.51			1,700.51		1,700.51
Recreation Services and Programs	7,765.03		94.00	7,859.03	94.00	7,765.03
Maintenance of Parks	3,866.27		6,038.00	9,904.27	195.00	9,709.27

BOROUGH OF CHATHAM

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2014

	Balance Dec. 31, 2014	Transfers To/From	Transferred - Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Lapsed
<u>Other Expenses: (Continued)</u>						
Utilities:						
Electricity	\$ 7,850.56	\$ -	\$ 6,001.38	\$ 13,851.94	\$ 6,565.64	\$ 7,286.30
Street Lighting	5,121.12		6,152.34	11,273.46	6,593.16	4,680.30
Telephone and Telegraph	6,506.10		265.63	6,771.73	60.16	6,711.57
Natural Gas	102.68	4,800.00	1,184.77	6,087.45	6,009.83	77.62
Diesel Fuel,Fuel Oil	1,366.41			1,366.41		1,366.41
Sewerage Processing and Disposal	2,623.90		42.50	2,666.40	46.35	2,620.05
Gasoline	1,272.84	8,700.00	638.20	10,611.04	10,440.89	170.15
Contingent			3,267.75	3,267.75	2,298.75	969.00
Public Employees' Retirement System	27,736.00			27,736.00	7,158.73	20,577.27
Social Security System (O.A.S.I.)	7,310.54		934.43	8,244.97	2,418.64	5,826.33
Defined Contribution Retirement Program	2,000.00			2,000.00	2,000.00	-
Police and Firemen's Retirement System of N.J.	30,771.00			30,771.00	15,064.91	15,706.09
<u>OPERATIONS EXCLUDED FROM "CAP"</u>						
Salaries and Wages :						
Farmers Market	183.43			183.43		183.43
Other Expenses:						
Length of Service Award Program (N.J.S.A. 40A:4-453jj)	20,000.00			20,000.00	5,593.92	14,406.08
Madison-Chatham Joint Meeting Sewer Service Charge	1,597.00			1,597.00	1,597.00	-
Farmers Market	3,798.65		8,994.60	12,793.25	12,651.20	142.05
Capital Improvements:						
Reconstruction of Various Roads	8,657.59	-	63,957.20	72,614.79	71,313.24	1,301.55
	<u>\$ 447,880.92</u>	<u>\$ -</u>	<u>\$ 151,480.80</u>	<u>\$ 599,361.72</u>	<u>\$ 317,725.38</u>	<u>\$ 281,636.34</u>

Ref. A A-17 A-4 A-1

BOROUGH OF CHATHAM

CURRENT FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES

<u>Ref.</u>	
A	Balance December 31, 2014 \$ 151,480.80
	Increased by :
A-3	2015 Budget Charges <u>100,228.29</u>
	251,709.09
	Decreased by :
A-16	Transferred to 2014 <u>151,480.80</u>
	Appropriation Reserves
A	Balance December 31, 2015 <u>\$ 100,228.29</u>

BOROUGH OF CHATHAM

CURRENT FUND
SCHEDULE OF INTERFUND ACCOUNTS PAYABLE

	Balance Dec. 31, 2014	Received in 2015	Accrued in 2015	Paid in 2015	Balance Dec. 31, 2015
Federal and State Grants Funds	\$ 76,151.92	\$ 19,151.69	\$ 3,750.00	\$ 33,289.49	\$ 65,764.12
Other Trust Funds:					
Open Space Fund - Levy	202,950.87		103,685.42	103,151.31	203,484.98
Tax Sale Premiums	222,905.00		(95,100.00)		127,805.00
Accumulated Absences	28,829.06				28,829.06
General Capital Fund	112,500.00		68,976.00		181,476.00
Payroll Account	-	2,843.82	-	-	2,843.82
	<u>\$ 643,336.85</u>	<u>\$ 21,995.51</u>	<u>\$ 81,311.42</u>	<u>\$ 136,440.80</u>	<u>\$ 610,202.98</u>
Ref.	A	A-4		A-4	A

Ref.

2015 Budget Revenue - Grants	A-2	\$ (36,156.84)
2015 Budget Appropriations - Grants	A-3	<u>39,906.84</u>
		3,750.00
Tax Sale Premium Due to Outside Lienholders	A-24	(95,100.00)
Special Emergency Note	A-24	68,976.00
2014 Open Space Tax Levy	A-25	<u>103,685.42</u>
		<u>\$ 81,311.42</u>

BOROUGH OF CHATHAM
CURRENT FUND
SCHEDULE OF PREPAID TAXES

<u>Ref.</u>	
A	Balance December 31, 2014 \$ 220,267.17
	Increased by :
A-5	2016 Taxes Paid <u>176,700.92</u>
	396,968.09
A-9	Decreased by : <u>220,267.17</u>
	Applied to Taxes Receivable
A	Balance December 31, 2015 <u>\$ 176,700.92</u>

BOROUGH OF CHATHAM

CURRENT FUND

SCHEDULE OF TAX OVERPAYMENTS

	<u>Ref.</u>	
Balance December 31, 2014	A	\$ 198,055.09
Increased by:		
Taxes Overpaid in 2015	A-5	<u>56,700.08</u>
		254,755.17
Decreased by:		
Refunded in 2015	A-4	<u>38,711.44</u>
Balance December 31, 2015	A	<u>\$ 216,043.73</u>

Analysis of Balance December 31, 2015

2015 Taxes	\$ 30,146.52
2014 Taxes	26,920.10
2013 Taxes	27,613.30
2012 Taxes	35,935.71
2011 Taxes	23,468.36
2010 Taxes	32,779.19
2009 Taxes	<u>39,180.55</u>
	<u>\$ 216,043.73</u>

SCHEDULE OF RESERVE FOR TAX APPEALS PENDING

NOT APPLICABLE

BOROUGH OF CHATHAM

CURRENT FUND

SCHEDULE OF RESERVES FOR FUNDS - APPROPRIATED

NOT APPLICABLE

SCHEDULE OF RESERVE FOR FUNDS - UNAPPROPRIATED

	<u>Ref.</u>	<u>Total</u>	<u>FEMA Reserve to Fund Deferred Charges</u>	<u>Rent Security - C.P.S.</u>	<u>Rent Security - A.T.&T.</u>	<u>Rent Security - ECLC</u>
Balance December 31, 2014	A	\$ 107,812.70	\$ 20,976.00	\$ 5,666.70	\$ 6,170.00	\$ 75,000.00
Increased by:						
Received in 2015	A-4	<u>1,641.97</u>	<u>1,641.97</u>	<u>-</u>	<u>-</u>	<u>-</u>
		109,454.67	22,617.97	5,666.70	6,170.00	75,000.00
Decreased by :						
Realized as Revenue in 2015	A-2	<u>20,976.00</u>	<u>20,976.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance December 31, 2015	A	<u>\$ 88,478.67</u>	<u>\$ 1,641.97</u>	<u>\$ 5,666.70</u>	<u>\$ 6,170.00</u>	<u>\$ 75,000.00</u>

BOROUGH OF CHATHAM

CURRENT FUND

SCHEDULE OF OTHER LIABILITIES AND RESERVES

Amount Due to Outside Lienholders Special Emergency Notes Payable	Balance	Received	Interfund	Paid	Balance
	Dec. 31, 2014	In 2015	Accounts Payable/Receivable	In 2015	Dec. 31, 2015
	\$ -	\$ 72,033.32	\$ 95,100.00	\$ 167,133.32	\$ -
	<u>68,976.00</u>	<u>-</u>	<u>44,976.00</u>	<u>-</u>	<u>24,000.00</u>
	\$ 68,976.00	\$ 72,033.32	\$ 140,076.00	\$ 167,133.32	\$ 24,000.00
Ref.	A	A-4	Ref. A-18, 13	A-4	A
Tax Sale Premiums					
Special Emergency Note - Due 7/23/15			A-18 \$ 95,100.00		
Special Emergency Note - Due 7/15/16			A-18 68,976.00		
Special Emergency Note - Due 7/15/16			A-13 (24,000.00)		
			<u>\$ 140,076.00</u>		

BOROUGH OF CHATHAM

CURRENT FUND
SCHEDULE OF LOCAL OPEN SPACE, REGIONAL SCHOOL DISTRICT AND COUNTY TAXES

	Ref.	Balance Dec. 31, 2014	2015 Levy	Paid in 2015	Balance Dec. 31, 2015
Local Open Space	A-2	\$ -	\$ 103,092.79	\$ 103,092.79	\$ -
Amount Due Local Open Space for Added					
and Omitted Taxes - 2015	A-2		592.63	592.63	-
Amount Due Library for Added					
and Omitted Taxes - 2015	A-2		4,837.76		4,837.76
-2014		2,045.36			2,045.36
-2013		1,709.27			1,709.27
-2012		1,141.47			1,141.47
-2011		1,154.17			1,154.17
Regional School District Tax	A-2		25,010,151.00	25,010,151.00	-
County Tax	A-2		5,597,726.62	5,597,726.62	-
County Open Space Preservation	A-2		233,587.30	233,587.30	-
Amount Due County for Added					
and Omitted Taxes - 2015	A-2	-	33,672.99	33,672.99	-
		<u>\$ 6,050.27</u>	<u>\$ 30,983,661.09</u>	<u>\$ 30,978,823.33</u>	<u>\$ 10,888.03</u>
	A-1				A
Disbursed	Ref.				
Interfund Accounts Payable	A-4			\$ 30,875,137.91	
	A-18			<u>103,685.42</u>	
				<u>\$ 30,978,823.33</u>	

A-26

BOROUGH OF CHATHAM

CURRENT FUND

SCHEDULE OF AMOUNT DUE FROM CURRENT FUND
TO FEDERAL AND STATE GRANTS FUND

	<u>Ref.</u>		
Balance December 31, 2014	A		\$ 76,151.92
Increased by :			
Received in Current Fund			
- State Aid Receivable	A-27	\$ 16,816.27	
- Unappropriated Reserves	A-29	2,335.42	
2015 Budget Appropriations	A-28	<u>39,906.84</u>	
			<u>59,058.53</u>
			135,210.45
Decreased by :			
2015 Budget Revenues			
- State Aid Receivable	A-27	16,816.27	
- Unappropriated Reserves	A-29	19,340.57	
Expended in Current Fund			
- Appropriated Reserves	A-28	<u>33,289.49</u>	
			<u>69,446.33</u>
Balance December 31, 2015	A		<u>\$ 65,764.12</u>
			A-26a

SCHEDULE OF AMOUNT DUE FROM SOLID WASTE OPERATING FUND
TO FEDERAL AND STATE GRANTS FUND

	<u>Ref.</u>		
Balance December 31, 2014	A		\$ 30,115.91
Decreased by :			
2015 Budget Revenues in Solid Waste Operating Fund	A-29		<u>\$ 30,115.91</u>

A-26b

SCHEDULE OF AMOUNT DUE FROM OTHER TRUST FUND
TO FEDERAL AND STATE GRANTS FUND

	<u>Ref.</u>		
Balance December 31, 2014	A		<u>\$ 750.00</u>
Balance December 31, 2015	A		<u>\$ 750.00</u>

BOROUGH OF CHATHAM

CURRENT FUND

SCHEDULE OF FEDERAL AND STATE AID RECEIVABLE

	Balance Dec. 31, 2014	2015 Budget Revenues	Received in Current Fund	Balance Dec. 31, 2015
Clean Communities Program	\$ -	\$ 16,816.27	\$ 16,816.27	\$ -
Cool Cities Program Grant	1,887.76			1,887.76
Donations - Chatham Jaycees:				
Shade Tree Grant	<u>2,000.00</u>	<u>-</u>	<u>-</u>	<u>2,000.00</u>
	<u>\$ 3,887.76</u>	<u>\$ 16,816.27</u>	<u>\$ 16,816.27</u>	<u>\$ 3,887.76</u>
Ref.	A	A-26	A-26	A

BOROUGH OF CHATHAM

CURRENT FUND
SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS

	Balance Dec. 31, 2014	2015 Budget Appropriations	Expenditures in Current Fund	Encumbrances	Balance Dec. 31, 2015
Drunk Driving Enforcement Fund	\$ 7,573.76	\$ -	\$ 453.00	\$ -	\$ 7,120.76
Clean Communities Program	432.02	30,652.19	28,661.31	2,422.90	-
Alcohol Education and Rehabilitation Fund	2,282.09	354.48			2,636.57
Municipal Alliance on Alcoholism and Drug Abuse - Matching	-	3,750.00	3,159.13		590.87
Body Armor Replacement Fund	5,486.94	3,688.61	795.00		8,380.55
Sprout House Grant - Memorial Park	1,465.27				1,465.27
Sustainable Jersey Grant	1,176.48				1,176.48
NJCFC - Highlands Grant (Farmer's Market)	361.63	1,152.00			1,513.63
Bulletproof Vest Program - Federal	-	309.56			309.56
Office of Environmental Services Grant	4.37				4.37
Environmental Grant	500.00				500.00
Municipal Stormwater Regulation Program	7,909.13				7,909.13
Cool Cities Program Grant	1,887.76				1,887.76
Improvement District Challenge Grant - State	69.08				69.08
Improvement District Challenge Grant - Matching	69.08				69.08
Donations - Mayor's Wellness Campaign	1,056.13				1,056.13
Donations - Chatham Jaycees:					
Farmer's Market	500.00		221.05		278.95
Community Garden Grant	675.37				675.37
NJ Energy Efficiency Conservation Block Grant	20,000.00				20,000.00
ANJEC Smart Growth Planning Grant	7,500.00				7,500.00
ANJEC Smart Growth Planning Grant - Matching	2,500.00				2,500.00
	<u>\$ 61,449.11</u>	<u>\$ 39,906.84</u>	<u>\$ 33,289.49</u>	<u>\$ 2,422.90</u>	<u>\$ 65,643.56</u>
Ref.	A	A-26	A-26	A-30	A

BOROUGH OF CHATHAM

CURRENT FUND

SCHEDULE OF UNAPPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS

	Balance Dec. 31, 2014	Received in Current Fund	Received in Solid Waste Operating Fund	Utilized as 2015 Budget Revenue		Balance Dec. 31, 2015
				Current Fund	Solid Waste Operating Fund	
Recycling Tonnage Grant	\$ 30,115.91	\$ -	\$ -	\$ -	\$ 30,115.91	\$ -
Clean Communities Program	13,835.92			13,835.92		-
Alcohol Education and Rehabilitation Fund	354.48	235.73		354.48		235.73
Body Armor Replacement Fund	3,688.61	2,099.69		3,688.61		2,099.69
NJCFC - Highlands Grant (Farmer's Market)	1,152.00			1,152.00		-
Bulletproof Vest Program - Federal	309.56			309.56		-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 49,456.48</u>	<u>\$ 2,335.42</u>	<u>\$ -</u>	<u>\$ 19,340.57</u>	<u>\$ 30,115.91</u>	<u>\$ 2,335.42</u>
Ref.	A	A-26	A-26a	A-26	A-26a	A

BOROUGH OF CHATHAM

CURRENT FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES FOR FEDERAL AND STATE GRANTS

	<u>Ref.</u>	
Increased by :		
Accrued in 2015	A-28	<u>\$ 2,422.90</u>
Balance December 31, 2015	A	<u>\$ 2,422.90</u>

BOROUGH OF CHATHAM

TRUST FUND

SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Animal Control</u>	<u>Other Funds</u>
Balance December 31, 2014	B	\$ (2,565.30)	\$ 1,199,681.13
Increased by Receipts:			
Interfund Accounts Receivable	B-5		103,151.31
Interfund Accounts Payable	B-6	1.85	15,436.33
2015 Dog License Fees	B-8	9,273.60	
Late Fees	B-8	532.00	
2015 Budget Appropriation	B-8	20,500.00	
Cat Licenses	B-8	1,302.00	
Miscellaneous	B-8	19.00	
Amount Due to State Board of Health	B-9	770.40	
Amount Due to State of New Jersey	B-11		750.00
Reserve for Special Funds - Deposits	B-12		567,414.91
Reserve for Special Funds - Interest	B-12	-	2,773.73
		<u>32,398.85</u>	<u>689,526.28</u>
		29,833.55	1,889,207.41
Decreased by Disbursements :			
Interfund Accounts Payable	B-6	-	21,957.61
Expenditures Per R.S. 4:19-15.11	B-8	29,022.53	
Amount Due to State Board of Health	B-9	741.00	
Amount Due to State of New Jersey	B-11		943.46
Reserve for Special Funds	B-12	-	682,135.06
		<u>29,763.53</u>	<u>705,036.13</u>
Balance December 31, 2015	B	\$ 70.02	\$ 1,184,171.28

BOROUGH OF CHATHAM

TRUST FUND

ANALYSIS OF ASSESSMENT CASH AND INVESTMENTS

NOT APPLICABLE

SCHEDULE OF ASSESSMENTS RECEIVABLE

NOT APPLICABLE

BOROUGH OF CHATHAM

B-5

TRUST FUND
SCHEDULE OF INTERFUND ACCOUNTS RECEIVABLE

	Balance Dec. 31, 2014	Paid In 2015	Accrued In 2015	Received In 2015	Balance Dec. 31, 2015
Other Trust Funds:					
Current Fund:					
Tax Sale Premiums	\$ 222,905.00	\$ -	\$ (95,100.00)	\$ -	\$ 127,805.00
Accumulated Absences	28,829.06				28,829.06
Open Space - Levy	202,950.87		103,685.42	103,151.31	203,484.96
Capital Fund:					
Recycling	50.00	-	-	-	50.00
	<u>\$ 454,734.93</u>	<u>\$ -</u>	<u>\$ 8,585.42</u>	<u>\$ 103,151.31</u>	<u>\$ 360,169.04</u>

Ref. B B-12 B-2 B B

B-6

SCHEDULE OF INTERFUND ACCOUNTS PAYABLE

	Balance Dec. 31, 2014	Received In 2015	Accrued In 2015	Paid In 2015	Balance Dec. 31, 2015
Animal Control Fund:					
Current Fund	\$ -	\$ 1.85	\$ -	\$ -	\$ 1.85
Other Trust Funds:					
Current Fund:					
Special Deposits - Interest	566.55	141.92			708.47
Other Trust/POAA/Recycling-Interest	90.13	165.95			256.08
Forfeited Assets-Interest	6.71				6.71
UCC Fees	6,829.15	15,128.46		21,957.61	-
Open Space-Bond Principal	24,777.00				24,777.00
Open Space-Bond Interest	3,987.56				3,987.56
Grant Fund:					
Community Garden Recreation	750.00				750.00
Water Operating Fund:					
Open Space-Bond Principal	3,040.00				3,040.00
Open Space-Bond Interest	245.70	-			245.70
	<u>\$ 40,292.80</u>	<u>\$ 15,436.18</u>	<u>\$ -</u>	<u>\$ 21,957.61</u>	<u>\$ 33,773.37</u>

Ref. B B-2 B-2 B

BOROUGH OF CHATHAM

TRUST FUND

SCHEDULE OF RESERVE FOR ASSESSMENT RECEIVABLE

NOT APPLICABLE

BOROUGH OF CHATHAM

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

<u>Ref.</u>		
B	Balance December 31, 2014	\$ (2,565.30)
	Increased by :	
B-2	2015 Dog License Fees	\$ 9,273.60
B-2	Late Fees	532.00
B-2	2015 Budget Appropriation	20,500.00
B-2	Cat Licenses	1,302.00
B-2	Miscellaneous	19.00
		<u>31,626.60</u>
	Decreased by :	29,061.30
B-2	Expenditures Per R.S. 4:19-15.11	<u>29,022.53</u>
B	Balance December 31, 2015	<u>\$ 38.77</u>

<u>Animal Control Fees Collected</u>	
<u>Year</u>	<u>Amount</u>
2013	11,314.20
2014	<u>11,427.40</u>
	<u>\$ 22,741.60</u>

BOROUGH OF CHATHAM

TRUST FUND

SCHEDULE OF AMOUNT DUE TO STATE BOARD OF HEALTH

	<u>Ref.</u>	
Balance December 31, 2014	B	\$ -
Increased by :		
Dog License Fees Collected in 2015	B-2	<u>770.40</u>
		770.40
Decreased by :		
Paid to State Board of Health	B-2	<u>741.00</u>
Balance December 31, 2015	B	\$ <u>29.40</u>

B-10

SCHEDULE OF PREPAID LICENSE FEES

NOT APPLICABLE

BOROUGH OF CHATHAM

TRUST FUND
SCHEDULE OF AMOUNT DUE TO STATE OF NEW JERSEY

	<u>Ref.</u>	<u>Total</u>	Marriage License <u>Fees</u>	Burial Permit	Code Enforcement <u>Fees</u>
Balance December 31, 2014	B	\$ 193.46	\$ (25.00)	\$ 5.00	\$ 213.46
Increased by :					
Received in 2015	B-2	<u>750.00</u>	<u>750.00</u>	-	-
		943.46	725.00	5.00	213.46
Decreased by :					
Paid to State of New Jersey in 2015	B-2	<u>943.46</u>	<u>725.00</u>	<u>5.00</u>	<u>213.46</u>
Balance December 31, 2015	B	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

BOROUGH OF CHATHAM
TRUST FUND
RESERVE FOR SPECIAL FUNDS

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Received in</u> <u>2015</u>	<u>Interest</u> <u>Earnings</u>	<u>Interfund</u> <u>Accounts</u> <u>Receivable</u>	<u>Paid in</u> <u>in 2015</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
Recreation Expenditures	\$ 499,845.41	\$ 204,458.03	\$ 1,602.54	\$ -	\$ 189,711.96	\$ 516,194.02
Police Services	8,795.08	196,599.49	0.85		183,232.18	22,163.24
Unemployment Trust	12,935.16	8,266.82	12.61		3,653.93	17,560.66
Special Deposits	146,205.32	83,536.17			71,868.37	157,873.12
Parking Offenses Adjudication Act	11,225.57	1,206.00				12,431.57
Recycling	18,271.62	3,526.75			1,065.68	20,732.69
Fire Safety	2,114.00	3,476.50			1,002.39	4,588.11
Tax Sale Premium	224,405.00			(95,100.00)		129,305.00
Accumulated Absences	49,814.86	13,000.00			20,985.80	41,829.06
Art Council Donations	3,464.25				130.92	3,333.33
Chatham Police 100th Anniversary	308.20					308.20
Chatham Spring Clean	9,872.78	11,189.73			11,827.40	9,235.11
Environmental Commission	2,050.00					2,050.00
Kevin Coughlin Bequest	24,552.60					24,552.60
Train Station 100th Anniversary	500.00					500.00
Beekeepers Club	(166.92)	950.00			1,595.93	(812.85)
Community Garden Recreation	6,832.66	3,504.99			2,673.50	7,664.15
Tri-Centennial Celebration		4,100.00			4,640.91	(540.91)
Monuments and Memorial Donations		1,831.00				1,831.00
Disposal of Forfeited Assets	31,800.45	75.09			2,264.90	29,610.64
Public Defender	368.75					368.75
COAH	217,545.55	31,694.34	802.21			250,042.10
Open Space	343,189.46	-	355.52	103,685.42	187,481.19	259,749.21
	<u>\$ 1,613,929.80</u>	<u>\$ 567,414.91</u>	<u>\$ 2,773.73</u>	<u>\$ 8,585.42</u>	<u>\$ 682,135.06</u>	<u>\$ 1,510,568.80</u>

Ref.	B	B-2	B-2	B-5	B-2	B
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BOROUGH OF CHATHAM

TRUST FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES

NOT APPLICABLE

BOROUGH OF CHATHAM

GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER

<u>Ref.</u>			
	Balance December 31, 2014		\$ 741,567.86
	Increased by Receipts:		
	Premium on Bond Anticipation Notes		
C-1	Interfund Accounts Receivable	\$ 31,338.88	
C-8	Capital Improvement Fund	3,038.98	
C-11	Interfund Accounts Payable	74,400.00	
C-13	Bond Anticipation Notes	37,100.07	
C-17		<u>3,443,350.00</u>	
			<u>3,589,227.93</u>
	Decreased by Disbursements :		4,330,795.79
	Interfund Accounts Receivable	72,416.66	
C-8	Improvement Authorizations	898,783.22	
C-9	Reserve for Encumbrances	146,238.89	
C-10	Bond Anticipation Notes	<u>2,031,330.00</u>	
C-17			<u>3,148,768.77</u>
	Balance December 31, 2015		<u>\$ 1,182,027.02</u>

BOROUGH OF CHATHAM

GENERAL CAPITAL FUND
ANALYSIS OF CASH

		Balance or (Deficit) Dec. 31, 2014	Receipts			Disbursements		Transfers		Balance or (Deficit) Dec. 31, 2015
			Bond Anticipation Notes	Budget Appropriation	Miscellaneous	Improvement Authorizations	Miscellaneous	To	From	
Improvement Authorizations :										
03-06	Recreational Improvements	\$ 168.30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 168.30
04-11	Various Equipment and Improvements: Municipal Pool Improvements and Various Equipment (15 Year Life)	268.56								268.56
06-10	Various Improvements and Acquisition of Equipment, Furnishings and Vehicles: Road, Sidewalk and Parking Lot Improvements	14,235.58								14,235.58
06-22	Various Improvements and Acquisition of Equipment, Furnishings and Vehicles: Sanitary and Storm Sewer System Improvements	1,232.10								1,232.10
	Fire Department Various Equipment	378.88				378.88				-
07-25	Various Purchases and Improvements	24,489.87								24,489.87
08-03	Improvements to Shepard Kollock Park	185.83				185.83				-
08-05	Various Purchases of Equipment	512.56								512.56
08-07	Various Improvements and Acquisition of Equipment, Furnishings and Vehicles: Various Department's Equipment	241.25								241.25
	Sanitary and Storm Sewer System Improvements	17,015.91							728.30	16,287.61
	Communication and Signal Systems Equipment	1,049.06				821.12				227.94
	GIS Equipment	15,293.80								15,293.80
09-04	Various Purchases and Improvements	6,822.84				5,724.14				1,098.70
09-06	Various Improvements and Acquisition of Equipment: Reconstruction of Washington Avenue	980.89				194.83				786.06
	DPW Wood Chipper and Storage Rack	850.00								850.00
	Police Department SUV	2,492.17				1,054.23				1,437.94
09-09	Recreation Equipment	200.00								200.00
09-10	Improvements to the Madison-Chatham Joint Meeting Facility	(2,832.32)								(2,832.32)
09-17	Sanitary Sewer Lining and Pipe Replacement	(270,223.72)								(270,223.72)
10-14,16	Various Improvements and Acquisition of Equipment: Road and Sidewalk Improvements and Community Garden	694.68				126.31				568.37
	Sanitary and Storm Sewer System Improvements	2,461.86								2,461.86
	Building Improvements	79.38								79.38
	Recreation Improvements	1,633.66								1,633.66
	Information Technology Equipment	6,150.00								6,150.00
	Police, DPW and Sewer Equipment (15 Year Life)	11,592.32								11,592.32
	Fire and DPW Equipment (5 Year Life)	513.00				513.00				-
11-12	Various Improvements and Acquisition of Equipment: Road, Curbs and Sidewalk Improvements	7,860.19				7,842.45				17.74
	Stormwater Drainage Improvements	-								-
	Building Improvements	212.62								212.62
	Improvements to Shepard Kollock Park	64,254.84				64,254.84				-
	DPW Equipment (15 Year Life)	16,820.01				488.42				16,331.59
	Fire, DPW and Police Equipment (5 Year Life)	1,804.29								1,804.29

BOROUGH OF CHATHAM

GENERAL CAPITAL FUND
ANALYSIS OF CASHCONCLUDED

	Balance or (Deficit) Dec. 31, 2014	Receipts			Disbursements			Transfers		Balance or (Deficit) Dec. 31, 2015
		Bond Anticipation Notes	Budget Appropriation	Miscellaneous	Bond Anticipation Notes	Improvement Authorizations	Miscellaneous	To	From	
Improvement Authorizations :										
11-15 Purchase of Dump Truck	\$ 6,435.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,635.97	\$ 4,799.03
12-06 Various Improvements and Acquisition of Equipment:										
Road, Curbs and Sidewalk Improvements	88.62	394,000.00			394,000.00			15,445.48		15,534.10
Stormwater Drainage Improvements	15,512.07	92,100.00			92,100.00	14,545.00			857.29	109.78
Building Improvements	942.00	16,800.00			16,800.00					942.00
Improvements to Municipal Pool	1,773.88	8,800.00			8,800.00					1,773.88
DPW Equipment (15 Year Life)	2,785.99	64,400.00			64,400.00					2,785.99
Fire, DPW and Police Equipment (5 Year Life)	13,385.19	135,800.00			135,800.00	5,771.94				7,613.25
Police and EMS Communications Equipment	639.95	33,230.00			33,230.00					639.95
13-07 Various Public Improvements	35,585.29					16,246.75			8,939.25	12,399.29
13-09 Various Improvements and Acquisition of Equipment:										
Replacement of Roof at Borough Hall	-	37,300.00			37,300.00					-
DPW Equipment (15 Year Life)	6,307.68	75,700.00			75,700.00					6,307.68
Fire, DPW, Recreation and Police Equipment (5 Year Life)	49,983.38	203,800.00			203,800.00	3,377.71				48,585.67
Communication and Signal Systems Equipment	17,305.39	45,400.00			45,400.00	3,797.38				13,508.01
14-04 Various Improvements and Acquisition of Equipment:										
Road, Curbs and Sidewalk Improvements	96,087.03	524,700.00			524,700.00	44,122.59			12,434.71	39,529.73
Stormwater Drainage Improvements	20,712.38	23,800.00			23,800.00	20,612.52				99.86
Environmental Monitoring at DPW Facility	25,000.00	23,800.00			23,800.00					25,000.00
Improvements to Borough Hall	7,654.35	52,380.00			52,380.00	2,869.55				4,784.80
Improvements at Borough Pool	13,060.00	24,750.00			24,750.00					13,060.00
DPW Equipment (15 Year Life)	4,512.00	52,570.00			52,570.00	405.00				4,107.00
Fire, DPW, and Police Equipment (5 Year Life)	62,153.63	188,670.00			188,670.00	10,665.58			18,268.43	33,219.62
Police Communications Equipment	11,947.66	33,330.00			33,330.00	1,527.80				10,419.86
14-10 Rehabilitation of Madison-Chatham Joint Meeting Facility	-							1,046,000.00	1,046,000.00	-
15-05 Various Improvements and Acquisition of Equipment:										
Road, Curbs and Sidewalk Improvements		366,269.00				223,943.28		19,305.00	60,812.23	100,818.49
Stormwater Drainage Improvements		108,400.00				106,005.02		5,600.00	2,078.35	3,916.63
Stream Stabilization at Day's Brook		95,000.00				15,255.31		5,000.00		84,744.69
Environmental Monitoring at DPW Facility		19,000.00				13,152.38		1,000.00	3,666.43	3,181.19
Building Improvements		122,835.00				43,399.99		6,465.00	66,791.39	19,108.62
Borough Pool Equipment (5 Year Life)		4,598.00				1,071.88		242.00		3,768.12
DPW Equipment and Vehicle (5 Year Life)		114,000.00				22,840.00		6,000.00	47,234.10	49,925.90
Fire, DPW, and Police Equipment (5 Year Life)		144,780.00				89,044.98		7,620.00	13,313.51	50,041.51
Engineering Dept. Equipment (5 Year Life)		14,250.00				12,592.72		750.00		2,407.28
Sanitary Sewer Improvements		14,250.00				9,837.20		750.00		5,162.80
Improvements to Library		410,638.00				156,114.59		44,362.00	298,885.41	-
Reserve for Encumbrances	525,838.37						148,238.89	533,645.37	15,445.48	897,799.37
Capital Improvement Fund	9,813.37		74,400.00						74,344.00	9,869.37
Capital Reserves	-									-
Interfunds Accounts Payable	3,814.88			37,100.07						40,914.95
Reserve for Federal, State and Other Aid Receivable	-									-
Fund Balance	75,616.45			31,338.88						106,955.33
Federal, State and Other Aid Receivable	(80,305.11)							1,046,000.00	1,088,750.00	(103,055.11)
Interfunds Accounts Receivable	(112,500.00)	-	-	3,038.98	-	-	72,416.66	-	-	(181,877.68)
	\$ 741,587.88	\$ 3,443,350.00	\$ 74,400.00	\$ 71,477.93	\$ 2,031,330.00	\$ 898,783.22	\$ 218,655.55	\$ 2,738,184.85	\$ 2,738,184.85	\$ 1,182,027.02

BOROUGH OF CHATHAM

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

<u>Ref.</u>	
	Balance December 31, 2014
C	Increased by: \$ 11,714,318.91
	Loans Issued
C-5	<u>1,046,000.00</u>
	12,760,318.91
	Decreased by:
	2015 Budget Appropriation:
	Serial Bonds Paid
	Loans Paid
	Loans Receivable Canceled
C-15	\$ 1,395,000.00
C-16	113,799.14
C-16	<u>15,000.00</u>
	1,523,799.14
C	<u>\$ 11,236,519.77</u>
	Balance December 31, 2015

BOROUGH OF CHATHAM
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ordinance Number	Improvement Description	Balance Dec. 31, 2014	2015 Authorizations	Notes Paid by Budget Appropriation	Loan Issued	Balance Dec. 31, 2015	Analysis of Balance December 31, 2015		
							Bond Anticipation Notes	Expenditures	Unexpended Balance
08-10	Various Improvements and Acquisition of Equipment, Furnishings and Vehicles:								
	Road, Sidewalk and Parking Lot Improvements	\$ 690.00	\$ -	\$ -	\$ -	\$ 690.00	\$ -	\$ -	\$ 690.00
09-10	Improvements to the Madison-Chatham Joint Meeting Facility	94,566.00				94,566.00		2,832.32	91,733.68
09-17	Sanitary Sewer Lining and Pipe Replacement	566,173.00				566,173.00		270,223.72	295,949.28
12-06	Various Improvements and Acquisition of Equipment:								
	Road, Curbs and Sidewalk Improvements	420,500.00		26,500.00		394,000.00	394,000.00		
	Stormwater Drainage Improvements	96,300.00		6,200.00		92,100.00	92,100.00		
	Building Improvements	17,900.00		1,100.00		16,800.00	16,800.00		
	Improvements to Municipal Pool	9,400.00		600.00		8,800.00	8,800.00		
	DPW Equipment (15 Year Life)	66,700.00		4,300.00		64,400.00	64,400.00		
	Fire, DPW and Police Equipment (5 Year Life)	144,900.00		9,100.00		135,800.00	135,800.00		
	Police and EMS Communications Equipment	35,430.00		2,200.00		33,230.00	33,230.00		
13-07	Various Public Improvements	320.00				320.00			320.00
13-09	Various Improvements and Acquisition of Equipment:								
	Replacement of Roof at Borough Hall	42,400.00		5,100.00		37,300.00	37,300.00		
	DPW Equipment (15 Year Life)	86,200.00		10,500.00		75,700.00	75,700.00		
	Fire, DPW, Recreation and Police Equipment (5 Year Life)	231,900.00		28,100.00		203,800.00	203,800.00		
	Communication and Signal Systems Equipment	51,700.00		6,300.00		45,400.00	45,400.00		
14-04	Various Improvements and Acquisition of Equipment:								
	Road, Curbs and Sidewalk Improvements	524,700.00				524,700.00	524,700.00		
	Stormwater Drainage Improvements	23,800.00				23,800.00	23,800.00		
	Environmental Monitoring at DPW Facility	23,800.00				23,800.00	23,800.00		
	Improvements to Borough Hall	52,380.00				52,380.00	52,380.00		
	Improvements at Borough Pool	24,750.00				24,750.00	24,750.00		
	DPW Equipment (15 Year Life)	52,570.00				52,570.00	52,570.00		
	Fire, DPW, and Police Equipment (5 Year Life)	188,670.00				188,670.00	188,670.00		
	Police Communications Equipment	33,330.00				33,330.00	33,330.00		
14-10	Rehabilitation of Madison-Chatham Joint Meeting Facility	1,334,000.00			1,046,000.00	288,000.00			288,000.00
15-05	Various Improvements and Acquisition of Equipment:								
	Road, Curbs and Sidewalk Improvements		366,795.00			366,795.00	366,269.00		526.00
	Stormwater Drainage Improvements		106,400.00			106,400.00	106,400.00		
	Stream Stabilization at Day's Brook		95,000.00			95,000.00	95,000.00		
	Environmental Monitoring at DPW Facility		19,000.00			19,000.00	19,000.00		
	Building Improvements		122,835.00			122,835.00	122,835.00		
	Borough Pool Equipment (5 Year Life)		4,598.00			4,598.00	4,598.00		
	DPW Equipment and Vehicle (5 Year Life)		114,000.00			114,000.00	114,000.00		
	Fire, DPW, and Police Equipment (5 Year Life)		144,780.00			144,780.00	144,780.00		
	Engineering Dept. Equipment (5 Year Life)		14,250.00			14,250.00	14,250.00		
	Sanitary Sewer Improvements		14,250.00			14,250.00	14,250.00		
	Improvements to Library		410,638.00			410,638.00	410,638.00		
		\$ 4,127,079.00	\$ 1,412,546.00	\$ 100,000.00	\$ 1,046,000.00	\$ 4,393,625.00	\$ 3,443,350.00	\$ 273,056.04	\$ 677,218.96
		C	C-9	C-17	C-4	C			

Improvement Authorizations - Unfunded		\$ 1,225,115.37
Less: Unexpended Proceeds of Notes Issued		
Ordinance No. 12-06	\$ 29,398.95	
Ordinance No. 13-09	66,401.38	
Ordinance No. 14-04	129,020.87	
Ordinance No. 15-05	323,075.23	
	<u>547,896.41</u>	
		\$ 677,218.96

BOROUGH OF CHATHAM
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION -
CANCELED FEDERAL AND STATE AID RECEIVABLE

NOT APPLICABLE

SCHEDULE OF FEDERAL, STATE AND OTHER AID RECEIVABLE

	Ref.	
Balance December 31, 2014	C	\$ 80,305.11
Increased by :		
Awarded in 2015	C-16	<u>1,068,750.00</u>
		1,149,055.11
Decreased by :		
To be Disbursed and Received by Joint Meeting	C-9	<u>\$ 1,046,000.00</u>
		<u>1,046,000.00</u>
Balance December 31, 2015	C	<u>\$ 103,055.11</u>
<u>Analysis of Balance December 31, 2015</u>		
State Aid:		
Utilized as Current Fund Revenue in 2014:		
Transportation Trust Funds (Ord. No. 12-06 (Kings)		\$ 80,305.11
Other Aid:		
Library Contribution		<u>22,750.00</u>
		<u>\$ 103,055.11</u>

BOROUGH OF CHATHAM
GENERAL CAPITAL FUND
SCHEDULE OF INTERFUND ACCOUNTS RECEIVABLE

	Balance Dec. 31, 2014	Paid In 2015	Accrued In 2015	Received In 2015	Canceled In 2015	Balance Dec. 31, 2015
Current Fund - NHDOT Grants	\$ 112,500.00	\$ -	\$ -	\$ -	\$ -	\$ 112,500.00
Current Fund - SEN Principal and Interest	-	69,913.98	-	337.98	-	68,976.00
Water Operating Fund - BAN Interest	-	3,102.68	-	2,701.00	-	401.68
	<u>\$ 112,500.00</u>	<u>\$ 72,416.66</u>	<u>\$ -</u>	<u>\$ 3,038.98</u>	<u>\$ -</u>	<u>\$ 181,877.66</u>
Ref:	C	C-2		C-2		C

BOROUGH OF CHATHAM
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Number	Improvement Description	Date	Ordinance Amount	Balance Dec. 31, 2014		2015 Authorizations		Deferred Charges	Disbursed	Encumbrances	Balance Dec. 31, 2015	
				Funded	Unfunded	Funded					Funded	Unfunded
03-06	Recreational Improvements	3/24/03	\$ 1,500,000.00	\$ 168.30	\$ -	\$ -		\$ -	\$ -	\$ -	\$ 168.30	\$ -
04-11	Various Equipment and Improvements: Municipal Pool Improvements and Various Equipment (15 Year Life)	4/12/04	178,850.00	268.56							268.56	
06-10	Various Improvements and Acquisition of Equipment, Furnishings and Vehicles: Road, Sidewalk and Parking Lot Improvements	4/10/06	1,075,500.00	14,235.58	690.00						14,235.58	690.00
06-22	Various Improvements and Acquisition of Equipment, Furnishings and Vehicles: Sanitary and Storm Sewer System Improvements	10/10/06	257,500.00	1,232.10							1,232.10	
	Fire Department Various Equipment		17,000.00	378.88					378.88		-	
07-25	Various Purchases and Improvements	6/11/07	774,908.00	24,489.87							24,489.87	
08-03	Improvements to Shepard Kollock and Memorial Parks	3/10/08	500,000.00	185.83					185.83		-	
08-05	Various Purchases of Equipment	3/24/08	90,000.00	512.56							512.56	
08-07	Various Improvements and Acquisition of Equipment, Furnishings and Vehicles: Various Department's Equipment	4/14/08	166,000.00	241.25							241.25	
	Sanitary and Storm Sewer System Improvements		188,000.00	17,015.91						728.30	16,287.61	
	Communication and Signal Systems Equipment		20,000.00	1,049.06					821.12		227.94	
	GIS Equipment		51,000.00	15,293.80							15,293.80	
09-04	Various Purchases and Improvements	4/27/09	522,380.00	6,822.84					5,724.14		1,098.70	
09-06	Various Improvements and Acquisition of Equipment: Reconstruction of Washington Avenue	5/26/09	542,950.00	980.89					194.83		786.06	
	DPW Wood Chipper and Storage Rack		62,000.00	850.00							850.00	
	Police Department SUV		40,000.00	2,482.17					1,054.23		1,437.94	
09-09	Recreation Equipment	6/8/09	8,800.00	200.00							200.00	
09-10	Improvements to the Madison-Chatham Joint Meeting Facility	7/13/09	1,138,500.00	-	91,733.68						-	91,733.68
09-17	Sanitary Sewer Lining and Pipe Replacement	10/26/09	1,700,000.00	-	295,949.28						-	295,949.28
10-14,16	Various Improvements and Acquisition of Equipment: Road and Sidewalk Improvements and Community Garden	5/10/10	923,600.00	694.68					126.31		568.37	
	Sanitary and Storm Sewer System Improvements		140,700.00	2,461.86							2,461.86	
	Building Improvements		111,800.00	79.38							79.38	
	Recreation Improvements		36,350.00	1,633.66							1,633.66	
	Information Technology Equipment		14,550.00	6,150.00							6,150.00	
	Police, DPW and Sewer Equipment (15 Year Life)		76,100.00	11,592.32							11,592.32	
	Fire and DPW Equipment (5 Year Life)		72,500.00	513.00					513.00		-	
11-12	Various Improvements and Acquisition of Equipment: Road, Curbs and Sidewalk Improvements	6/13/11	831,500.00	7,860.19					7,842.45		17.74	
	Stormwater Drainage Improvements		155,000.00	-							-	
	Building Improvements		162,500.00	212.62							212.62	
	Improvements to Shepard Kollock Park		309,936.00	64,254.84					64,254.84		-	
	DPW Equipment (15 Year Life)		94,300.00	16,820.01					488.42		16,331.59	
	Fire, DPW and Police Equipment (5 Year Life)		244,675.00	1,804.28							1,804.28	

BOROUGH OF CHATHAM
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
CONCLUDED

Number	Improvement Description	Date	Balance Dec. 31, 2014		2015 Authorizations		Disbursed	Encumbrances	Balance Dec. 31, 2015	
			Ordinance Amount	Funded Unfunded	Funded	Deferred Charges			Funded	Unfunded
11-15	Purchase of Dump Truck	9/26/11	\$ 6,435.00	\$ 6,435.00	\$ -	\$ -	\$ -	\$ 1,635.97	\$ 4,799.03	\$ -
12-06	Various Improvements and Acquisition of Equipment:	4/23/12								
	Road, Curbs and Sidewalk Improvements		620,000.00	-	88.62			(15,445.48)		15,534.10
	Stormwater Drainage Improvements		110,000.00	-	15,512.07		14,545.00	857.29		109.78
	Building Improvements		20,000.00	-	942.00					942.00
	Improvements to Municipal Pool		10,525.00	-	1,773.88					1,773.88
	DPW Equipment (15 Year Life)		77,000.00	-	2,785.99					2,785.99
	Fire, DPW and Police Equipment (5 Year Life)		162,720.00	-	13,385.19		5,771.94			7,613.25
	Police and EMS Communications Equipment		39,606.00	-	639.95					639.95
13-07	Various Public Improvements	3/25/13	350,000.00	35,585.29	320.00		16,246.75	6,939.25	12,399.29	320.00
13-09	Various Improvements and Acquisition of Equipment:	3/25/13								
	DPW Equipment (15 Year Life)		101,700.00	-	6,307.68				-	6,307.68
	Fire, DPW, Recreation and Police Equipment (5 Year Life)		273,000.00	-	49,963.38		3,377.71			46,585.67
	Communication and Signal Systems Equipment		61,000.00	-	17,305.39		3,797.38			13,508.01
14-04	Various Improvements and Acquisition of Equipment:	4/28/14								
	Road, Curbs and Sidewalk Improvements		550,960.00	-	96,087.03		44,122.59	12,434.71		39,529.73
	Stormwater Drainage Improvements		25,000.00	-	20,712.38		20,612.52			99.86
	Environmental Monitoring at DPW Facility		25,000.00	1,200.00	23,800.00				1,200.00	23,800.00
	Improvements to Borough Hall		55,000.00	-	7,654.35		2,869.55			4,784.80
	Improvements at Borough Pool		26,000.00	-	13,060.00					13,060.00
	DPW Equipment (15 Year Life)		55,200.00	-	4,512.00		405.00			4,107.00
	Fire, DPW, and Police Equipment (5 Year Life)		198,840.00	-	62,153.63		10,665.58	18,268.43		33,219.62
	Police Communications Equipment		35,000.00	-	11,947.66		1,527.80			10,419.86
14-10	Rehabilitation of Madison-Chatham Joint Meeting Facility	11/24/14	1,334,000.00	-	1,334,000.00		1,046,000.00			288,000.00
15-05	Various Improvements and Acquisition of Equipment:	4/27/15								
	Road, Curbs and Sidewalk Improvements		386,100.00	-	19,305.00	366,795.00	223,943.28	60,812.23		101,344.49
	Stormwater Drainage Improvements		112,000.00	-	5,600.00	106,400.00	106,005.02	2,078.35		3,916.63
	Stream Stabilization at Day's Brook		100,000.00	-	5,000.00	95,000.00	15,255.31			84,744.69
	Environmental Monitoring at DPW Facility		20,000.00	-	1,000.00	19,000.00	13,152.38	3,666.43		3,181.19
	Building Improvements		129,300.00	-	6,465.00	122,835.00	43,399.99	66,791.39		19,108.62
	Borough Pool Equipment (5 Year Life)		4,840.00	-	242.00	4,598.00	1,071.88			3,768.12
	DPW Equipment and Vehicle (5 Year Life)		120,000.00	-	6,000.00	114,000.00	22,840.00	47,234.10		49,925.90
	Fire, DPW, and Police Equipment (5 Year Life)		152,400.00	-	7,620.00	144,780.00	89,044.98	13,313.51		50,041.51
	Engineering Dept. Equipment (5 Year Life)		15,000.00	-	750.00	14,250.00	12,582.72			2,407.28
	Sanitary Sewer Improvements		15,000.00	-	750.00	14,250.00	9,837.20			5,162.80
	Improvements to Library		455,000.00	-	-	44,362.00	156,114.59	298,885.41		-
			\$ 243,714.74	\$ 2,071,324.16	\$ 97,094.00	\$ 1,412,546.00	\$ 1,944,783.22	\$ 518,199.89	\$ 136,580.42	\$ 1,225,115.37
Ref.			C	C		C-5		C-10	C	C
				Ref.						
	State and Other Aid Receivable			C-7	22,750.00					
	Capital Improvement Fund			C-11	74,344.00					
					\$ 97,094.00					
						Ref.				
	Disbursed					C-2	\$ 898,783.22			
	To be Disbursed and Received									
	by Joint Meeting					C-7	1,046,000.00			
							\$ 1,944,783.22			

BOROUGH OF CHATHAM
GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

<u>Ref.</u>	
C	Balance December 31, 2014 \$ 525,838.37
	Increased by :
C-9	Improvement Authorization Charges 518,199.89
	<u>1,044,038.26</u>
C-2	Decreased by :
	Paid in 2015 146,238.89
C	Balance December 31, 2015 \$ <u>897,799.37</u>

SCHEDULE OF CAPITAL IMPROVEMENT FUND

<u>Ref.</u>	
C	Balance December 31, 2014 \$ 9,813.37
	Increased by :
C-2	2015 Budget Appropriation 74,400.00
	<u>84,213.37</u>
C-9	Decreased by :
	Appropriated to Finance 74,344.00
	Improvement Authorizations
C	Balance December 31, 2015 \$ <u>9,869.37</u>

BOROUGH OF CHATHAM
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL RESERVES

NOT APPLICABLE

BOROUGH OF CHATHAM
GENERAL CAPITAL FUND
SCHEDULE OF INTERFUND ACCOUNTS PAYABLE

	Balance Dec. 31, 2014	Received in 2015	Accrued in 2015	Paid in 2015	Balance Dec. 31, 2015
Current Fund - Interest	\$ 3,764.88	\$ 2,881.57	\$ -	\$ -	\$ 6,646.45
Current Fund - Advance		218.50			218.50
Current Fund - Special Emergency Note		24,000.00			24,000.00
Other Trust Fund - Recycling	50.00				50.00
Water Operating Fund - Advance	-	10,000.00	-	-	10,000.00
	<u>\$ 3,814.88</u>	<u>\$ 37,100.07</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,914.95</u>
Ref.	C	C-2			C

BOROUGH OF CHATHAM

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR FEDERAL, STATE AND OTHER AID RECEIVABLE

NOT APPLICABLE

BOROUGH OF CHATHAM
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS

Purpose	Original Issue		Annual Maturities of Bonds Outstanding Dec. 31, 2015		Interest Rate	Balance	Paid	Balance
	Date	Amount	Date	Amount		Dec. 31, 2014		Dec. 31, 2015
General Improvements	8/1/02	\$ 5,058,000.00	8/1/16 8/1/17	\$ 420,000.00 418,000.00	4.150% 4.250%	\$ 1,258,000.00	\$ 420,000.00	\$ 838,000.00
General Improvements	12/15/08	8,170,000.00	12/15/16-17 12/15/18-20 12/15/21	625,000.00 650,000.00 635,000.00	3.750% 3.750% 4.000%	4,460,000.00	625,000.00	3,835,000.00
General Improvements	8/15/11	5,819,000.00	8/15/16 8/15/17 8/15/18 8/15/19 8/15/20 8/15/21 8/15/22 8/15/23	360,000.00 370,000.00 570,000.00 590,000.00 610,000.00 630,000.00 650,000.00 669,000.00	1.000% 2.000% 2.000% 2.000% 2.250% 2.375% 2.500% 2.500%	4,799,000.00	350,000.00	4,449,000.00
						-	-	-
						\$ 10,517,000.00	\$ 1,395,000.00	\$ 9,122,000.00
					Ref.	C	C-4	C

BOROUGH OF CHATHAM
GENERAL CAPITAL FUND
SCHEDULE OF NEW JERSEY WASTEWATER TREATMENT
FINANCING PROGRAM LOAN PAYABLE

	Ref.	Total	(Ord. No. 09-10) 2010 Loan	(Ord. No. 09-17) 2010 Loan	(Ord. No. 14-10) 2015 Loan
Balance December 31, 2014	C	\$ 1,197,318.91	\$ 419,805.41	\$ 777,513.50	\$ -
Increased by :					
Awarded In 2015	C-7	<u>1,046,000.00</u>	<u>-</u>	<u>-</u>	<u>1,046,000.00</u>
		2,243,318.91	419,805.41	777,513.50	1,046,000.00
Decreased by :					
Paid In 2015	C-4	<u>113,799.14</u>	<u>23,320.34</u>	<u>63,495.75</u>	<u>26,983.05</u>
Canceled In 2015	C-4	<u>15,000.00</u>	<u>-</u>	<u>15,000.00</u>	<u>-</u>
Balance December 31, 2015	C	<u>\$ 2,114,519.77</u>	<u>\$ 396,485.07</u>	<u>\$ 699,017.75</u>	<u>\$ 1,019,016.95</u>

BOROUGH OF CHATHAM
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES

Ordinance Number	Improvement Description	<u>Original Notes</u>		Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2014	Increased	Decreased	Balance Dec. 31, 2015
		Date of Issue	Amount Issued							
12-06	Various Improvements and Acquisition of Equipment: Road, Curbs and Sidewalk Improvements	7/23/13	\$ 447,000.00	7/23/14	7/23/15	0.49%	\$ 420,500.00	\$	\$ 420,500.00	\$
				7/16/15	7/15/16	1.25%		394,000.00		394,000.00
	Stormwater Drainage Improvements	7/23/13	104,500.00	7/23/14	7/23/15	0.49%	98,300.00		98,300.00	
				7/16/15	7/15/16	1.25%		92,100.00		92,100.00
	Building Improvements	7/23/13	19,000.00	7/23/14	7/23/15	0.49%	17,900.00		17,900.00	
				7/16/15	7/15/16	1.25%		16,800.00		16,800.00
	Improvements to Municipal Pool	7/23/13	10,000.00	7/23/14	7/23/15	0.49%	9,400.00		9,400.00	
				7/16/15	7/15/16	1.25%		8,800.00		8,800.00
	DPW Equipment (15 Year Life)	7/23/13	73,000.00	7/23/14	7/23/15	0.49%	68,700.00		68,700.00	
				7/16/15	7/15/16	1.25%		64,400.00		64,400.00
	Fire, DPW and Police Equipment (5 Year Life)	7/23/13	154,000.00	7/23/14	7/23/15	0.49%	144,900.00		144,900.00	
				7/16/15	7/15/16	1.25%		135,800.00		135,800.00
	Police and EMS Communications Equipment	7/23/13	37,630.00	7/23/14	7/23/15	0.49%	35,430.00		35,430.00	
				7/16/15	7/15/16	1.25%		33,230.00		33,230.00
							<u>795,130.00</u>	<u>745,130.00</u>	<u>795,130.00</u>	<u>745,130.00</u>
13-09	Various Improvements and Acquisition of Equipment: Replacement of Roof at Borough Hall	7/23/13	47,500.00	7/23/14	7/23/15	0.49%	42,400.00		42,400.00	
				7/16/15	7/15/16	1.25%		37,300.00		37,300.00
	DPW Equipment (15 Year Life)	7/23/13	96,700.00	7/23/14	7/23/15	0.49%	86,200.00		86,200.00	
				7/16/15	7/15/16	1.25%		75,700.00		75,700.00
	Fire, DPW, Recreation and Police Equipment (5 Year Life)	7/23/13	280,000.00	7/23/14	7/23/15	0.49%	231,900.00		231,900.00	
				7/16/15	7/15/16	1.25%		203,800.00		203,800.00
	Communication and Signal Systems Equipment	7/23/13	58,000.00	7/23/14	7/23/15	0.49%	51,700.00		51,700.00	
				7/16/15	7/15/16	1.25%		45,400.00		45,400.00
							<u>412,200.00</u>	<u>362,200.00</u>	<u>412,200.00</u>	<u>362,200.00</u>
14-04	Various Improvements and Acquisition of Equipment: Road, Curbs and Sidewalk Improvements	7/23/14	524,700.00	7/23/14	7/23/15	0.49%	524,700.00		524,700.00	
				7/16/15	7/15/16	1.25%		524,700.00		524,700.00
	Stormwater Drainage Improvements	7/23/14	23,800.00	7/23/14	7/23/15	0.49%	23,800.00		23,800.00	
				7/16/15	7/15/16	1.25%		23,800.00		23,800.00
	Environmental Monitoring at DPW Facility	7/23/14	23,800.00	7/23/14	7/23/15	0.49%	23,800.00		23,800.00	
				7/16/15	7/15/16	1.25%		23,800.00		23,800.00
	Improvements to Borough Hall	7/23/14	52,380.00	7/23/14	7/23/15	0.49%	52,380.00		52,380.00	
				7/16/15	7/15/16	1.25%		52,380.00		52,380.00
	Improvements at Borough Pool	7/23/14	24,750.00	7/23/14	7/23/15	0.49%	24,750.00		24,750.00	
				7/16/15	7/15/16	1.25%		24,750.00		24,750.00
	DPW Equipment (15 Year Life)	7/23/14	52,570.00	7/23/14	7/23/15	0.49%	52,570.00		52,570.00	
				7/16/15	7/15/16	1.25%		52,570.00		52,570.00
	Fire, DPW, and Police Equipment (5 Year Life)	7/23/14	188,670.00	7/23/14	7/23/15	0.49%	188,670.00		188,670.00	
				7/16/15	7/15/16	1.25%		188,670.00		188,670.00
	Police Communications Equipment	7/23/14	33,330.00	7/23/14	7/23/15	0.49%	33,330.00		33,330.00	
				7/16/15	7/15/16	1.25%		33,330.00		33,330.00
							<u>924,000.00</u>	<u>924,000.00</u>	<u>924,000.00</u>	<u>924,000.00</u>

BOROUGH OF CHATHAM
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES

Ordinance Number	Improvement Description	Original Notes		Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2014	Increased	Decreased	Balance Dec. 31, 2015
		Date of Issue	Amount Issued							
15-05	Various Improvements and Acquisition of Equipment:									
	Road, Curbs and Sidewalk Improvements	7/16/15	\$ 366,795.00	7/16/15	7/15/16	1.25%	\$ -	\$ 366,269.00	\$ -	\$ 366,269.00
	Stormwater Drainage Improvements	7/16/15	106,400.00	7/16/15	7/15/16	1.25%		106,400.00		106,400.00
	Stream Stabilization at Day's Brook	7/16/15	95,000.00	7/16/15	7/15/16	1.25%		95,000.00		95,000.00
	Environmental Monitoring at DPW Facility	7/16/15	19,000.00	7/16/15	7/15/16	1.25%		19,000.00		19,000.00
	Building Improvements	7/16/15	122,835.00	7/16/15	7/15/16	1.25%		122,835.00		122,835.00
	Borough Pool Equipment (5 Year Life)	7/16/15	4,598.00	7/16/15	7/15/16	1.25%		4,598.00		4,598.00
	DPW Equipment and Vehicle (5 Year Life)	7/16/15	114,000.00	7/16/15	7/15/16	1.25%		114,000.00		114,000.00
	Fire, DPW, and Police Equipment (5 Year Life)	7/16/15	144,780.00	7/16/15	7/15/16	1.25%		144,780.00		144,780.00
	Engineering Dept. Equipment (5 Year Life)	7/16/15	14,250.00	7/16/15	7/15/16	1.25%		14,250.00		14,250.00
	Sanitary Sewer Improvements	7/16/15	14,250.00	7/16/15	7/15/16	1.25%		14,250.00		14,250.00
	Improvements to Library	7/16/15	410,638.00	7/16/15	7/15/16	1.25%		410,638.00		410,638.00
							-	-	-	-
							-	1,412,020.00	-	1,412,020.00
							\$ 2,131,330.00	\$ 3,443,350.00	\$ 2,131,330.00	\$ 3,443,350.00
						Ref.	C			C
						Ref.				
						Cash	C-2	\$ 3,443,350.00	\$ 2,031,330.00	
						Budget Appropriation	C-5	-	100,000.00	
								\$ 3,443,350.00	\$ 2,131,330.00	

BOROUGH OF CHATHAM
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2014</u>	<u>2015 Authorizations</u>	<u>Loan and Note Issued</u>	<u>Balance Dec. 31, 2015</u>
06-10	Various Improvements and Acquisition of Equipment, Furnishings and Vehicles:				
	Road, Sidewalk and Parking Lot Improvements	\$ 690.00	\$ -	\$ -	\$ 690.00
09-10	Improvements to the Madison-Chatham Joint Meeting Facility	94,566.00			94,566.00
09-17	Sanitary Sewer Lining and Pipe Replacement	566,173.00			566,173.00
13-07	Various Public Improvements	320.00			320.00
14-10	Rehabilitation of Madison-Chatham Joint Meeting Facility	1,334,000.00		1,046,000.00	288,000.00
15-05	Various Improvements and Acquisition of Equipment				
	Road, Curbs and Sidewalk Improvements		366,795.00	366,269.00	526.00
	Stormwater Drainage Improvements		106,400.00	106,400.00	-
	Stream Stabilization at Day's Brook		95,000.00	95,000.00	-
	Environmental Monitoring at DPW Facility		19,000.00	19,000.00	-
	Building Improvements		122,835.00	122,835.00	-
	Borough Pool Equipment (5 Year Life)		4,598.00	4,598.00	-
	DPW Equipment and Vehicle (5 Year Life)		114,000.00	114,000.00	-
	Fire, DPW, and Police Equipment (5 Year Life)		144,780.00	144,780.00	-
	Engineering Dept. Equipment (5 Year Life)		14,250.00	14,250.00	-
	Sanitary Sewer Improvements		14,250.00	14,250.00	-
	Improvements to Library		410,638.00	410,638.00	-
		<u>\$ 1,995,749.00</u>	<u>\$ 1,412,546.00</u>	<u>\$ 2,458,020.00</u>	<u>\$ 950,275.00</u>

BOROUGH OF CHATHAM

D-5

WATER UTILITY FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2014	D	\$ 827,547.24	\$ 297,170.57
Increased by Receipts:			
Miscellaneous Revenue	D-3	21,729.93	
Water Collector	D-7	1,640,721.57	
Interfunds Accounts Payable	D-18	12,009.14	577.10
Utility Charges Overpayments	D-19	5,276.62	
Capital Improvement Fund	D-25	-	12,000.00
Bond Anticipation Notes	D-31	-	814,650.00
		<u>1,679,737.26</u>	<u>827,227.10</u>
		2,507,284.50	1,124,397.67
Decreased by Disbursements :			
2015 Budget Appropriations	D-4	1,163,419.84	
Interfunds Accounts Receivable	D-8	10,000.00	-
2014 Appropriation Reserves	D-16	23,394.33	
Reserve for Encumbrances	D-17	9,026.20	
Interfunds Accounts Payable	D-18	1,695.71	
Accrued Interest on Bonds	D-20	72,510.50	
Accrued Interest on Notes	D-22	2,701.00	
Improvement Authorizations	D-23		130,344.76
Reserve for Encumbrances	D-24	-	19,671.50
Bond Anticipation Notes	D-31	-	633,200.00
		<u>1,282,747.58</u>	<u>783,216.26</u>
Balance December 31, 2015	D	\$ 1,224,536.92	\$ 341,181.41

BOROUGH OF CHATHAM
WATER UTILITY FUND
ANALYSIS OF WATER CAPITAL CASH

					Improvement Authorizations						Balance or (Deficit) Dec. 31, 2015		
					Receipts			Disbursements					
					Bond Anticipation Notes	Budget Appropriation	Miscellaneous	Bond Anticipation Notes	Improvement Authorizations	Miscellaneous	To	Transfers From	
					Dec. 31, 2014	Notes	Appropriation	Miscellaneous	Notes	Authorizations	Miscellaneous	To	From
					Dec. 31, 2014	Notes	Appropriation	Miscellaneous	Notes	Authorizations	Miscellaneous	To	From
Improvement Authorizations:													
Ord. No.													
04-10	Various Improvements:												
	Replacement of Water Main (Main St.)	\$	(0.84)	\$	-	\$	-	\$	-	\$	-	\$	-
	New Automotive Vehicle		(25.33)										
07-06	Various Purchases and Improvements		11,933.14							9,268.73			
08-06	Various Purchases and Improvements		230.00										
08-08	Acquisition and Replacement of Equipment		2.78										
09-05	Various Purchases and Improvements		9,987.29									616.27	
09-07	Various Public Improvements and the Acquisition of New												
	Additional and Replacement Equipment		121.36										
10-13	Various Public Improvements and the Acquisition of New												
	Additional and Replacement Equipment		42,821.28							7,902.00			
11-13	Various Public Improvements and the Acquisition of New												
	Additional and Replacement Equipment		847.08							83.95			
12-07	Various Public Improvements and the Acquisition of New												
	Additional and Replacement Equipment		10,482.47		229,600.00			229,600.00		364.04			
13-08	Various Public Improvements and the Acquisition of New												
	Additional and Replacement Equipment		112,459.11		290,300.00			290,300.00		5,035.47		200.00	
14-05	Various Public Improvements and the Acquisition of New												
	Additional and Replacement Equipment		49,409.62		113,300.00			113,300.00		5,013.28		283.73	
15-06	Various Public Improvements and the Acquisition												
	of New Additional and Replacement Equipment				181,450.00					102,677.31		9,550.00	21,499.82
15-10	Various Purchases and Improvements											8,500.00	10.00
Interfund Accounts Payable			1,267.89				577.10						
Reserve for Encumbrances			19,671.50								19,671.50	22,609.82	
Capital Improvement Fund			19,522.02			12,000.00							18,050.00
Fund Balance			18,441.20		-	-	-	-	-	-	-	-	-
			\$ 297,170.57		\$ 814,650.00	\$ 12,000.00	\$ 577.10	\$ 633,200.00	\$ 130,344.76	\$ 19,671.50	\$ 40,659.82	\$ 40,659.82	\$ 341,181.41

BOROUGH OF CHATHAM
WATER UTILITY FUND
SCHEDULE OF CASH - WATER COLLECTOR

<u>Ref.</u>		
Increased by Receipts:		
	D-9	\$ 1,640,721.57
Consumers' Accounts Receivable		
Utility Charges Overpayments	D-19	<u>5,276.62</u>
		<u>\$ 1,645,998.19</u>
Decreased by Disbursements :		
Amount Paid to Treasurer:		
Water Operating Fund	D-5	<u>\$ 1,645,998.19</u>

BOROUGH OF CHATHAM

WATER UTILITY FUND

SCHEDULE OF INTERFUND ACCOUNTS RECEIVABLE

	Balance <u>Dec. 31, 2014</u>	Accrued in 2015	Balance <u>Dec. 31, 2015</u>
Water Operating Fund:			
Open Sapce Trust	\$ 3,285.70	\$ -	\$ 3,285.70
Water Capital Fund - Interest	<u>1,267.89</u>	<u>577.10</u>	<u>1,844.99</u>
	4,553.59	577.10	5,130.69
	<u>\$ 4,553.59</u>	<u>\$ 577.10</u>	<u>\$ 5,130.69</u>
Ref.	D	D-3	D

BOROUGH OF CHATHAM

WATER UTILITY FUND

SCHEDULE OF WATER UTILITY CONSUMERS' ACCOUNTS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2014	D	\$ 90,008.33
Increased by :		
2015 Charges		<u>1,631,078.81</u>
		1,721,087.14
Decreased by :		
Received in 2015	D-3,7	\$ 1,640,721.57
Utility Charges Overpayments Applied in 2015	D-3,19	<u>2,758.46</u>
		<u>1,643,480.03</u>
Balance December 31, 2015	D	<u>\$ 77,607.11</u>

D-10

SCHEDULE OF OTHER ACCOUNT RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2014	D	<u>\$ 2,300.00</u>
Balance December 31, 2015	D	<u>\$ 2,300.00</u>

WATER UTILITY FUND
SCHEDULE OF DEFERRED CHARGES-OPERATING OVEREXPENDITURE

	<u>Ref.</u>	
Balance December 31, 2014	D	<u>\$ 98.26</u>
Decreased by:		
Raised in 2015 Operating Budget	D-4	<u>\$ 98.26</u>

BOROUGH OF CHATHAM
WATER UTILITY FUND
SCHEDULE OF FIXED CAPITAL

	Balance Dec. 31, 2014	Transferred from Fixed Capital Authorized and Uncompleted	Balance Dec. 31, 2015
Pumping System Land	\$ 32,969.57	\$ -	\$ 32,969.57
Springs and Wells	1,314,670.88		1,314,670.88
Pumping Station Structure	32,615.47		32,615.47
Electric Station Structure	62,901.82		62,901.82
Other Pumping Power Equipment	14,408.96		14,408.96
Miscellaneous Pumping Equipment	5,599.36		5,599.36
Storage Reservoirs, Tank and Standpipe	58,678.47		58,678.47
Distribution Mains and Accessories	2,847,425.93		2,847,425.93
Service Pipes and Stops	31,278.87		31,278.87
Meters, Meter Boxes and Valves	548,168.14		548,168.14
Fire Hydrants, Cisterns and Valves	197,291.87		197,291.87
General Equipment	48,663.85		48,663.85
Other Tangible Water Capital	830.00		830.00
Fence	7,671.42		7,671.42
Alarm System at Plant	1,506.62		1,506.62
Heating System	6,542.21		6,542.21
Office Machine	4,212.80		4,212.80
Automotive Equipment	3,595.31		3,595.31
Plant Automation	4,896.75		4,896.75
Water Chlorination Facilities	24,098.20		24,098.20
Replacement of Standpipe No. 1	90,455.00		90,455.00
Low Water Main and Stabilize Banks of Day's Brook	3,756.86		3,756.86
Pick-up Trucks	59,223.27		59,223.27
Utility Truck	14,300.14		14,300.14
Preparation of Water Master Plan	4,000.00		4,000.00
Hydraulic Pavement Breaker	7,308.60		7,308.60
Computer Equipment	27,817.44		27,817.44
Hydraulic Boring Tool	6,847.62		6,847.62
Leak Detection Equipment	3,467.02		3,467.02
Storage Building	7,993.86		7,993.86
Emergency Repairs to Well # 2	30,000.00		30,000.00
Purchase Valve Replacements	2,744.89		2,744.89
Water System Inter-Connection Upgrade	9,908.25		9,908.25
Improvement of Garage	8,425.00		8,425.00
Communication Systems Upgrade	3,000.00		3,000.00
Chlorination Equipment	21,581.90		21,581.90
Water Metering Upgrade	11,472.00		11,472.00
Tractor and Backhoe	19,333.12		19,333.12
Well Housing Improvements	22,599.03		22,599.03
Storage Tank Inspection	12,528.45		12,528.45
Improvements to Property-Paving	24,000.00		24,000.00
Electrical Improvements	6,500.00		6,500.00
Water Meters and Backhoe	89,000.00		89,000.00
Water Mains and Well #1 Rehabilitation	138,500.00		138,500.00
Improvement of Offices	74,756.50		74,756.50
Meter Reading Equipment	6,917.91		6,917.91
New Automotive Vehicle	28,325.33		28,325.33
Various Purchases	154,219.94	-	154,219.94
	<u>\$ 6,137,008.65</u>	<u>\$ -</u>	<u>\$ 6,137,008.65</u>
Ref.	D		D

BOROUGH OF CHATHAM

D-13

WATER UTILITY FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>Improvement Description</u>	<u>Number</u>	<u>Ordinance Date</u>	<u>Amount</u>	<u>Balance Dec. 31, 2014</u>	<u>2015 Authorizations</u>	<u>Balance Dec. 31, 2015</u>
Various Purchases and Improvements	07-06	2/12/07	86,520.00	\$ 86,520.00	\$ -	\$ 86,520.00
Various Purchases and Improvements	08-06	3/24/08	72,000.00	72,000.00		72,000.00
Acquisition and Replacement of Equipment	08-08	4/14/08	61,800.00	61,800.00		61,800.00
Various Purchases and Improvements	09-05	4/27/09	54,475.00	54,475.00		54,475.00
Various Public Improvements and the Acquisition of New Additional and Replacement Equipment	09-07	5/26/09	201,056.00	201,056.00		201,056.00
Various Public Improvements and the Acquisition of New Additional and Replacement Equipment	10-13	5/10/10	236,100.00	236,100.00		236,100.00
Various Public Improvements and the Acquisition of New Additional and Replacement Equipment	11-13	6/13/11	159,135.00	159,135.00		159,135.00
Various Public Improvements and the Acquisition of New Additional and Replacement Equipment	12-07	4/23/12	257,500.00	257,500.00		257,500.00
Various Public Improvements and the Acquisition of New Additional and Replacement Equipment	13-08	3/25/13	305,000.00	305,000.00		305,000.00
Various Public Improvements and the Acquisition of New Additional and Replacement Equipment	14-05	4/28/14	119,000.00	119,000.00		119,000.00
Various Public Improvements and the Acquisition of New Additional and Replacement Equipment	15-06	4/27/15	191,000.00		191,000.00	191,000.00
Various Purchases and Improvements	15-10	9/14/15	170,000.00	-	170,000.00	170,000.00
				<u>\$ 1,552,586.00</u>	<u>\$ 361,000.00</u>	<u>\$ 1,913,586.00</u>
				Ref. D	D-23	D

BOROUGH OF CHATHAM

WATER UTILITY FUND

SCHEDULE OF WASTEWATER TREATMENT TRUST LOANS RECEIVABLE

NOT APPLICABLE

SCHEDULE OF FEDERAL AND STATE AID RECEIVABLE

NOT APPLICABLE

BOROUGH OF CHATHAM

D-16

WATER UTILITY FUND
SCHEDULE OF APPROPRIATION RESERVES - 2014

	Balance Dec. 31, 2014	Paid or Charged	Lapsed
Operating:			
Salaries and Wages	\$ 8,901.14	\$ 2,871.33	\$ 6,029.81
Other Expenses	21,732.76	20,523.00	1,209.76
Statutory Expenditures:			
Contribution to:			
Social Security System (O.A.S.I.)	828.21	-	828.21
	<u>\$ 31,462.11</u>	<u>\$ 23,394.33</u>	<u>\$ 8,067.78</u>
Ref.	D	D-5	D-1

BOROUGH OF CHATHAM

WATER UTILITY FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES

<u>Ref.</u>	
D	Balance December 31, 2014 \$ 9,026.20
	Increased by :
D-4	Charges to 2015 Budget Appropriations <u>15,083.17</u>
	Decreased by :
D-6	Paid in 2015 <u>9,026.20</u>
D	Balance December 31, 2015 <u>\$ 15,083.17</u>

BOROUGH OF CHATHAM
WATER UTILITY FUND
SCHEDULE OF INTERFUND ACCOUNTS PAYABLE

	<u>Balance Dec. 31, 2014</u>	<u>Received in 2015</u>	<u>Accrued in 2015</u>	<u>Paid in 2015</u>	<u>Balance Dec. 31, 2015</u>
Water Operating Fund:					
Current Fund	\$ 10,179.79	\$ 12,009.14	\$ -	\$ 1,695.71	\$ 20,493.22
General Capital	-	-	401.68	-	401.68
	<u>10,179.79</u>	<u>12,009.14</u>	<u>401.68</u>	<u>1,695.71</u>	<u>20,894.90</u>
Water Capital Fund:					
Water Operating Fund	1,267.89	577.10	-	-	1,844.99
	<u>1,267.89</u>	<u>577.10</u>	<u>-</u>	<u>-</u>	<u>1,844.99</u>
	<u>\$ 11,447.68</u>	<u>\$ 12,586.24</u>	<u>\$ 401.68</u>	<u>\$ 1,695.71</u>	<u>\$ 22,739.89</u>
Ref.	D	D-5	D-22	D-5	D

BOROUGH OF CHATHAM

D-19

WATER UTILITY FUND
SCHEDULE OF UTILITY CHARGES OVERPAYMENTS

<u>Ref.</u>	
	Balance December 31, 2014
D	\$ 2,758.46
	Increased by :
	Received in 2015
D-5,7	<u>5,276.62</u>
	8,035.08
	<u>2,758.46</u>
D-9	Applied to Consumers' Accounts Receivable in 2015
	<u>2,758.46</u>
D	Balance December 31, 2015
	<u>\$ 5,276.62</u>
	<u>Analysis of Balance at December 31, 2015</u>
	Water Charge Overpayments
	<u>\$ 5,276.62</u>

D-20

SCHEDULE OF ACCRUED INTEREST ON BONDS

<u>Ref.</u>	
	Balance December 31, 2014
D	\$ 19,822.67
	Increased by :
	2015 Budget Appropriation
D-4	<u>69,494.68</u>
	89,317.35
	<u>72,510.50</u>
D-5	Decreased by :
	Interest Paid in 2015
	<u>72,510.50</u>
D	Balance December 31, 2015
	<u>\$ 16,806.85</u>

BOROUGH OF CHATHAM

WATER UTILITY FUND

SCHEDULE OF ACCRUED INTEREST ON LOANS

NOT APPLICABLE

D-22

SCHEDULE OF ACCRUED INTEREST ON NOTES

<u>Ref.</u>	
D	\$ 2,871.33
D-4	<u>2,701.00</u>
	5,572.33
D-5	\$ 2,701.00
D-18	<u>401.68</u>
	3,102.68
D	<u>\$ 2,469.65</u>

Balance December 31, 2014
Increased by :
2015 Budget Appropriation

Decreased by :
Interest Paid In 2015
Interest Paid by General Capital Fund

Balance December 31, 2015

BOROUGH OF CHATHAM
WATER UTILITY FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Improvement Description	Date	Amount	Balance December 31, 2014		2015 Authorizations	Expended	Encumbrances	Balance December 31, 2015	
				Funded	Unfunded				Funded	Unfunded
07-06	Various Purchases and Improvements	2/12/07	\$ 86,520.00	\$ 11,933.14	\$ -	\$ -	\$ 9,268.73	\$ -	\$ 2,664.41	\$ -
08-06	Various Purchases and Improvements	3/24/08	72,000.00	230.00					230.00	
08-08	Acquisition and Replacement of Equipment	4/14/08	61,800.00	2.78					2.78	
09-05	Various Purchases and Improvements	4/27/09	54,475.00	9,987.29				616.27	9,371.02	
09-07	Various Public Improvements and the Acquisition of New Additional and Replacement Equipment	5/26/09	201,056.00	121.36					121.36	
10-13	Various Public Improvements and the Acquisition of New Additional and Replacement Equipment	5/10/10	236,100.00	42,821.28			7,902.00		34,919.28	
11-13	Various Public Improvements and the Acquisition of New Additional and Replacement Equipment	6/13/11	159,135.00	847.08	980.00		83.95		763.13	980.00
12-07	Various Public Improvements and the Acquisition of New Additional and Replacement Equipment	4/23/12	257,500.00		10,482.47		364.04		-	10,118.43
13-08	Various Public Improvements and the Acquisition of New Additional and Replacement Equipment	3/25/13	305,000.00		112,459.11		5,035.47	200.00	-	107,223.64
14-05	Various Public Improvements and the Acquisition of New Additional and Replacement Equipment	4/28/14	119,000.00		48,408.62		5,013.26	283.73	-	44,112.63
15-06	Various Public Improvements and the Acquisition of New Additional and Replacement Equipment	4/27/15	191,000.00			191,000.00	102,677.31	21,499.82	-	66,822.87
15-10	Various Purchases and Improvements	9/14/15	170,000.00	-	-	170,000.00	-	10.00	8,490.00	161,500.00
				<u>\$ 65,942.93</u>	<u>\$ 173,331.20</u>	<u>\$ 361,000.00</u>	<u>\$ 130,344.76</u>	<u>\$ 22,609.82</u>	<u>\$ 56,561.98</u>	<u>\$ 390,757.57</u>
Ref.				D	D	D-13	D-5	D-24	D	D
Water Capital Improvement Fund						\$ 18,050.00				
Debt Authorized						342,950.00				
						<u>\$ 361,000.00</u>				

BOROUGH OF CHATHAM

WATER UTILITY FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES

<u>Ref.</u>	
D	Balance December 31, 2014 \$ 19,671.50
	Increased by :
D-23	Improvement Authorizations Charges <u>22,609.82</u>
	Decreased by :
D-5	Paid in 2015 <u>19,671.50</u>
D	Balance December 31, 2015 \$ <u>22,609.82</u>

BOROUGH OF CHATHAM
WATER UTILITY FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

<u>Ref.</u>	
D	Balance December 31, 2014
	Increased by:
D-5	2015 Budget Appropriation
	Decreased by:
D-28	Appropriated to Finance Improvement Authorization
D	Balance December 31, 2015
	<u>\$ 19,522.02</u>
	<u>12,000.00</u>
	<u>31,522.02</u>
	<u>18,050.00</u>
	<u>\$ 13,472.02</u>

SCHEDULE OF CAPITAL RESERVES

NOT APPLICABLE

BOROUGH OF CHATHAM

WATER UTILITY FUND

SCHEDULE OF RESERVE FOR AMORTIZATION

Ref.		
	Balance December 31, 2014	
D		\$ 4,604,652.48
	Increased by :	
	Serial Bonds Paid by Operating Budget	
D-29		247,000.00
	Notes Paid by Operating Budget	
D-31		-
		<u>247,000.00</u>
	Balance December 31, 2015	
D		<u>\$ 4,851,652.48</u>

BOROUGH OF CHATHAM
WATER UTILITY FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Ordinance Amount</u>	<u>Balance Dec. 31, 2014</u>	<u>2015 Authorizations</u>	<u>Balance Dec. 31, 2015</u>
07-06	Various Purchases and Improvements	2/12/07	\$ 86,520.00	\$ 86,520.00	\$ -	\$ 86,520.00
08-06	Various Purchases and Improvements	3/24/08	72,000.00	72,000.00		72,000.00
08-08	Acquisition & Replacement of Equipment	4/14/08	618,000.00	2,950.00		2,950.00
09-05	Various Purchases and Improvements	4/27/09	54,475.00	54,475.00		54,475.00
09-07	Various Public Improvements and the Acquisition of New Additional and Replacement Equipment	5/26/09	201,056.00	10,056.00		10,056.00
10-13	Various Public Improvements and the Acquisition of New Additional and Replacement Equipment	5/10/10	236,100.00	11,800.00		11,800.00
11-13	Various Public Improvements and the Acquisition of New Additional and Replacement Equipment	6/13/11	159,135.00	7,635.00		7,635.00
12-07	Various Public Improvements and the Acquisition of New Additional and Replacement Equipment	4/23/12	257,500.00	12,900.00		12,900.00
13-08	Various Public Improvements and the Acquisition of New Additional and Replacement Equipment	4/23/12	305,000.00	14,700.00		14,700.00
14-05	Various Public Improvements and the Acquisition of New Additional and Replacement Equipment	4/28/14	119,000.00	5,700.00		5,700.00
15-06	Various Public Improvements and the Acquisition of New Additional and Replacement Equipment	4/27/15	191,000.00		9,550.00	9,550.00
15-10	Various Purchases and Improvements	9/14/15	170,000.00	-	8,500.00	8,500.00
				<u>\$ 278,736.00</u>	<u>\$ 18,050.00</u>	<u>\$ 296,786.00</u>
		Ref.		D	D-25	D

BOROUGH OF CHATHAM
WATER UTILITY FUND
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date	Original Issue		Annual Maturity of Bonds Outstanding Dec. 31, 2015		Interest Rate	Balance	Paid	Balance
		Amount		Date	Amount		Dec. 31, 2014		Dec. 31, 2015
Water Bonds	3/1/95	\$ 1,287,000.00			\$ -		\$ 82,000.00	\$ 82,000.00	\$ -
Water Bonds	8/1/02	1,274,000.00		8/1/16	70,000.00	4.150%	624,000.00	70,000.00	554,000.00
				8/1/17	75,000.00	4.250%			
				8/1/18	75,000.00	4.375%			
				8/1/19-20	80,000.00	4.500%			
				8/1/21	85,000.00	4.625%			
				8/1/22	89,000.00	4.750%			
Water Bonds	12/15/06	945,000.00		12/15/16-20	60,000.00	3.750%	700,000.00	45,000.00	655,000.00
				12/15/21-25	60,000.00	4.000%			
				12/15/26	55,000.00	4.000%			
Water Bonds	8/15/11	916,000.00		8/15/16	85,000.00	1.000%	766,000.00	50,000.00	716,000.00
				8/15/17	85,000.00	2.000%			
				8/15/18-19	90,000.00	2.000%			
				8/15/20	90,000.00	2.250%			
				8/15/21	90,000.00	2.375%			
				8/15/22	90,000.00	2.500%			
				8/15/23	96,000.00	2.500%			
							<u>\$ 2,172,000.00</u>	<u>\$ 247,000.00</u>	<u>\$ 1,925,000.00</u>
Ref.							D	D-27	D

BOROUGH OF CHATHAM

WATER UTILITY FUND

SCHEDULE OF NEW JERSEY WASTEWATER TREATMENT

FINANCING PROGRAM LOAN PAYABLE

NOT APPLICABLE

BOROUGH OF CHATHAM
WATER UTILITY FUND
SCHEDULE OF BOND ANTICIPATION NOTES

Ord. No.	Improvement Description	Date of Issue	Original Note	Date of Issue	Maturity Date	Interest Rate	Balance		Decreased	Balance Dec. 31, 2015
			Amount of Issue				Dec. 31, 2014	Increased		
12-07	Various Public Improvements and the Acquisition of New Additional and Replacement Equipment	7/23/13	\$ 244,600.00	7/23/14 7/16/15	7/23/15 7/15/16	0.49% 1.25%	\$ 229,600.00	\$ - 229,600.00	\$ 229,600.00	\$ - 229,600.00
13-08	Various Public Improvements and the Acquisition of New Additional and Replacement Equipment	7/23/13	290,300.00	7/23/14 7/16/15	7/23/15 7/15/16	0.49% 1.25%	290,300.00	290,300.00	290,300.00	- 290,300.00
14-05	Various Public Improvements and the Acquisition of New Additional and Replacement Equipment	7/23/14	113,300.00	7/23/14 7/16/15	7/23/15 7/15/16	0.49% 1.25%	113,300.00	113,300.00	113,300.00	- 113,300.00
15-06	Various Public Improvements and the Acquisition of New Additional and Replacement Equipment	7/16/15	181,450.00	7/16/15	7/15/16	1.25%	-	181,450.00	-	181,450.00
							<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
							<u>\$ 633,200.00</u>	<u>\$ 814,650.00</u>	<u>\$ 633,200.00</u>	<u>\$ 814,650.00</u>
Ref.							D			D
							<u>Ref.</u>			
Cash							D-5	\$ 814,650.00	\$ 633,200.00	
Budget Appropriation							D-27	-	-	
								<u>\$ 814,650.00</u>	<u>\$ 633,200.00</u>	

BOROUGH OF CHATHAM
WATER UTILITY FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2014</u>	<u>2015 Authorizations</u>	<u>BANs Issued</u>	<u>Balance Dec. 31, 2015</u>
04-10	Various Improvements: Replacement of Water Main (Main St.)	\$ 0.84	\$ -	\$ -	\$ 0.84
	Automotive Vehicle	25.33			25.33
11-13	Various Public Improvements and the Acquisition of New Additional and Replacement Equipment	980.00			980.00
15-06	Various Public Improvements and the Acquisition of New Additional and Replacement Equipment		181,450.00	181,450.00	-
15-10	Various Purchases and Improvements	-	161,500.00	-	161,500.00
		<u>\$ 1,006.17</u>	<u>\$ 342,950.00</u>	<u>\$ 181,450.00</u>	<u>\$ 162,506.17</u>

BOROUGH OF CHATHAM

SOLID WASTE UTILITY FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Operating</u>
Balance December 31, 2014	E	\$ 294,118.07
Increased by Receipts:		
Miscellaneous Revenue	E-2	\$ 3,132.45
Solid Waste Collector	E-5	<u>488,334.60</u>
		<u>491,467.05</u>
		785,585.12
Decreased by Disbursements :		
2015 Budget Appropriations	E-3	466,962.20
2014 Appropriation Reserves	E-10	4,713.66
Reserve for Encumbrances	E-11	7,593.44
Interfunds Accounts Payable	E-12	<u>1,350.00</u>
		<u>480,639.30</u>
Balance December 31, 2015	E	<u>\$ 304,945.82</u>

BOROUGH OF CHATHAM

SOLID WASTE UTILITY FUND

SCHEDULE OF CASH - SOLID WASTE COLLECTOR

<u>Ref.</u>		
Increased by Receipts :		
	Consumers' Accounts Receivable	
E-7		\$ 488,152.20
	Utility Charges Overpayments	
E-13		<u>182.40</u>
		<u>\$ 488,334.60</u>
Decreased by Disbursements :		
	Amount Paid to Treasurer:	
	Solid Waste Operating Fund	
E-4		<u>\$ 488,334.60</u>

BOROUGH OF CHATHAM

SOLID WASTE UTILITY FUND

SCHEDULE OF INTERFUND ACCOUNTS RECEIVABLE

NOT APPLICABLE

BOROUGH OF CHATHAM

SOLID WASTE UTILITY FUND

SCHEDULE OF SOLID WASTE UTILITY CONSUMERS' ACCOUNTS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2014	E	\$ 10,101.51
Increased by :		
2015 Charges		<u>490,279.81</u>
		500,381.32
Decreased by :		
Received in 2015	E-2,5	\$ 488,152.20
Utility Charges Overpayments Applied in 2015	E-2,13	<u>922.10</u>
		489,074.30
Balance December 31, 2015	E	<u>\$ 11,307.02</u>

SCHEDULE OF SOLID WASTE LIENS RECEIVABLE

NOT APPLICABLE

BOROUGH OF CHATHAM

SOLID WASTE UTILITY FUND

SCHEDULE OF DEFERRED CHARGES-OPERATING DEFICIT

NOT APPLICABLE

SOLID WASTE UTILITY FUND
SCHEDULE OF APPROPRIATION RESERVES - 2014

	Balance Dec. 31, 2014	Transfers	Paid or Charged	Lapsed
Operating:				
Salaries and Wages	\$ 1,847.93	\$ -	\$ -	\$ 1,847.93
Other Expenses	37,272.64		4,713.66	32,558.98
Capital Improvement:				
Capital Outlay	16,400.00			16,400.00
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	177.35	-	-	177.35
	<u>\$55,697.92</u>	<u>\$ -</u>	<u>\$ 4,713.66</u>	<u>\$50,984.26</u>
Ref.	E		E-4	E-1

BOROUGH OF CHATHAM

SOLID WASTE UTILITY FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES

<u>Ref.</u>	
E	Balance December 31, 2014 \$ 7,593.44
	Increased by :
E-3	Charges 2015 Budget Appropriations <u>4,442.44</u>
	12,035.88
E-4	Decreased by :
	Paid in 2015 <u>7,593.44</u>
E	Balance December 31, 2015 \$ <u>4,442.44</u>

BOROUGH OF CHATHAM
SOLID WASTE UTILITY FUND
SCHEDULE OF INTERFUND ACCOUNTS PAYABLE

	<u>Balance Dec. 31, 2014</u>	<u>Paid in 2015</u>	<u>Realized as Revenue in 2015</u>	<u>Balance Dec. 31, 2015</u>
Solid Waste Operating Fund:				
Current Fund:				
Payroll and Bills	\$ 23,228.52	\$ 1,350.00	\$ -	\$ 21,878.52
Federal and State Grants Fund				
Recycling Tonnage Grant	<u>30,115.91</u>	<u>-</u>	<u>30,115.91</u>	<u>-</u>
	<u>\$ 53,344.43</u>	<u>\$ 1,350.00</u>	<u>\$ 30,115.91</u>	<u>\$ 21,878.52</u>
Ref.	E	E-4	E-2	E

BOROUGH OF CHATHAM

SOLID WASTE UTILITY FUND

SCHEDULE OF UTILITY CHARGES OVERPAYMENTS

	<u>Ref.</u>	
Balance December 31, 2014	E	\$ 922.10
Increased by :		
Received in 2015	E-5	<u>182.40</u>
		1,104.50
Decreased by :		
Applied to Consumers' Accounts Receivable in 2015	E-7	<u>922.10</u>
Balance December 31, 2015	E	<u>\$ 182.40</u>

BOROUGH OF CHATHAM

E-14

SOLID WASTE UTILITY FUND
SCHEDULE OF FIXED CAPITAL

	<u>Ref.</u>	
Balance December 31, 2014	E	<u>\$ 18,000.00</u>
Balance December 31, 2015	E	<u>\$ 18,000.00</u>

BOROUGH OF CHATHAM

SOLID WASTE UTILITY FUND

SCHEDULE OF RESERVE FOR AMORTIZATION

	Ref.	
Balance December 31, 2014	E	<u>\$ 18,000.00</u>
Balance December 31, 2015	E	<u>\$ 18,000.00</u>

BOROUGH OF CHATHAM

PUBLIC ASSISTANCE TRUST FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>P.A.T.F. #1</u>	<u>P.A.T.F. #2</u>	<u>Total</u>
Balance December 31, 2014	E	\$ 7,156.08	\$ 17,867.01	\$ 25,023.09
Increased by Receipts:				
Donations	F-2	<u>100.00</u>	<u>-</u>	<u>100.00</u>
		7,256.08	17,867.01	25,123.09
Decreased by Disbursements :				
Public Assistance Expenditures	F-2	<u>7,256.08</u>	<u>-</u>	<u>7,256.08</u>
Balance December 31, 2015	E	<u>\$ -</u>	<u>\$ 17,867.01</u>	<u>\$ 17,867.01</u>

BOROUGH OF CHATHAM
PUBLIC ASSISTANCE TRUST FUND
SCHEDULE OF RESERVE FOR PUBLIC ASSISTANCE

	<u>Ref.</u>	<u>P.A.T.F. #1</u>	<u>P.A.T.F. #2</u>	<u>Total</u>
Balance December 31, 2014	F	\$ 7,156.08	\$ 17,867.01	\$ 25,023.09
Increased by:				
Donations	F-1	<u>100.00</u>	<u>-</u>	<u>100.00</u>
		7,256.08	17,867.01	25,123.09
Decreased by:				
Public Assistance Expenditures	F-1	<u>7,256.08</u>	<u>-</u>	<u>7,256.08</u>
Balance December 31, 2015	F	<u>\$ -</u>	<u>\$ 17,867.01</u>	<u>\$ 17,867.01</u>

BOROUGH OF CHATHAM

PUBLIC ASSISTANCE TRUST FUND

SCHEDULE OF PUBLIC ASSISTANCE REVENUES - 2015

	<u>P.A.T.F. #1</u>	<u>Total</u>
Donations	<u>\$ 100.00</u>	<u>\$ 100.00</u>
Total Revenues (PATF)	<u>100.00</u>	<u>100.00</u>
Total Receipts	<u>\$ 100.00</u>	<u>\$ 100.00</u>

BOROUGH OF CHATHAM

PUBLIC ASSISTANCE TRUST FUND

SCHEDULE OF PUBLIC ASSISTANCE EXPENDITURES - 2015

	<u>P.A.T.F. #1</u>	<u>Total</u>
Assistance Ineligible for State Aid	\$ 7,256.08	\$ 7,256.08
Total Expenditures (P.A.T.F.)	<u>7,256.08</u>	<u>7,256.08</u>
Total Disbursements (P.A.T.F.)	<u>\$ 7,256.08</u>	<u>\$ 7,256.08</u>

BOROUGH OF CHATHAM

PUBLIC ASSISTANCE TRUST FUND

SCHEDULE OF AMOUNT DUE TO CURRENT FUND

NOT APPLICABLE

REPORT PURSUANT TO GOVERNMENT AUDITING STANDARDS

T. M. Vrabel & Associates, LLC

Accountants and Auditors

Timothy M. Vrabel, RMA, PSA
Chris C. Hwang, CPA

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the Borough Council
Borough of Chatham
County of Morris, New Jersey

We have audited the financial statements of the Borough of Chatham as of and for the years ended December 31, 2015 and December 31, 2014, and the related notes to the financial statements and have issued our report thereon dated April 11, 2016. In our report our opinion was qualified because the Borough of Chatham prepares its financial statements on a basis of accounting other than accounting principles generally accepted in the United States of America. Except as discussed in the preceding sentence, we conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States; and in compliance with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

Management of the Borough of Chatham is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Borough of Chatham's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstance for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Chatham's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough of Chatham's internal control over financial reporting.

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

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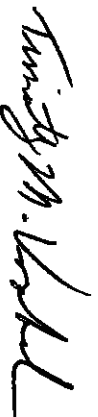
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Given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

Compliance and Other Matters

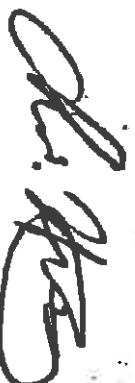
As part of obtaining reasonable assurance about whether the Borough of Chatham's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and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

Purpose of This Report

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



Timothy M. Vrabel
Registered Municipal Accountant
License No. CR000339



Chris C.W. Hwang
Certified Public Accountant
License No. CC033704

Montville, New Jersey
April 11, 2016

BOROUGH OF CHATHAM

Schedule A

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2015

Federal Funding Department	Federal Program	CFDA No.	Federal Grant (Award) Number	Total		Amount of Receipts			Amount of Expenditures		Unexpended Balance Dec. 31, 2015	
				Grant Award Amount	Grant Period		Prior Year	Current Year	Accounts Receivable Dec. 31, 2015	Prior Year		Current Year (1)
					From	To						
EPA	New Jersey Environmental Infrastructure Trust Financing Program (Ord. No. 09-17)	66.458		\$ 850,371.00	2010		\$ 850,371.00	\$ -	\$ -	\$ 850,371.00	\$ -	\$ -
EPA	New Jersey Environmental Infrastructure Trust Financing Program (Ord. No. 09-10)	66.458		261,967.00	2010		261,967.00			261,967.00		
EPA	New Jersey Environmental Infrastructure Trust Financing Program (Ord. No. 09-10)	66.458		796,000.00	2015			446,675.32	349,324.68		446,675.32	349,324.68
Homeland Security	FEMA	97.042		367,946.46	2011	2012	367,946.46		-	367,946.46	-	
Justice	Bulletproof Vest Program			6,616.20			6,616.20	-	-	6,306.64	-	309.56
							\$ 1,486,900.66	\$ 446,675.32	\$ 349,324.68	\$ 1,486,591.10	\$ 446,675.32	\$ 349,634.24

(1) Represents total expenditures (grant activity) subject to audit.

BOROUGH OF CHATHAM
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2015

State Program	State Account Number	Total		Amount of Receipts		Accounts Receivable Dec. 31, 2015	Amount of Expenditures		Unexpended Balance Dec. 31, 2015	
		Grant Award Amount	Grant Period		Prior Year		Current Year	Prior Year		Current Year (1)
			From	To						
Department of Environmental Protection:										
New Jersey Environmental Infrastructure Trust Financing Program (Ord. No. 09-17)		\$ 283,456.00	2010	\$ 283,456.00	\$ -	\$ -	\$ 283,456.00	\$ -	\$ -	
New Jersey Environmental Infrastructure Trust Financing Program (Ord. No. 09-10)		260,000.00	2010	260,000.00			260,000.00		-	
New Jersey Environmental Infrastructure Trust Financing Program (Ord. No. 14-10)		250,000.00	2015		140,287.68	109,712.32		140,287.68	109,712.32	
Department of Transportation:										
N.J. Transportation Trust Fund: Kings (Ord. No. 12-06)	12-480-078-6320-W46	315,000.00		234,694.89		80,305.11	315,000.00			
Recycling Tonnage Grant	4900-752-178810-60	30,115.91		30,115.91				30,115.91		
Drunk Driving Enforcement Fund	1110-448-031020-60	7,573.78		7,573.78		-		453.00	7,120.76	
Clean Communities Grant	4900-765-178910-60	31,084.21		14,267.94	16,816.27			31,084.21	-	
Alcohol Education and Rehabilitation Fund	9735-760-060000-60	2,872.30		2,636.57	235.73				2,872.30	
Body Armor Replacement Fund		11,275.24		9,175.55	2,099.69			795.00	10,480.24	
Sustainable Jersey Grant		12,000.00		12,000.00			10,823.52		1,176.48	
NJCFC - Highlands Grant		1,513.63		1,513.63					1,513.63	
Office of Environmental Services Grant		2,500.00		2,500.00			2,495.63		4.37	
Environmental Grant		500.00		500.00					500.00	
Municipal Stormwater Regulation Program		8,468.00	1/1/2005	12/31/2005	8,468.00		558.87		7,909.13	
Cool Cities Program Grant		3,682.25			1,774.49	1,887.76	1,774.49		1,887.76	
Improvement District Challenge Grant		10,000.00			10,000.00		9,930.82		69.08	
NJ Energy Efficiency Conservation Block Grant		20,000.00			20,000.00				20,000.00	
ANJEC Smart Growth Planning Grant		7,500.00				7,500.00			7,500.00	
					-	-	-	-	-	
					898,676.74	166,939.37	191,905.19	884,039.43	202,735.80	
									170,746.07	

(1) Represents total expenditures (grant activity) subject to audit.

BOROUGH OF CHATHAM

NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2015

Note 1: General

The accompanying schedules of expenditures of awards and financial assistance present the activity of all federal and state programs of the Borough of Chatham . The municipality is defined in Note I:B. to the Borough's financial statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

Note 2: Basis of Accounting

The accompanying schedules of expenditures of awards and financial assistance are presented using the budgetary basis of accounting as described in Notes I:D. to the Borough of Chatham's financial statements.

Note 3: Relationship to Financial Statements

Amounts reported in the accompanying schedules agree with amounts reported in the Borough of Chatham's financial statements. The information in the schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Therefore, some amounts presented in the schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 4: Relationship to Federal and State Financial Reports

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

BOROUGH OF CHATHAM

PART II

**GENERAL COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2015**

GENERAL COMMENTS

CONTRACTS AND AGREEMENTS REQUIRING ADVERTISEMENT FOR BIDS

Effective April 17, 2000 N.J.S.A. 40A:11-1 et seq. (Local Public Contracts Law) was revised by P.L. 1999, c.440 (originally known as Assembly bill No. 3519). The Division of Local Government Services in the Department of Community Affairs, after consultation with the Commissioner of Education, shall prescribe rules and procedures to implement the requirements of the law.

Effective April 17, 2000 and thereafter the bid threshold in accordance with N.J.S.A. 40A:11-3 (as amended) was \$17,500.00. Effective July 1, 2005 the threshold was raised to \$21,000.00. Effective July 1, 2010 the threshold was raised to \$26,000.00 and effective May 1, 2012 the threshold was raised to \$36,000.00. Effective July 1, 2015, the threshold was raised to \$40,000.00.

It is pointed out that the governing body of the Borough has the responsibility of determining whether commitments and expenditures are in compliance with the statutes and, where question arises as to whether any contract or agreement might result in violation of these statutes the Borough Attorney's opinion should be sought before commitment is made.

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

The results of our examination indicated that no individual payments, contracts or agreements were made "for the provision or performance of any goods or services," in excess of the statutory limit where there had been no advertising for bids in accordance with the provisions of N.J.S.A. 40A:11-4.

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5 for Legal Services, Auditor, Engineering Services, Laboratory Services, Bond Attorneys, Tax Attorney, Litigation Matters Attorney, Planning Services and Appraisal Services.

The minutes indicate that bids were requested by public advertising for the following items:

Sidewalk and Curb Programs, Stump Grinder and Garbage Removal

The system of records is not required to provide and therefore did not provide for an accumulation of purchases for which the municipality used contracts entered into by the State Department of Purchase and Property pursuant to Ch. 114, P.L. 1977, therefore, the extent of such purchases could not reasonably be ascertained. My examination did reveal however, that the following purchases were made through the use of State contracts: Dump Truck Body, Contoured Bench and Ford Expedition.

An Ordinance adopted July 8, 1991, authorized the Borough to enter into a cooperative purchasing program with the County of Morris Cooperative Pricing Council. The following purchases were made through the Council:

Asphalt and Milling, Bulk Salt, Police Vehicle, DPW Equipment and Pump Repair

COLLECTION OF INTEREST AND PENALTIES ON DELINQUENT TAXES, ASSESSMENTS AND DELINQUENT WATER, SEWER AND SOLID WASTE CHARGES.

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

The governing body on January 5, 2015, adopted the following resolution authorizing interest to be charged on delinquent taxes and assessments:

BE IT RESOLVED by the Mayor and Council of the Borough of Chatham that the rate of interest on delinquent taxes and installments of assessments for local improvements shall be eight percent 8% per annum on the first \$1,500.00 and eighteen per cent (18%) per annum on any amount on the first excess of \$1,500.00, an additional six (6%) percent per annum for those properties whose delinquency of taxes equals or exceeds \$10,000.00, except that the Tax Collector is hereby authorized to waive the collection of interest for a period not exceeding ten calendar days after the due date for current taxes in each quarter, i.e., February first, May first, August first and November first.

As authorized by various ordinances, interest on delinquent water, sewer and solid waste charges shall be charged the same as the foregoing tax and assessment resolution.

It appears from a test examination of the Tax and Utility Collector's records that interest was collected in accordance with the foregoing resolutions and ordinances.

DELINQUENT TAXES AND TAX TITLE LIENS

The delinquent taxes at December 31, 2015 include taxes for 1989, 1987, 1986, 1985 and 1976 which are for bankrupt properties.

The last tax sale was held December 8, 2015 and was complete.

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

<u>Year</u>	<u>Number of Liens</u>
2015	1
2014	1
2013	1
2012	1
2011	1
2010	1
2009	3
2008	2
2007	1
2006	1

VERIFICATION OF TAXES AND OTHER CHARGES

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services, including the mailing of verification notices as follows:

<u>Type</u>	<u>Number Mailed</u>
Payments of 2016 Taxes	25
Payments of 2015 Taxes	25
Delinquent Taxes	25
Payments of Water Utility Charges	25
Delinquent Water Utility Charges	25
Payment of Solid Waste Utility Charges	25
Delinquent Solid Waste Utility Charges	10
Delinquent Sewer User Charges	25

The result of the test, which was made as of December 31, 2015, is not yet fully known, however the items that were returned were checked and in agreement with the Borough's records and for items not returned either a second request was made or the open items were traced to subsequent collection. If any irregularities are discovered as a result of our second request a separate report will be issued.

OTHER COMMENTS

TECHNICAL ACCOUNTING DIRECTIVES

The Division of Local Government Services has established three systems which are required by all local units. They are as follows:

1. Encumbrance accounting system (N.J.A.C. 5:30-5.2)
2. Fixed asset accounting and reporting system (N.J.A.C. 5:30-5.6)
3. General Ledger accounting and record system (N.J.A.C. 5:30-5.7)

The Borough of Chatham has complied by implementing all three directives.

RECOMMENDATIONS

None

Status of prior years' Audit Findings/Recommendations:

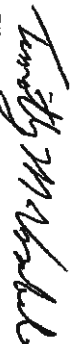
Not Applicable


* * * * *

Should any questions arise as to our comments, or should you desire assistance, please do not hesitate to call us.

APPRECIATION

We wish to express our appreciation of the assistance and courtesies rendered by the Borough Officials during the course of the audit.


Timothy M. Vrabel
Registered Municipal Accountant
License No. CR000339


Chris C.W. Hwang
Certified Public Accountant
License No. CC033704

April 11, 2016