

BOROUGH OF CHATHAM

**REPORT ON EXAMINATION OF FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

BOROUGH OF CHATHAM

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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, 2014 and December 31, 2013, 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, 2014 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, 2014, 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 \$193,848.05 and \$167,965.57 for 2014 and 2013 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, 2014 and December 31, 2013, 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, 2014, in accordance with financial reporting provisions described in Note 1.

Other Matters

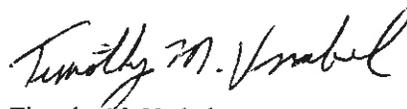
Other Information

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 U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and New Jersey OMB's Circular 04-04, 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.

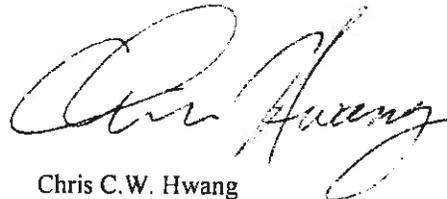
The Schedules of Expenditures of Federal Awards and State Financial Assistance and the supplemental schedules presented in the Supplementary Data Section required by the Division of Local Governments Services is the responsibility of management and was derived from and relates directly to the underlying 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 March 31, 2015 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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Certified Public Accountant
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Montville, New Jersey
March 31, 2015

SECTION A
CURRENT FUND

BOROUGH OF CHATHAM

CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

<u>Assets</u>	<u>Ref.</u>	<u>December 31,</u>	
		<u>2014</u>	<u>2013</u>
General Fund:			
Cash - Treasurer	A-4	\$ 4,340,332.58	\$ 4,383,527.44
Change Fund	A-6	300.00	300.00
Petty Cash	A-7	400.00	400.00
		<u>4,341,032.58</u>	<u>4,384,227.44</u>
Receivables and other Assets With Full Reserves :			
Delinquent Property Taxes	A-9	444,951.79	346,858.57
Tax Title Liens	A-10	8,241.27	7,664.58
Property Acquired for Taxes - Assessed Valuation	A-11	32,200.00	32,200.00
Revenue Accounts Receivable	A-12	63,422.70	68,815.97
Interfunds Accounts Receivable	A-13	75,430.29	84,976.75
		<u>624,246.05</u>	<u>540,515.87</u>
Deferred Charges :			
Special Emergency Authorization	A-15	68,976.00	215,464.00
Expenditure Without Grant Appropriation	A-15	1,215.13	13,515.21
		<u>70,191.13</u>	<u>228,979.21</u>
		<u>5,035,469.76</u>	<u>5,153,722.52</u>
Federal and State Grants Fund :			
Amount Due From Current Fund	A-26	76,151.92	84,610.14
Amount Due From Solid Waste Operating Fund	A-26a	30,115.91	17,546.79
Amount Due From Other Trust Fund	A-26b	750.00	750.00
Federal and State Aid Receivable	A-27	3,887.76	5,126.70
		<u>110,905.59</u>	<u>108,033.63</u>
		<u>\$ 5,146,375.35</u>	<u>\$ 5,261,756.15</u>

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

BOROUGH OF CHATHAM

CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
(CONCLUDED)

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>December 31,</u>	
		<u>2014</u>	<u>2013</u>
Liabilities :			
Appropriation Reserves	A-3,16	\$ 447,880.92	\$ 266,681.14
Amount Due to State of New Jersey for Senior Citizens and Veterans Deductions	A-8	26,926.94	24,306.39
Reserve for Encumbrances	A-17	151,480.80	122,232.57
Interfunds Accounts Payable	A-18	643,336.85	1,075,403.81
Prepaid Taxes	A-19	220,267.17	175,577.86
Tax Overpayments	A-20	198,055.09	167,324.47
Reserve for Funds - Unappropriated	A-23	107,812.70	198,836.70
Special Emergency Notes Payable	A-24	68,976.00	215,464.00
Library Tax Payable	A-25	6,050.27	4,004.91
		<u>1,870,786.74</u>	<u>2,249,831.85</u>
Reserve for Receivables and Other Assets		624,246.05	540,515.87
Fund Balance	A-1	<u>2,540,436.97</u>	<u>2,363,374.80</u>
		<u>5,035,469.76</u>	<u>5,153,722.52</u>
Federal and State Grants Fund :			
Appropriated Reserves	A-28	61,449.11	71,350.62
Unappropriated Reserves	A-29	49,456.48	36,683.01
		<u>110,905.59</u>	<u>108,033.63</u>
		<u>\$ 5,146,375.35</u>	<u>\$ 5,261,756.15</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 2014</u>	<u>Year 2013</u>
Fund Balance Utilized	A-2	\$ 2,195,000.00	\$ 2,000,000.00
Miscellaneous Revenue Anticipated	A-2	3,359,713.62	3,296,761.21
Receipts from Delinquent Taxes	A-2	333,210.67	363,232.07
Receipts from Current Taxes	A-2	38,691,948.94	38,127,938.45
Non - Budget Revenue	A-2	764,423.02	514,680.89
Other Credits to Income :			
Interfund Advance Returned	A=13	20,000.00	3,313.44
Unexpended Balance of Appropriation Reserves Lapsed	A-16	<u>136,171.61</u>	<u>226,405.05</u>
Unappropriated Reserves Canceled			
Total Income		<u>45,500,467.86</u>	<u>44,532,331.11</u>
 <u>Expenditures</u> 			
Budgetary and Emergency Appropriations :			
Appropriations Within "CAP"			
Operations:			
Salaries and Wages	A-3	4,860,647.00	4,702,556.00
Other Expenses	A-3	2,982,716.00	2,938,923.00
Deferred Charges and Statutory Expenditures	A-3	951,594.21	952,750.00
Appropriations Excluded from "CAP"			
Operations:			
Salaries and Wages	A-3	6,120.00	6,000.00
Other Expenses	A-3	1,507,277.22	1,372,561.44
Capital Improvements	A-3	215,000.00	7,500.00
Debt Service	A-3	1,759,295.59	1,748,638.79
Deferred Charges - Municipal		146,488.00	212,488.00

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 2014</u>	<u>Year 2013</u>
Refund of Prior Year Revenue	A-4	\$ 8,158.61	\$ -
Prior Year Tax Appeals Granted	A-4	2,787.89	
Reimbursement Due to Taxation Audit	A-8	1,250.00	
Prior Year Senior Citizen Deduction Disallowed	A-8	250.00	250.00
Interfund Advance	A-13	2,000.00	35,540.50
Prior Year Grant Receivable			112,500.00
Borough Open Space Tax	A-25	103,151.31	103,046.66
Library Share of Added and Omitted Taxes	A-25	2,045.36	1,709.27
Regional School District Tax	A-25	24,719,456.00	24,279,806.00
County Taxes	A-25	5,612,990.65	5,538,178.38
County Open Space Preservation	A-25	232,580.65	260,082.05
County Share of Added and Omitted Taxes	A-25	14,597.20	12,417.77
Total Expenditures		<u>43,128,405.69</u>	<u>42,284,947.86</u>
Excess in Revenue		2,372,062.17	2,247,383.25
Fund Balance January 1	A	<u>2,363,374.80</u>	<u>2,115,991.55</u>
		4,735,436.97	4,363,374.80
Decreased by :			
Utilized as Anticipated Revenue	A-1	<u>2,195,000.00</u>	<u>2,000,000.00</u>
Fund Balance December 31	A	<u>\$ 2,540,436.97</u>	<u>\$ 2,363,374.80</u>

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

BOROUGH OF CHATHAM

CURRENT 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	A-12	14,000.00		15,400.00	1,400.00
Fees and Permits :					
Construction Code Official	A-12,13	15,000.00		11,944.23	(3,055.77)
Other	A-2	54,000.00		94,250.25	40,250.25
Municipal Court - Fines and Costs	A-12	130,000.00		155,524.03	25,524.03
Interest and Costs on Taxes	A-12	80,000.00		92,885.97	12,885.97
Parking Meters	A-12	447,000.00		442,774.24	(4,225.76)
Sewer User Fees	A-12	1,050,000.00		1,041,701.32	(8,298.68)
Consolidated Municipal Property Tax Relief Aid	A-12	3,587.00		3,587.00	-
Energy Receipts Tax	A-12	566,209.00		566,209.00	-
Watershed Moratorium Offset Aid	A-12	2,303.00		2,303.00	-
Additional Revenues Offset with Appropriations:					
Farmers Market Fees	A-12	18,600.00	9,500.00	20,597.00	(7,503.00)
Public and Private Revenues Off-Set with Appropriations:					
Clean Communities Program	A-18	14,753.21		14,753.21	-
Alcohol Education and Rehabilitation Fund	A-18	263.87		263.87	-
Body Armor Replacement Fund	A-18	2,669.14		2,669.14	-
Environmental Grant	A-18	500.00		500.00	-
Donations - Mayor's Wellness Campaign	A-18	250.00		250.00	-
Donations - Green Fair Event	A-18	700.00		700.00	-
Other Special Items :					
Water Utility Operating Surplus	A-12	50,000.00			(50,000.00)
FEMA Reserve to Fund Deferred Charges	A-23	28,000.00	84,000.00	112,000.00	-
NJDOT Municipal Aid Program	A-4	165,000.00		165,000.00	-
Lease of Municipal Property	A-12	595,000.00		616,401.36	21,401.36
Total Miscellaneous Revenues	A-1	3,237,835.22	93,500.00	3,359,713.62	28,378.40
Receipts from Delinquent Taxes	A-1,2	300,000.00		333,210.67	33,210.67
Amount to be raised by Taxes for Support of Municipal Budget :					
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	A-2	7,518,208.15		8,883,969.44	1,365,761.29
Minimum Library Tax	A-2	843,735.00		843,735.00	-
Budget Totals	A-1,2	14,094,778.37	93,500.00	15,615,628.73	1,427,350.36
Non-Budget Revenues				764,423.02	764,423.02
		\$ 14,094,778.37	\$ 93,500.00	\$ 16,380,051.75	\$ 2,191,773.38

Ref. A-3 A-3

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

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

<u>Analysis of Realized Revenue</u>	<u>Ref.</u>		
Allocation of Current Tax Collections :			
2014 Taxes Collected in 2013	A-9	\$ 175,577.86	
2014 Taxes Collected in 2014	A-9	38,470,991.63	
State's Share of Senior Citizens' and Veterans' Deductions	A-9	<u>45,379.45</u>	
	A-1	38,691,948.94	
Allocated to School and County Taxes	A-25	<u>30,684,821.17</u>	
		8,007,127.77	
Add : Reserve for Uncollected Taxes	A-3	<u>1,720,576.67</u>	
Amount for Support of Municipal Budget	A-2		<u>\$ 9,727,704.44</u>
Receipts from Delinquent Taxes :			
Prior Year Taxes Collected	A-9	\$ 333,210.67	
Tax Title Lien Collected	A-10	<u>-</u>	
	A-2		<u>\$ 333,210.67</u>
Fees and Permits - Other :			
Board of Health - Fees and Permits	A-12	\$ 21,467.00	
Planning Board - Fees and Permits	A-12	-	
Board of Adjustment - Fees and Permits	A-12	19,431.25	
Uniform Fire Safety Act - Fees	A-12	23,813.20	
Gun Permits	A-12	216.50	
Vender Permits	A-12	2,372.00	
Tax Assessor - Fees	A-12	490.00	
Tax Advertisement	A-12	26,315.30	
Duplicate Tax Bills and Copies	A-12	145.00	
Tax Searches	A-12	<u>-</u>	
	A-2		<u>\$ 94,250.25</u>

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

BOROUGH OF CHATHAM

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		\$ 13,165.13
Miscellaneous Reimbursements		13,011.57
JIF Reimbursements		207,180.00
FEMA		90,332.00
Sale of Assets		233,420.00
Cable TV Franchise Fee		125,654.13
Police Department-Accident Reports		6.85
Alarm Board Connections		6,925.35
Road Opening Fees		3,268.00
Recreation Badge Sales		64,360.21
2% Administrative Fee-Senior Citizens/Veterans' Deductions		930.00
Miscellaneous		<u>6,169.78</u>
	A-4	<u>764,423.02</u>
	A-2	<u>\$ 764,423.02</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.	Budget	Appropriations Budget After Modification	Paid or Charged	Expended	Reserved	Unexpended Balance Canceled
OPERATIONS WITHIN "CAP"							
GENERAL GOVERNMENT :							
General Administration							
Salaries and Wages		\$ 124,236.00	\$ 146,086.00	\$ 144,837.07	\$ 1,246.93	\$ -	
Other Expenses		62,833.00	64,333.00	64,311.20	21.80		
Human Resources							
Salaries and Wages		35,728.00	35,728.00	35,423.43	304.57		
Other Expenses		11,000.00	18,000.00	17,562.53	437.47		
Mayor and Council							
Other Expenses		3,500.00	3,500.00	3,495.46	4.54		
Borough Clerk							
Salaries and Wages		128,544.00	107,544.00	106,854.60	589.40		
Other Expenses		17,500.00	17,500.00	13,863.95	3,536.05		
Financial Administration							
Salaries and Wages		138,618.00	145,118.00	144,554.74	563.26		
Other Expenses		28,900.00	28,900.00	26,588.76	2,311.24		
Audit Services							
Other Expenses		36,259.00	36,259.00	12,550.00	23,709.00		
Collection of Taxes							
Salaries and Wages		57,084.00	54,794.00	54,770.78	23.22		
Other Expenses		5,500.00	5,500.00	4,431.00	1,069.00		
Assessment of Taxes							
Salaries and Wages		48,212.00	47,712.00	46,607.10	1,104.90		
Other Expenses		28,500.00	36,500.00	34,892.80	1,807.20		
Legal Services and Costs							
Other Expenses		200,000.00	223,000.00	213,192.70	9,807.30		
Municipal Court							
Interlocal Service Agreement							
Other Expenses		186,810.00	187,910.00	187,853.98	56.02		
Engineering Services and Costs							
Salaries and Wages		31,059.00	19,159.00	18,106.92	1,052.08		
Other Expenses		6,500.00	6,500.00	5,524.13	975.87		
Historical Preservation Commission							
Other Expenses		1,200.00	1,200.00		1,200.00		
Municipal Land Use Law (N.J.S.A. 40:55D-1)							
Planning Board							
Salaries and Wages		28,370.00	33,220.00	32,417.15	802.85		
Other Expenses		57,850.00	54,350.00	36,072.66	18,277.34		
Zoning Costs							
Salaries and Wages		26,950.00	32,850.00	32,028.66	821.34		
Other Expenses		10,000.00	7,000.00	6,307.33	692.67		
INSURANCE:							
General Liability		132,600.00	132,600.00	132,600.00	-		
Worker's Compensation Insurance		132,600.00	132,600.00	132,600.00	-		
Group Insurance - Hospital and Medical		643,200.00	643,200.00	610,159.61	33,040.39		
Health Benefit Waiver		10,000.00	10,000.00	8,999.84	0.16		
Unemployment Compensation Insurance		15,500.00	15,500.00	15,487.14	12.86		

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.	Budget	Appropriations Budget After Modification	Paid or Charged	Expended	Reserved	Unexpended Balance Canceled
OPERATIONS WITHIN "CAP" (CONTINUED)							
PUBLIC SAFETY :							
Police							
Salaries and Wages		\$ 2,656,373.00	\$ 2,641,373.00	\$ 2,572,787.78	\$ 68,585.22	\$	
Other Expenses		184,134.00	169,134.00	83,763.18	85,370.82		
Purchase of Police Vehicles		39,353.00	39,353.00	36,561.33	2,791.67		
Interlocal Service Agreement:							
Police Dispatching							
Other Expenses		213,770.00	213,770.00	213,770.00			
Project Pride							
Other Expenses		27,030.00	27,030.00	26,382.50	647.50		
Parking							
Salaries and Wages		135,628.00	102,128.00	101,757.16	370.84		
Other Expenses		15,000.00	15,000.00	14,652.70	347.30		
Emergency Management Services							
Salaries and Wages		13,042.00	13,042.00	12,996.96	45.04		
Other Expenses		3,500.00	3,500.00	1,888.23	1,611.77		
Emergency Squad							
Other Expenses		10,000.00	10,000.00	10,000.00			
Fire							
Salaries and Wages		50,690.00	50,690.00	46,517.04	4,172.96		
Other Expenses		71,228.00	68,228.00	67,902.08	325.92		
Fire Safety Official							
Salaries and Wages		70,513.00	70,513.00	64,801.19	5,711.81		
Other Expenses		4,000.00	4,000.00	2,806.43	1,193.57		
PUBLIC WORKS FUNCTIONS:							
Road Repairs and Maintenance							
Salaries and Wages		971,900.00	979,900.00	977,910.75	1,989.25		
Other Expenses		118,200.00	125,200.00	124,597.57	602.43		
Shade Tree Commission							
Other Expenses		19,000.00	19,000.00	16,500.00	2,500.00		
Public Buildings and Grounds							
Other Expenses		49,500.00	64,500.00	62,269.64	2,230.36		
Public Employees Occupational Safety and Health Act							
Other Expenses		8,000.00	8,000.00	7,578.44	421.56		
Vehicle Maintenance							
Salaries and Wages		113,500.00	113,500.00	111,201.12	2,298.88		
Other Expenses		47,650.00	53,650.00	52,405.51	1,244.49		
Community Services Act - Condo Costs							
Other Expenses		3,600.00	3,600.00	1,708.45	1,891.55		

BOROUGH OF CHATHAM

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
(CONTINUED)

	Ref.	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
		Budget	Budget After Modification		Reserved	Expended	
OPERATIONS WITHIN "CAP" (CONTINUED)							
RECREATION AND EDUCATION :							
HEALTH AND WELFARE :							
Board of Health							
Salaries and Wages		\$ 16,150.00	\$ 7,150.00	\$ 7,118.50	\$ 31.50	\$	
Other Expenses		84,125.00	84,125.00	83,201.91	923.09		
Environmental Commission							
Salaries and Wages		9,340.00	9,340.00	9,323.55	16.45		
Other Expenses		2,700.00	2,700.00	999.49	1,700.51		
Animal Control Regulations							
Other Expenses		14,500.00	14,500.00	14,500.00			
Recreation Services and Programs							
Salaries and Wages		115,000.00	115,000.00	106,788.75	8,211.25		
Other Expenses		20,900.00	20,900.00	13,134.97	7,765.03		
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	43,133.73	3,866.27		
OTHER COMMON OPERATING FUNCTIONS:							
Accumulated Leave Compensation							
Salaries and Wages		10,000.00	10,000.00	10,000.00			
Celebration of Public Events							
Other Expenses		6,000.00	6,000.00	6,000.00			
UTILITY EXPENSES AND BULK PURCHASES:							
Electricity							
Street Lighting		81,003.00	81,003.00	73,152.44	7,850.56		
Telephone and Telegraph		73,450.00	73,450.00	68,328.88	5,121.12		
Natural Gas		60,200.00	60,200.00	53,693.90	6,506.10		
Diesel Fuel, Fuel Oil		20,400.00	24,400.00	24,297.32	102.68		
Sewerage Processing and Disposal (Sewer System)		2,000.00	2,000.00	633.59	1,366.41		
Salaries and Wages		125,800.00	125,800.00	115,153.40	10,646.60		
Other Expenses		7,500.00	7,500.00	4,876.10	2,623.90		
Gasoline		89,621.00	89,621.00	88,348.16	1,272.84		
TOTAL OPERATIONS WITHIN "CAP"		7,838,363.00	7,838,363.00	7,492,536.29	345,826.71		
CONTINGENT		5,000.00	5,000.00	5,000.00			
TOTAL OPERATIONS INCLUDING CONTINGENT - WITHIN "CAP"		7,843,363.00	7,843,363.00	7,497,536.29	345,826.71		
DETAIL :							
Salaries and Wages	A-1	4,908,747.00	4,860,647.00	4,752,056.65	108,590.35		
Other Expenses	A-1	2,934,616.00	2,982,716.00	2,745,479.64	237,236.36		
		7,843,363.00	7,843,363.00	7,497,536.29	345,826.71		

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.	Budget	Appropriations Budget After Modification	Paid or Charged	Expended	Reserved	Unexpended Balance Canceled
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAP"							
DEFERRED CHARGES:							
Expenditure Without Grant Appropriation		13,515.21	13,515.21	13,515.21			
STATUTORY EXPENDITURES:							
Contribution to:							
Public Employees' Retirement System		241,651.00	241,651.00	213,915.00		27,736.00	
Social Security System (O.A.S.I.)		218,500.00	218,500.00	211,189.46		7,310.54	
Defined Contribution Retirement Program		2,000.00	2,000.00			2,000.00	
Police and Firemen's Retirement System of N.J.		475,928.00	475,928.00	445,157.00		30,771.00	
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAP"	A-1	951,594.21	951,594.21	883,776.67		67,817.54	
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAP"		8,794,957.21	8,794,957.21	8,381,312.96		413,644.25	
OPERATIONS EXCLUDED FROM "CAP"							
Length of Service Awards Program (N.J.S.A. 40A:4-453j)		20,000.00	20,000.00			20,000.00	
Maintenance of Joint Free Public Library		843,735.00	843,735.00	843,735.00			
Proportionate Share (N.J.S.A. 40A:54-29.17)		599,926.00	599,926.00	598,329.00		1,597.00	
Sewer Service Charge-Contractual (N.J.S.A. 40A:4-45.3j)		6,120.00	6,120.00	5,936.57		183.43	
Salaries and Wages		12,480.00	21,980.00	18,181.35		3,798.65	
Other Expenses (N.J.S.A. 40A:4-87 + \$9,500.00)		14,753.21	14,753.21	14,753.21			
Public and Private Programs Offset by Revenues:		263.87	263.87	263.87			
Clean Communities Program		2,669.14	2,669.14	2,669.14			
Alcohol Education and Rehabilitation Fund		500.00	500.00	500.00			
Body Armor Replacement Fund		250.00	250.00	250.00			
Environmental Grant		700.00	700.00	700.00			
Donations - Mayor's Wellness Campaign							
Donations - Green Fair Event							
Matching Funds for Grants:							
Municipal Alliance on Alcoholism and Drug Abuse		2,500.00	2,500.00	2,500.00			
TOTAL OPERATIONS EXCLUDED FROM "CAP"		1,503,897.22	1,513,397.22	1,487,818.14		25,579.08	
DETAIL:							
Salaries and Wages	A-1	6,120.00	6,120.00	5,936.57		183.43	
Other Expenses	A-1	1,497,777.22	1,507,277.22	1,481,881.57		25,395.65	
		1,503,897.22	1,513,397.22	1,487,818.14		25,579.08	

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.	Budget	Appropriations	Budget After Modification	Paid or Charged	Expended	Reserved	Unexpended Balance Canceled
CAPITAL IMPROVEMENTS EXCLUDED FROM "CAP"								
Capital Improvement Fund		\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ -	\$ -	\$ -
Reconstruction of Various Roads		165,000.00	165,000.00	165,000.00	156,342.41	8,657.59	8,657.59	-
TOTAL CAPITAL IMPROVEMENTS EXCLUDED FROM "CAP"	A-1	215,000.00	215,000.00	215,000.00	206,342.41	8,657.59	8,657.59	-
MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAP"								
Payment of Bond Principal		1,232,010.00	1,232,010.00	1,232,010.00	1,229,383.44	2,626.56		2,626.56
Payment of Bond Anticipation Notes		100,000.00	100,000.00	100,000.00	100,000.00			
Interest on Bonds		325,632.05	325,632.05	325,632.05	325,472.30	159.75		159.75
Interest on Notes		8,000.00	8,000.00	8,000.00	8,000.00			
New Jersey Wastewater Treatment Financing Program:								
Principal on Loans-2010 Loan (Borough)		78,495.75	78,495.75	78,495.75	73,119.51	5,376.24		5,376.24
Interest on Loans-2010 Loan (Borough)		18,686.25	18,686.25	18,686.25	18,686.25			18,686.25
Principal on Loans-2010 Loan (Joint Meeting)		23,320.34	23,320.34	23,320.34	23,320.34			
Interest on Loans-2010 Loan (Joint Meeting)		11,714.88	11,714.88	11,714.88		11,714.88		11,714.88
TOTAL MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAP"	A-1	1,797,859.27	1,797,859.27	1,797,859.27	1,759,295.59	38,563.68	-	38,563.68
DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM "CAP"								
DEFERRED CHARGES:								
Special Emergency Authorizations - 5 Years (N.J.S.A. 40A:4-55) (N.J.S.A. 40A: 4-87 +\$84,000.00)		62,488.00	62,488.00	146,488.00	146,488.00			
TOTAL DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM "CAP"	A-1	62,488.00	62,488.00	146,488.00	146,488.00	-	-	-
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES - EXCLUDED FROM "CAP"		3,579,244.49	3,579,244.49	3,672,744.49	3,599,944.14	34,236.67	-	38,563.68
SUBTOTAL GENERAL APPROPRIATIONS RESERVE FOR UNCOLLECTED TAXES		12,374,201.70	12,374,201.70	12,467,701.70	11,981,257.10	447,880.92	-	38,563.68
TOTAL GENERAL APPROPRIATIONS		\$ 14,094,778.37	\$ 14,094,778.37	\$ 14,188,278.37	\$ 13,701,833.77	\$ 447,880.92	\$ -	\$ 38,563.68
	Ref.							
Adopted Budget	A-2			\$ 14,094,778.37				
Added by N.J.S.A. 40A:4-87	A-2			83,500.00				
Cash Disbursed				\$ 14,188,278.37				
Less: Refunds				\$ 11,931,858.47				
				(283,721.60)				
Deferred Charges	A-4				11,648,136.87			
Reserve for Encumbrances	A-15				160,003.21			
Amount Due to Federal and State Grants Fund	A-17				151,480.80			
Reserve for Uncollected Taxes	A-18				21,636.22			
	A-2				1,720,576.67			
					\$ 13,701,833.77			

SECTION B
TRUST FUND

BOROUGH OF CHATHAM
TRUST FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

<u>Assets</u>	<u>Ref.</u>	<u>December 31,</u>	
		<u>2014</u>	<u>2013</u>
Animal Control Fund :			
Cash - Treasurer	B-2	<u>(2,565.30)</u>	<u>431.27</u>
		<u>(2,565.30)</u>	<u>431.27</u>
Other Funds :			
Cash - Treasurer	B-2	1,199,681.13	1,142,071.81
Interfunds Accounts Receivable	B-5	<u>454,734.93</u>	<u>643,598.78</u>
		<u>1,654,416.06</u>	<u>1,785,670.59</u>
		<u>\$ 1,651,850.76</u>	<u>\$ 1,786,101.86</u>
Length of Service Award Program:			
Cash with Agent Provider (Unaudited)		<u>\$ 193,848.05</u>	<u>\$ 167,965.57</u>

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

BOROUGH OF CHATHAM

TRUST FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

		<u>December 31,</u>	
<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
Animal Control Fund :			
Reserve for Animal Control Fund Expenditures	B-8	(2,565.30)	432.47
Amount Due to State Board of Health	B-9	-	(1.20)
		<u>(2,565.30)</u>	<u>431.27</u>
Other Funds :			
Interfunds Accounts Payable	B-6	40,292.80	33,248.83
Amount Due to State of New Jersey	B-11	193.46	4,308.46
Reserve for Special Funds	B-12	1,613,929.80	1,748,113.30
		<u>1,654,416.06</u>	<u>1,785,670.59</u>
		<u>\$ 1,651,850.76</u>	<u>\$ 1,786,101.86</u>
Length of Service Award Program:			
Reserve for Qualified Participants - Enrolled (Unaudited)		<u>\$ 193,848.05</u>	<u>\$ 167,965.57</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>2014</u>	<u>2013</u>
Cash - Treasurer	C-2	\$ 741,567.86	\$ 686,729.02
Deferred Charges to Future Taxation:			
Funded	C-4	11,714,318.91	13,201,135.00
Unfunded	C-5	4,127,079.00	1,969,079.00
Federal, State and Other Aid Receivable	C-7	80,305.11	117,805.11
Interfund Accounts Receivable	C-8	<u>112,500.00</u>	<u>347,194.89</u>
		<u>\$ 16,775,770.88</u>	<u>\$ 16,321,943.02</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Serial Bonds	C-15	\$ 10,517,000.00	\$ 11,902,000.00
N.J. Wastewater Treatment Financing Program and NJEIT Loans Payable	C-16	1,197,318.91	1,299,135.00
Bond Anticipation Notes	C-17	2,131,330.00	1,307,330.00
Improvement Authorizations :			
Funded	C-9	243,714.74	321,167.98
Unfunded	C-9	2,071,324.16	604,174.63
Reserve for Encumbrances	C-10	525,838.37	638,350.28
Capital Improvement Fund	C-11	9,813.37	6,813.37
Capital Reserves	C-12	-	84,694.89
Interfund Accounts Payable	C-13	3,814.88	2,355.31
Reserve for Federal, State and Other Aid Receivable	C-14	-	80,305.11
Fund Balance	C-1	<u>75,616.45</u>	<u>75,616.45</u>
		<u>\$ 16,775,770.88</u>	<u>\$ 16,321,943.02</u>

There were Bonds and Notes Authorized but not issued at December 31, 2014 in the amount of \$1,995,749.00. 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 2014</u>	<u>Year 2013</u>
Fund Balance January 1	C	<u>\$ 75,616.45</u>	<u>\$ 75,616.45</u>
Fund Balance December 31	C	<u>\$ 75,616.45</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>December 31,</u>	
		<u>2014</u>	<u>2013</u>
Water Operating Fund:			
Cash - Treasurer	D-5	\$ 827,547.24	\$ 578,360.62
Interfunds Accounts Receivable	D-8	<u>4,553.59</u>	<u>3,859.38</u>
		<u>832,100.83</u>	<u>582,220.00</u>
Receivables with Full Reserves:			
Consumers' Accounts Receivable	D-9	90,008.33	93,473.47
Other Account Receivable	D-10	<u>2,300.00</u>	<u>2,300.00</u>
		<u>92,308.33</u>	<u>95,773.47</u>
Deferred Charges:			
Overexpenditure of Budget Appropriation	D-11	<u>98.26</u>	<u>-</u>
		<u>98.26</u>	<u>-</u>
Total Water Operating Fund		<u>924,507.42</u>	<u>677,993.47</u>
Water Capital Fund :			
Cash - Treasurer	D-5	297,170.57	424,463.31
Fixed Capital	D-12	6,137,008.65	6,137,008.65
Fixed Capital Authorized and Uncompleted	D-13	<u>1,552,586.00</u>	<u>1,433,586.00</u>
Total Water Capital Fund		<u>7,986,765.22</u>	<u>7,995,057.96</u>
		<u>\$ 8,911,272.64</u>	<u>\$ 8,673,051.43</u>

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

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

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>December 31,</u>	
		<u>2014</u>	<u>2013</u>
Water Operating Fund :			
Liabilities :			
Appropriation Reserves	D-4,16	\$ 31,462.11	\$ 54,821.68
Reserve for Encumbrances	D-17	9,026.20	31,376.52
Interfund Accounts Payable	D-18	10,179.79	30,179.79
Utility Charges Overpayments	D-19	2,758.46	1,892.57
Accrued Interest on Bonds	D-20	<u>19,822.67</u>	<u>22,921.38</u>
		76,120.56	141,191.94
Reserve for Receivables		90,008.33	93,473.47
Fund Balance	D-1	<u>758,378.53</u>	<u>443,328.06</u>
Total Water Operating Fund		<u>924,507.42</u>	<u>677,993.47</u>
Water Capital Fund :			
Serial Bonds	D-29	2,172,000.00	2,407,000.00
Bond Anticipation Notes	D-31	633,200.00	534,900.00
Interfund Accounts Payable	D-18	1,267.89	573.68
Improvement Authorizations - Funded	D-23	65,942.93	96,958.26
Improvement Authorizations - Unfunded	D-23	173,331.20	248,885.70
Reserve for Encumbrances	D-24	19,671.50	45,388.62
Capital Improvement Fund	D-25	19,522.02	15,222.02
Reserve for Amortization	D-27	4,604,652.48	4,354,652.48
Deferred Reserve for Amortization	D-28	278,736.00	273,036.00
Fund Balance	D-2	<u>18,441.20</u>	<u>18,441.20</u>
Total Water Capital Fund		<u>7,986,765.22</u>	<u>7,995,057.96</u>
		<u>\$ 8,911,272.64</u>	<u>\$ 8,673,051.43</u>

There were Bonds and Notes Authorized but not Issued as of December 31, 2014 in the amount of \$1,006.17.
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 2014</u>	<u>Year 2013</u>
Operating Fund Balance Utilized	D-1,3	\$ 50,138.79	\$ 17,113.89
Rents	D-3	1,544,414.19	1,469,101.60
Miscellaneous Revenues	D-3	26,368.85	13,912.21
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-16	<u>54,406.22</u>	<u>114,204.65</u>
Total Income		<u>1,675,328.05</u>	<u>1,614,332.35</u>
 <u>Expenditures</u> 			
Budgetary and Emergency Appropriations:			
Operating	D-4	889,079.00	875,376.00
Capital Improvements	D-4	10,000.00	10,000.00
Debt Service	D-4	333,709.79	312,747.89
Deferred Charges and Statutory Expenditures	D-4	<u>77,350.00</u>	<u>78,990.00</u>
Total Expenditures		<u>1,310,138.79</u>	<u>1,277,113.89</u>
Excess in Revenue		365,189.26	337,218.46
Fund Balance January 1	D	<u>443,328.06</u>	<u>153,223.49</u>
		808,517.32	490,441.95
Decreased by :			
Utilization by Water Operating Budget	D-1	50,138.79	17,113.89
Utilization by Current Budget	D-5	<u>-</u>	<u>30,000.00</u>
Fund Balance December 31	D	<u>\$ 758,378.53</u>	<u>\$ 443,328.06</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>	
Balance December 31, 2013	D	<u>\$ 18,441.20</u>
Balance December 31, 2014	D	<u>\$ 18,441.20</u>

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

BOROUGH OF CHATHAM
 WATER UTILITY FUND
STATEMENT OF REVENUES - REGULATORY BASIS

	<u>Ref.</u>	Budget <u>Anticipated</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Operating Fund Balance Utilized	D-1	\$ 50,138.79	\$ 50,138.79	\$ -
Water Rents	D-1,3	1,250,000.00	1,544,414.19	294,414.19
Miscellaneous Revenues	D-1,3	<u>10,000.00</u>	<u>26,368.85</u>	<u>16,368.85</u>
	D-4	<u>\$ 1,310,138.79</u>	<u>\$ 1,620,921.83</u>	<u>\$ 310,783.04</u>
 <u>Analysis of Realized Revenue</u>				
Water Service Charges:				
Consumer Accounts Receivable	D-9	\$ 1,542,521.62		
Utility Charge Overpayments Applied	D-19	<u>1,892.57</u>		
	D-3		<u>\$ 1,544,414.19</u>	
 Miscellaneous :				
Interest on Water Rents		\$ 6,043.30		
Interest on Investments - Operating		2,038.12		
Bulk water		900.00		
Water Tap/Meters		14,109.48		
Miscellaneous		<u>2,583.74</u>		
	D-5		\$ 25,674.64	
 Interfunds Accounts Receivable:				
Water Capital Fund - Interest	D-8		<u>694.21</u>	
	D-3		<u>\$ 26,368.85</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

	Ref.	Budget Appropriations	Transfers	Budget After Transfers	Paid or Charged	Expended	Reserved	Overexpenditure
Operating :								
Salaries and Wages		\$ 503,600.00	\$ -	\$ 503,600.00	\$ 494,698.86	\$ 8,901.14		
Other Expenses		385,479.00		385,479.00	363,746.24	21,732.76		
Total Operating	D-1	889,079.00		889,079.00	858,445.10	30,633.90		
Capital Improvement :								
Capital Improvement Fund		10,000.00		10,000.00	10,000.00			
Total Capital Improvement	D-1	10,000.00		10,000.00	10,000.00			
Debt Service :								
Payment of Bond Principal		235,000.00		235,000.00	235,000.00			
Interest on Bonds		78,755.76		78,755.76	78,755.76			
Payment of Notes Principal		15,000.00		15,000.00	15,000.00			
Interest on Notes		4,954.03		4,954.03	4,954.03			
Total Debt Service	D-1	333,709.79		333,709.79	333,709.79			
Deferred Charges and Statutory Expenditures :								
Contribution to:								
Public Employees Retirement System		38,400.00		38,400.00	38,400.00			
Social Security (O.A.S.I.)		38,600.00		38,600.00	37,771.79	828.21		
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et seq.)		350.00		350.00	448.26			98.26
Total Statutory Expenditures	D-1	77,350.00		77,350.00	76,620.05	828.21		98.26
		\$ 1,310,138.79	\$ -	\$ 1,310,138.79	\$ 1,278,774.94	\$ 31,462.11		\$ 98.26
Ref.	D-3			Ref.	D	D		D-11
Disbursed Encumbrances				D-5	\$ 1,186,038.95			
Accrued Interest on Bonds				D-17	9,026.20			
				D-20	83,709.79			
					\$ 1,278,774.94			

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

SECTION E
SOLID WASTE UTILITY FUND

BOROUGH OF CHATHAM

SOLID WASTE UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

<u>Assets</u>	<u>Ref.</u>	<u>December 31,</u>	
		<u>2014</u>	<u>2013</u>
Solid Waste Operating Fund:			
Cash - Treasurer	E-4	\$ 294,118.07	\$ 264,119.32
Receivables with Full Reserves:			
Consumers' Accounts Receivable	E-7	<u>10,101.51</u>	<u>8,286.23</u>
Total Solid Waste Operating Fund		<u>304,219.58</u>	<u>272,405.55</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>\$ 322,219.58</u>	<u>\$ 290,405.55</u>

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

BOROUGH OF CHATHAM
SOLID WASTE UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
(CONCLUDED)

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>December 31,</u>	
		<u>2014</u>	<u>2013</u>
Solid Waste Operating Fund :			
Liabilities :			
Appropriation Reserves	E-3,10	\$ 55,697.92	\$ 14,693.68
Reserve for Encumbrances	E-11	7,593.44	11,784.00
Interfund Accounts Payable	E-12	53,344.43	40,775.31
Utility Charges Overpayments	E-13	<u>922.10</u>	<u>1,508.12</u>
		117,557.89	68,761.11
Reserve Receivables		10,101.51	8,286.23
Fund Balance	E-1	<u>176,560.18</u>	<u>195,358.21</u>
Total Solid Waste Operating Fund		<u>304,219.58</u>	<u>272,405.55</u>
Solid Waste Capital Fund :			
Reserve for Amortization	E-15	<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>\$ 322,219.58</u>	<u>\$ 290,405.55</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 2014</u>	<u>Year 2013</u>
Operating Fund Balance Utilized	E-1,2	\$ 49,554.21	\$ -
Solid Waste User Fees	E-2	486,950.77	492,557.80
Recycling Tonnage Grant	E-2	17,546.79	28,996.97
Miscellaneous	E-2	2,969.57	2,916.18
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	E-10	11,725.26	37,503.57
Total Income		<u>568,746.60</u>	<u>561,974.52</u>
 <u>Expenditures</u> 			
Budgetary and Emergency Appropriations:			
Operating	E-3	491,801.00	462,858.00
Capital Improvements	E-3	16,400.00	-
Statutory Expenditures	E-3	10,900.00	10,440.00
Refund of Prior Year Revenue	E-4	18,889.42	-
Total Expenditures		<u>537,990.42</u>	<u>473,298.00</u>
Excess in Revenue		30,756.18	88,676.52
Fund Balance January 1	E	195,358.21	106,681.69
		226,114.39	195,358.21
Decreased by :			
Utilization by Solid Waste Operating Budget	E-1	49,554.21	-
Fund Balance December 31	E	<u>\$ 176,560.18</u>	<u>\$ 195,358.21</u>

BOROUGH OF CHATHAM
SOLID WASTE UTILITY FUND
STATEMENT OF REVENUES - REGULATORY BASIS

	<u>Ref.</u>	<u>Budget Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Operating Fund Balance Utilized	E-1	\$ 49,554.21	\$ 49,554.21	\$ -
Solid Waste User Fees	E-1,2	450,000.00	486,950.77	36,950.77
Recycling Tonnage Grant	E-1,12	17,546.79	17,546.79	-
Miscellaneous	E-1,2	<u>2,000.00</u>	<u>2,969.57</u>	<u>969.57</u>
	E-3	<u>\$ 519,101.00</u>	<u>\$ 557,021.34</u>	<u>\$ 37,920.34</u>
<u>Analysis of Realized Revenue</u>	<u>Ref.</u>			
Rents :				
Consumer Accounts Receivable	E-7	\$ 485,442.65		
Prepaid Water Charges Applied	E-7	<u>1,508.12</u>		
	E-2		<u>\$ 486,950.77</u>	
Miscellaneous :				
Interest on Investments - Operating		\$ 878.95		
Interest on Delinquent User Fees		<u>2,090.62</u>		
	E-2,4		<u>2,969.57</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

	Ref.	Budget Appropriations	Transfers	Budget After Transfers	Paid or Charged	Expended Reserved
Operating :						
Salaries and Wages		\$ 100,900.00	\$ -	\$ 100,900.00	\$ 99,052.07	\$ 1,847.93
Other Expenses		390,901.00		390,901.00	353,628.36	37,272.64
Total Operating	E-1	491,801.00		491,801.00	452,680.43	39,120.57
Capital Improvement :						
Capital Outlay		16,400.00		16,400.00		16,400.00
Total Capital Improvement	E-1	16,400.00		16,400.00		16,400.00
Statutory Expenditures :						
Contribution:						
Public Employees Retirement System		3,000.00		3,000.00	3,000.00	-
Social Security (O.A.S.I.)		7,400.00		7,400.00	7,222.65	177.35
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et seq.)		500.00		500.00	500.00	-
Total Statutory Expenditures	E-1	10,900.00		10,900.00	10,722.65	177.35
		\$ 519,101.00	\$ -	\$ 519,101.00	\$ 463,403.08	\$ 55,697.92
Ref.	E-2			Ref.		E
			Disbursed	E-4	\$ 455,809.64	
			Encumbrances	E-11	7,593.44	
					\$ 463,403.08	

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

<u>Assets</u>	<u>Ref.</u>	<u>December 31,</u>	
		<u>2014</u>	<u>2013</u>
Cash - Treasurer			
Public Assistance Fund No. 1	F-1	\$ 7,156.08	\$ 9,792.86
Public Assistance Fund No. 2	F-1	<u>17,867.01</u>	<u>17,867.01</u>
		<u>\$ 25,023.09</u>	<u>\$ 27,659.87</u>
 <u>Liabilities and Reserves</u>			
Reserve for Public Assistance Fund No. 1	F-2	\$ 7,156.08	\$ 9,792.86
Reserve for Public Assistance Fund No. 2	F-2	<u>17,867.01</u>	<u>17,867.01</u>
		<u>\$ 25,023.09</u>	<u>\$ 27,659.87</u>

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

SECTION G
GENERAL FIXED ASSETS ACCOUNT GROUP

BOROUGH OF CHATHAM

GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	<u>December 31,</u>	
	<u>2014</u>	<u>2013</u>
General Fixed Assets:		
Land	\$ 34,763,600.18	\$ 35,864,600.00
Buildings	31,208,867.76	31,476,859.60
Machinery and Equipment	<u>8,493,394.50</u>	<u>8,393,340.72</u>
	<u>\$ 74,465,862.44</u>	<u>\$ 75,734,800.32</u>
 Investments in General Fixed Assets	 <u>\$ 74,465,862.44</u>	 <u>\$ 75,734,800.32</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, 2014 AND 2013
(CONTINUED)

Note 1: 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, 2014 AND 2013
(CONTINUED)

Note 1: 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, 2014 AND 2013
(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 54:5 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, 2014 AND 2013
(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. 5:305.6.

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, 2014 AND 2013
(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, 2014 and 2013:

	<u>Balance as of</u> <u>December 31, 2013</u>	<u>Additions/</u> <u>Transfers</u>	<u>Disposal /</u> <u>Transfers</u>	<u>Balance as of</u> <u>December 31, 2014</u>
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>\$76,783,494.33</u>	<u>\$197,673.55</u>	<u>\$ 946,367.56</u>	<u>\$74,465,862.44</u>

	<u>Balance as of</u> <u>December 31, 2012</u>	<u>Additions/</u> <u>Transfers</u>	<u>Disposal/</u> <u>Transfers</u>	<u>Balance as of</u> <u>December 31, 2013</u>
Land	\$36,066,327.11	\$	\$201,727.11	\$35,864,600.00
Buildings	31,947,142.05		470,282.45	31,476,859.60
Machinery and Equipment	<u>8,470,025.17</u>	<u>197,673.55</u>	<u>274,358.00</u>	<u>8,393,340.72</u>
	<u>\$76,483,494.33</u>	<u>\$ 197,673.55</u>	<u>\$946,367.56</u>	<u>\$75,734,800.32</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, 2014 AND 2013
(CONTINUED)

Note I: Summary of Significant Accounting Policies (Continued)

G. Recent Accounting Pronouncements Not Yet Effective

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68 "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27". This statement, which is effective for fiscal periods beginning after June 15, 2014, 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 cost-sharing defined benefit plans reported at the State of New Jersey level.

In November 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment to GASB Statement No. 68". The provisions of this statement are required to be applied simultaneously with the provisions of Statement 68 which is effective for periods beginning after June 15, 2014. The provisions of this statement will require significant modifications to the disclosure requirements related to the entity's proportionate share of the cost-sharing defined 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 2014 statutory budget included a reserve for uncollected taxes in the amount of \$1,720,576.67. To balance the budget, the municipality is permitted to utilize fund balance. The amount of fund balance utilized to balance the 2014 statutory budgets were as follows:

Current Fund	\$2,195,000.00
Water Utility Operating Fund	50,138.79
Solid Waste Utility Operating Fund	49,554.21

BOROUGH OF CHATHAM

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

Note I: Summary of Significant Accounting Policies (Continued)

G. Recent Accounting Pronouncements Not Yet Effective

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BOROUGH OF CHATHAM

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

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, 2014 the Borough of Chatham's cash and cash equivalents amounted to \$9,775,395.29. Of this amount, \$750,000.00 was covered by federal depository insurance (F.D.I.C.) and \$8,878,210.92 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 \$147,184.37 included in Developers' Escrow deposits is covered.

At December 31, 2014 the Borough of Chatham's 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, 2014, \$147,184.37 of the Borough of Chatham's cash and cash equivalents of \$9,775,395.29 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$147,184.37
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BOROUGH OF CHATHAM

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

Note 11: 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 11.F.1. at December 31, 2014.

BOROUGH OF CHATHAM

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(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, 2014 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
2014		<u>433,209.25</u>
		<u>\$ 444,951.79</u>

The years 1976 through 1989 are bankrupt properties.

C. Interfund Receivables and Payables

As of December 31, 2014 interfund receivables and payables resulting from various interfund transactions were as follows:

	<u>Due From</u> <u>Other Funds</u>	<u>Due to</u> <u>Other Funds</u>
Current Fund	\$ 75,430.29	\$ 643,336.85
Federal and State Grants Fund	107,017.83	
Trust Funds:		
Other Trust Fund	454,734.93	40,292.80
General Capital Fund	112,500.00	3,814.88
Water Utility Fund:		
Operating Fund	4,553.59	10,179.79
Capital Fund		1,267.89
Solid Waste Utility Fund:		
Operating Fund		53,344.43
Payroll Account	<u>-0-</u>	<u>2,000.00</u>
	<u>\$ 754,236.64</u>	<u>\$ 754,236.64</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, 2014 AND 2013
(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, 2014 the following deferred charges are shown on the balance sheets of the various funds:

	<u>Balance</u> <u>Dec. 31,</u> <u>2014</u>	<u>2015 Budget</u> <u>Appropriation</u>	<u>Balance to</u> <u>Succeeding</u> <u>Budgets</u>
Current Fund:			
Special Emergency	\$68,976.00	\$ 44,976.00	\$24,000.00
Authorizations (40A:4-55)			
Expenditure without Grant Appropriation	1,215.13	1,215.13	-0-

The appropriations in the 2015 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, 2014 were \$55,880.37. Future minimum lease payments are as follows:

<u>Year ended</u>	<u>Amount</u>
December 31, 2015	\$55,880.37
December 31, 2016	11,177.52
December 31, 2017	<u>2,232.00</u>
Total future minimum lease payments	<u>\$69,289.89</u>

BOROUGH OF CHATHAM
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(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 2013 consisted of the following:

	Balance Dec. 31, 2013	Issued	Retired	Balance Dec. 31, 2014	Amounts Due Within One Year
Bonds Payable:					
General	\$ 11,902,000.00	\$ -	\$ 1,385,000.00	\$ 10,517,000.00	\$ 1,395,000.00
Water Utility	2,407,000.00		235,000.00	2,172,000.00	247,000.00
Solid Waste Utility					
NJ Environmental Infrastructure Loan:					
General	1,299,135.00	-	101,816.09	1,197,318.91	101,816.09
	<u>\$ 15,608,135.00</u>	<u>\$ -</u>	<u>\$ 1,721,816.09</u>	<u>\$ 13,886,318.91</u>	<u>\$ 1,743,816.09</u>

Short-term financing as of December 31, 2013 and 2012 consisted of the following:

	Balance Dec. 31, 2013	Issued	Retired	Balance Dec. 31, 2014	Amounts Due Within One Year
Bond Anticipation Notes:					
General	\$ 1,307,330.00	\$ 2,131,330.00	\$ 1,307,330.00	\$ 2,131,330.00	\$ 2,131,330.00
Water Utility	534,900.00	633,200.00	534,900.00	633,200.00	633,200.00
Solid Waste Utility	-	-	-	-	-
	<u>\$ 1,842,230.00</u>	<u>\$ 2,764,530.00</u>	<u>\$ 1,842,230.00</u>	<u>\$ 2,764,530.00</u>	<u>\$ 2,764,530.00</u>

Summary of Municipal Debt

	Year 2014	Year 2013	Year 2012
Issued			
General:			
Bonds, Loans and Notes	\$ 13,845,648.91	\$ 14,508,465.00	\$ 15,228,624.09
Water Utility:			
Bonds and Notes	<u>2,805,200.00</u>	<u>2,407,000.00</u>	<u>2,632,000.00</u>
Total Issued	<u>16,650,848.91</u>	<u>16,915,465.00</u>	<u>17,860,624.09</u>
Net Debt Issued	<u>16,650,848.91</u>	<u>16,915,465.00</u>	<u>17,860,624.09</u>
Authorized but not Issued			
General:			
Bonds and Notes	1,995,749.00	661,749.00	981,956.00
Water Utility:			
Bonds and Notes	<u>1,006.17</u>	<u>1,006.17</u>	<u>245,606.17</u>
Total Authorized but Not Issued	<u>1,996,755.17</u>	<u>662,755.17</u>	<u>1,227,562.17</u>
Net Bonds and Notes Issued and Authorized but not Issued	<u>\$ 18,647,604.08</u>	<u>\$ 17,578,220.17</u>	<u>\$ 19,088,186.26</u>

BOROUGH OF CHATHAM

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(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 .691 %.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School District Debt	\$ 12,468,814.48	\$ 12,468,814.48	\$ -
Water Utility Debt	2,806,206.17	2,806,206.17	-
General Debt	<u>15,841,397.91</u>	<u>-</u>	<u>15,841,397.91</u>
	<u>\$ 31,116,418.56</u>	<u>\$ 15,275,020.65</u>	<u>\$ 15,841,397.91</u>

Net Debt \$15,841,397.91 divided by Equalized Valuation Basis
per N.J.S.A. 40A:2-2 as amended, \$2,290,894,100.00 = 0.691%

Borrowing Power Under N.J.S.A. 40a:2-6 As Amended

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 80,181,293.50
Net Debt	<u>15,841,397.91</u>
Remaining Borrowing Power	<u>\$ 64,339,895.59</u>

BOROUGH OF CHATHAM
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(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		\$ 1,620,921.83
Deductions:		
Operating and Maintenance Cost	\$ 966,429.00	
Debt Service per Water Account	<u>333,709.79</u>	
Total Deductions		<u>1,300,138.79</u>
 Excess in Revenue-Self Liquidating		 <u>\$ 320,783.04</u>

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		\$ 557,021.34
Deductions:		
Operating and Maintenance Cost	\$ 502,701.00	
Debt Service per Solid Waste Account	<u>-</u>	
Total Deductions		<u>502,701.00</u>
 Excess in Revenue-Self Liquidating		 <u>\$ 54,320.34</u>

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, 2014 AND 2013
(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, 2014 consisted of the following:

<u>Description</u>	<u>Interest Rate</u>	<u>Due Date</u>	<u>Maturity Date</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
General of 2011	Multiple	8/15	2023	\$ 5,819,000.00	\$ 4,799,000.00
General of 2006	Multiple	12/15	2021	8,170,000.00	4,460,000.00
General of 2002	Multiple	8/1	2017	5,058,000.00	1,258,000.00
				<u>19,047,000.00</u>	<u>10,517,000.00</u>
Water of 2011	Multiple	8/15	2023	916,000.00	766,000.00
Water of 2006	Multiple	12/15	2026	945,000.00	700,000.00
Water of 2002	Multiple	8/1	2022	1,274,000.00	624,000.00
Water of 1995	Multiple	3/1	2015	1,287,000.00	82,000.00
				<u>4,422,000.00</u>	<u>2,172,000.00</u>
				<u>\$ 23,469,000.00</u>	<u>\$ 12,689,000.00</u>

BOROUGH OF CHATHAM
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(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	
2015	\$ 1,395,000.00	\$ 320,195.00	\$ 247,000.00	\$ 72,510.50	\$ 2,034,705.50
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>\$ 10,517,000.00</u>	<u>\$ 1,394,117.50</u>	<u>\$ 2,172,000.00</u>	<u>\$ 405,914.25</u>	<u>\$ 14,489,031.75</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	0.49%	7/23/14	7/23/15	\$ 795,130.00
Ord. 13-09	Various Improvements	0.49%	7/23/14	7/23/15	412,200.00
Ord. 14-04	Various Improvements	0.49%	7/23/14	7/23/15	924,000.00
	Total General Capital				<u>2,131,330.00</u>
Water Capital:					
Ord. 12-07	Various Improvements	0.49%	7/23/14	7/23/15	229,600.00
Ord. 13-08	Various Improvements	0.49%	7/23/14	7/23/15	290,300.00
Ord. 14-05	Various Improvements	0.49%	7/23/14	7/23/15	113,300.00
	Total Water Capital				<u>633,200.00</u>
					<u>\$ 2,764,530.00</u>

3. Bonds Authorized but not Issued

As of December 31, 2014 the Borough of Chatham had authorized but not issued bonds as follows:

General Capital Fund	\$ 1,995,749.00
Water Utility Capital Fund	\$ 1,006.17

BOROUGH OF CHATHAM

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(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>

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

Calendar Year	Loan Number 1		Loan Number 2		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 78,495.75	\$ 15,855.00	\$ 23,320.34	\$ 9,905.00	\$ 101,816.09	\$ 27,775.00
2016	83,495.75	15,105.00	23,320.34	9,405.00	106,816.09	26,526.00
2017	83,495.75	14,105.00	23,320.34	8,905.00	106,816.09	25,027.00
2018	83,495.75	13,105.00	23,320.34	8,405.00	106,816.09	23,528.00
2019	83,495.75	12,105.00	28,320.34	7,905.00	111,816.09	22,029.00
2020	83,495.75	11,305.00	28,320.34	7,305.00	111,816.09	20,630.00
2021	83,495.75	10,305.00	28,320.34	6,555.00	111,816.09	18,881.00
2022	88,495.75	9,705.00	28,320.34	6,105.00	116,816.09	17,832.00
2023	71,091.50	8,705.00	28,320.34	5,505.00	99,411.84	16,233.00
2024	25,000.00	7,705.00	28,320.34	4,905.00	53,320.34	14,634.00
2025	13,456.00	6,705.00	28,320.34	4,305.00	41,776.34	13,035.00
2026			28,320.34	3,705.00	28,320.34	5,731.00
2027			33,320.34	3,180.00	33,320.34	5,207.00
2028			33,320.34	2,380.00	33,320.34	4,408.00
2029	-	-	33,320.65	1,580.00	33,320.65	3,609.00
	<u>\$ 777,513.50</u>	<u>\$ 124,705.00</u>	<u>\$ 419,805.41</u>	<u>\$ 90,050.00</u>	<u>\$ 1,197,318.91</u>	<u>\$ 245,085.00</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 and 2.

BOROUGH OF CHATHAM

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

Note II: Detailed Notes On All Funds (Continued)

H. Fund Balance Appropriated

Fund balances at December 31, 2014, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2015 were as follows:

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

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. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service for pension benefits.

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. Membership is mandatory for such employees with vesting occurring after 10 years of membership.

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 (NJSA 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 NJSA 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

BOROUGH OF CHATHAM

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

Note III: Pension Plans (Continued)

Retirement Benefits

For PERS employees, the benefits will be 1/55 of the average of the three highest year compensation for each year of service. However, for PERS who are veterans of the U.S. armed forces, the benefits will be 1/55 of final compensation for each year of service.

For PFRS employees, the benefits will be various percentages of final compensation depending upon the number of years of service.

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).

Funding Status and Funding Progress

As of July 31, 2013, the most recent actuarial valuation date, the aggregate funded ratio for the retirement systems (TPAF, PERS, PFRS, POPF, CPFPPF, JRS, and SPRS) is 62.8 percent with an unfunded actuarial accrued liability of \$51.0 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 54.2 percent and \$37.3 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and PFRS is 75.4 percent and \$13.7 billion.

BOROUGH OF CHATHAM

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

Note III: Pension Plans (Continued)

The required supplementary information regarding the funded status and funding progress of the retirement systems is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

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.

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, 2014 was \$5,605,721.44 and covered payroll was \$2,263,119.00 for PERS, \$2,065,370.00 for PFRS and \$29,385.08 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:

		<u>PERS</u>	Percent of <u>Covered</u> <u>Payroll</u>	<u>PFRS</u>	Percent of <u>Covered</u> <u>Payroll</u>	<u>DCRP</u>	Percent of <u>Covered</u> <u>Payroll</u>
Employees	12/31/12	\$148,809.98	6.57%	\$193,877.30	10.11%	\$1,721.12	5.50%
	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%
Borough of Chatham	12/31/12	\$324,745.00	13.43%	\$624,788.00	30.10%	\$ 938.79	3.00%
	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%

BOROUGH OF CHATHAM
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

Note IV: 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.

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 \$41.8 million for the state fiscal year 2014 to provide benefits under Chapter 330 to qualified retirees.

PERS employees do not receive past retirement medical benefits.

Note V: Deferred Compensation Plan

The Borough of Chatham offers its employees a deferred compensation plan (the "Plan") created in accordance with Section 457 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 \$17,500.00 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, 2013 and 2014, the employees' contributions to the plan were \$138,268.68, and \$145,882.06, respectively.

BOROUGH OF CHATHAM

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

Note VI: 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.

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, 2014 AND 2013
(CONTINUED)

Note VII: 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, 2014 was as follows:

	Water Utility Fund	Solid Waste Utility Fund
Operating Revenues	\$1,568,050.71	\$506,588.18
Operating Income or (Loss)	601,621.71	3,887.18
Operating Transfers in	694.21	
Net Income or (Loss)	365,189.26	30,756.18
Fixed Assets:		
Additions	-0-	-0-
Net Working Capital	848,288.60	186,661.69
Total Operating Assets	924,507.42	304,218.58
Operating Fund Balance	758,378.53	176,560.18
Long Term Debt	2,172,000.00	-0-
Short Term Debt	634,206.17	-0-

Note VIII: 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 \$857,461.96. 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 IX: Related Party Transactions

In 2014 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 \$598,329.00 to the Joint Meeting in 2014 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 2014 Mayor Bruce A. Harris also served as a Trustee for the Library of the Chathams. The Borough of Chatham contributed \$843,735.00 to the Library of the Chatham's in 2014.

BOROUGH OF CHATHAM

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

Note X: 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 XI: Subsequent Events

The Borough of Chatham has evaluated subsequent events through March 31, 2015, the date which the financial statements were available to be issued and no additional items were noted for disclosure or adjustment.

Note XII: 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 \$20,000.00 and \$20,000.00 in 2014 and 2013 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 compensation amounts held by the financial institution, until paid or made available to the employees or 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 2014</u>		<u>Year 2013</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%	\$2,000,000.00	4.49%
Miscellaneous-From other than Local Property Tax Levies	4,124,136.64	9.06%	3,811,442.10	8.56%
Collection of Delinquent Taxes and Tax Title Liens	333,210.67	0.73%	363,232.07	0.82%
Collection of Current Tax Levy	38,691,948.94	85.04%	38,127,938.45	85.62%
Other Credits to Income	156,171.61	0.34%	229,718.49	0.52%
Total Income	<u>45,500,467.86</u>	<u>100.00%</u>	<u>44,532,331.11</u>	<u>100.00%</u>
<u>Expenditures</u>				
Budget Expenditures:				
Municipal Purposes	12,429,138.02	28.82%	11,941,417.23	28.24%
Borough Open Space Tax	103,151.31	0.24%	103,046.66	0.24%
County Taxes	5,860,168.50	13.59%	5,810,678.20	13.74%
Regional School Taxes	24,719,456.00	57.32%	24,279,806.00	57.42%
Other Expenditures	16,491.86	0.04%	149,999.77	0.35%
Total Expenditures	<u>43,128,405.69</u>	<u>100.00%</u>	<u>42,284,947.86</u>	<u>100.00%</u>
Excess in Revenue	2,372,062.17		2,247,383.25	
Fund Balance January 1	<u>2,363,374.80</u>		<u>2,115,991.55</u>	
	4,735,436.97		4,363,374.80	
Less:				
Utilization as Anticipated Revenue	<u>2,195,000.00</u>		<u>2,000,000.00</u>	
Fund Balance December 31	<u>\$2,540,436.97</u>		<u>\$2,363,374.80</u>	

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

	<u>Year 2014</u>		<u>Year 2013</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$ 50,138.79	2.99%	\$ 17,113.89	1.06%
Collection of Water Rents	1,544,414.19	92.19%	1,469,101.60	91.00%
Miscellaneous	26,368.85	1.57%	13,912.21	0.86%
Other Credits to Income	54,406.22	3.25%	114,204.65	7.07%
Total Income	<u>1,675,328.05</u>	<u>100.00%</u>	<u>1,614,332.35</u>	<u>100.00%</u>
<u>Expenditures</u>				
Budget Expenditures:				
Operating	889,079.00	67.86%	875,376.00	68.54%
Capital Improvements	10,000.00	0.76%	10,000.00	0.78%
Debt Service	333,709.79	25.47%	312,747.89	24.49%
Statutory Expenditures	77,350.00	5.90%	78,990.00	6.19%
Total Expenditures	<u>1,310,138.79</u>	<u>100.00%</u>	<u>1,277,113.89</u>	<u>100.00%</u>
Excess in Revenue	365,189.26		337,218.46	
Fund Balance January 1	<u>443,328.06</u>		<u>153,223.49</u>	
	808,517.32		490,441.95	
Less:				
Utilization as Anticipated Revenue	50,138.79		17,113.89	
Utilization by Current Budget	<u>-</u>		<u>30,000.00</u>	
Fund Balance December 31	<u>\$ 758,378.53</u>		<u>\$ 443,328.06</u>	

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

	<u>Year 2014</u>		<u>Year 2013</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$ 49,554.21	8.71%	\$ -	0.00%
Collection of Solid Waste User Fees	486,950.77	85.62%	492,557.80	87.65%
Miscellaneous	20,516.36	3.61%	31,913.15	5.68%
Other Credits to Income	11,725.26	2.06%	37,503.57	6.67%
Total Income	<u>568,746.60</u>	<u>100.00%</u>	<u>561,974.52</u>	<u>100.00%</u>
<u>Expenditures</u>				
Budget Expenditures:				
Operating	491,801.00	91.41%	462,858.00	97.79%
Capital Improvements	16,400.00	3.05%		0.00%
Statutory Expenditures	10,900.00	2.03%	10,440.00	2.21%
Other Charges	18,889.42	3.51%	-	0.00%
Total Expenditures	<u>537,990.42</u>	<u>100.00%</u>	<u>473,298.00</u>	<u>100.00%</u>
Excess in Revenue	30,756.18		88,676.52	
Fund Balance January 1	<u>195,358.21</u>		<u>106,681.69</u>	
	226,114.39		195,358.21	
Less:				
Utilization as Anticipated Revenue	<u>49,554.21</u>		<u>-</u>	
Fund Balance December 31	<u>\$ 176,560.18</u>		<u>\$ 195,358.21</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

<u>Year</u>	<u>Assessed Valuation</u>	<u>Apportionment of Tax Rate</u>				<u>Regional School</u>
		<u>Total</u>	<u>Municipal</u>	<u>Municipal Open Space</u>	<u>County</u>	
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
2005	2,031,217,435	3.309	0.681	0.010	0.606	2.012

(1) Revaluation Effective

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 Collection</u>	<u>Percentage of Collection</u>
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%
2005	28,293,299.00	27,997,342.24	98.95%

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>
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%
2005	3,128.29	305,166.58	308,294.87	1.08%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

No properties have been acquired in 2014 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>
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
2005	32,200.00

COMPARISON OF WATER UTILITY LEVIES

<u>Year</u>	<u>Levy</u>	<u>Cash Collection</u>
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
2005	1,116,779.61	1,103,696.87

COMPARISON OF SOLID WASTE UTILITY LEVIES

<u>Year</u>	<u>Levy</u>	<u>Cash Collection</u>
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
2005	333,269.20	334,890.06

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>Year</u>	<u>Balance Dec. 31</u>	<u>Utilized In Budget of Succeeding Year</u>
Current Fund	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
	2005	3,717,472.83	3,300,000.00
Water Utility Operating Fund	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
	2005	171,300.38	48,011.11
Solid Waste Utility Operating Fund	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
	2005	53,049.61	41,799.35

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	
Susan Caljean	Borough Clerk (To 3/14/14)	
	Deputy Registrar (To 3/14/14)	
Robin R. Kline	Borough Clerk (From 6/11/14)	
	Deputy Registrar (From 6/11/14)	
Michael Mariniello	Chief Financial Officer (To 9/30/14)	
Timothy B. Day	Chief Financial Officer (From 10/16/14)	
Tyrina Cittrich	Assistant Financial Officer	
Madeline L. Polidor-LeBoeuf	Collector of Taxes	See Below
	Tax Search Officer	
Therese DePiereo	Tax Assessor	
Cheri Morris	Utilities Collector	See Below
Anne Mandal	Registrar	
	Purchasing Officer	
	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, 2013	A		\$ 4,383,527.44
Increased by Receipts:			
Miscellaneous Revenue Not Anticipated	A-2	\$ 764,423.02	
NJDOT Municipal Aid Program	A-2	\$ 165,000.00	
Tax Collector	A-5	39,195,792.98	
Amount Due from State for Senior Citizens' and Veterans' Deductions	A-8	46,500.00	
Revenue Accounts Receivable	A-12	2,939,187.13	
Interfund Accounts Receivable	A-13	25,044.00	
Interfund Accounts Payable	A-18	117,479.51	
Unappropriated Reserves	A-23	20,976.00	
Other Liabilities and Reserves	A-24	<u>308,816.01</u>	
			<u>43,583,218.65</u>
			47,966,746.09
Decreased by Disbursements :			
Refund of Prior Year Tax Appeal	A-1	2,787.89	
Refund of Prior Year Revenue	A-1	8,158.61	
2014 Budget Appropriations	A-3	11,648,136.87	
Interfund Accounts Receivable	A-13	2,000.00	
Deferred Charges	A-15	1,215.13	
2013 Appropriation Reserves	A-16	252,742.10	
Interfund Accounts Payable	A-18	479,997.78	
Tax Overpayments Refunded	A-20	21,246.62	
Other Liabilities and Reserves	A-24	630,504.01	
Regional District School and County Taxes	A-25	<u>30,579,624.50</u>	
			<u>43,626,413.51</u>
Balance December 31, 2014	A		<u>\$ 4,340,332.58</u>

BOROUGH OF CHATHAM
 CURRENT FUND
SCHEDULE OF CASH - TAX COLLECTOR

	<u>Ref.</u>	
Increased by Receipts :		
Taxes Receivable	A-9	\$ 38,804,202.30
Revenue Accounts Receivable	A-12	119,346.27
Prepaid Taxes	A-19	220,267.17
Tax Overpayments	A-20	<u>51,977.24</u>
		<u>\$ 39,195,792.98</u>
 Decreased by Disbursements :		
Paid to Treasurer	A-4	<u>\$ 39,195,792.98</u>

BOROUGH OF CHATHAM
CURRENT FUND
SCHEDULE OF CHANGE FUNDS

	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
Municipal Court	\$ 100.00	\$ 100.00
Clerk	<u>200.00</u>	<u>200.00</u>
	<u>\$ 300.00</u>	<u>\$ 300.00</u>
Ref.	A	A

SCHEDULE OF PETTY CASH

	<u>Ref.</u>	
Balance December 31, 2013	A	<u>\$ 400.00</u>
Balance December 31, 2014	A	<u>\$ 400.00</u>

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, 2013	A	\$ (24,306.39)
Increased by :		
Senior Citizens' Deductions Per Tax Billings	A-8	\$ 2,500.00
Veterans' Deductions Per Tax Billings	A-8	<u>44,000.00</u>
		<u>46,500.00</u>
		22,193.61
Decreased by :		
Received in Cash from State of New Jersey	A-4	46,500.00
Reimbursement Due to Taxation Audit	A-1	1,250.00
Senior Citizens' Deductions Disallowed by Tax Collector	A-8	370.55
Senior Citizens' Deductions Disallowed by Tax Collector - Prior Year	A-1	250.00
Veterans' Deductions Disallowed by Tax Collector	A-8	<u>750.00</u>
		<u>49,120.55</u>
Balance December 31, 2014	A	<u>\$ (26,926.94)</u>
 <u>Calculation of State's Share of Senior Citizens' and Veterans' Deductions</u>		
Senior Citizens' Deductions per Tax Billings	A-8	\$ 2,500.00
Veterans' Deductions per Tax Billings	A-8	44,000.00
Senior Citizens' Deductions Disallowed by Tax Collector	A-8	(370.55)
Veterans' Deductions Disallowed by Tax Collector	A-8	<u>(750.00)</u>
	A-9	<u>\$ 45,379.45</u>

BOROUGH OF CHATHAM

CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF 2014 PROPERTY TAX LEVY

Year	Balance Dec. 31, 2013	Added Taxes	2014 Levy	2013 Collections	2014 Collections	State's Share of Senior Citizens' and Veterans' Deductions	Cancelled	Transferred to Tax Title Liens	Balance Dec. 31, 2014
1976	\$ 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
2013	<u>335,116.03</u>	250.00			333,210.67		2,155.36		
	<u>346,858.57</u>	250.00	39,135,443.63	175,577.86	38,470,991.63	45,379.45	9,708.75	576.69	433,209.25
2014		\$ 250.00	\$ 39,135,443.63	\$ 175,577.86	\$ 36,804,202.30	\$ 45,379.45	\$ 11,864.11	\$ 576.69	\$ 444,951.79

Ref. A

A-2.19

A-2.5

A-2.8

A-10

A

Analysis of 2014 Property Tax Levy

Tax Yield :

General Purpose Tax	\$ 39,016,621.25
Business Personality Tax	<u>21,735.43</u>
	\$ 39,038,356.68

Added Taxes (54:4-63.1 et seq.)

	<u>97,086.95</u>
	\$ 39,135,443.63

Tax Levy :

Regional School District Tax (Abstract)	
County Taxes (Abstract)	\$ 5,612,990.65
County Open Space Preservation (Abstract)	<u>232,580.65</u>
Amount Due to County for Added Taxes (54:4-63.1 et seq.)	14,597.20
	\$ 24,719,456.00

Local Tax for Municipal Purposes (Abstract)	5,860,168.50
Local Tax for Library Purposes (Abstract)	7,518,208.15
Municipal Open Space	843,735.00
Amount Due to Municipal Open Space for Added Taxes	102,894.98
	256.33
Add : Additional Tax Levied	<u>90,724.67</u>
	8,555,819.13
	\$ 39,135,443.63

BOROUGH OF CHATHAM
 CURRENT FUND
SCHEDULE OF TAX TITLE LIENS

	<u>Ref.</u>	
Balance December 31, 2013	A	\$ 7,664.58
Increased by :		
Transferred from Taxes Receivable	A-9	<u>576.69</u>
Balance December 31, 2014	A	<u>\$ 8,241.27</u>

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES - ASSESSED VALUATION

	<u>Ref.</u>	
Balance December 31, 2013	A	<u>\$ 32,200.00</u>
Balance December 31, 2014	A	<u>\$ 32,200.00</u>

BOROUGH OF CHATHAM

CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

Ref.	Balance Dec. 31, 2013	Accrued in 2014	Collector	Collected by Treasurer	Balance Dec. 31, 2014
A-2	\$ -	\$ 15,400.00		\$ 15,400.00	\$ -
A-2	-	21,467.00		21,467.00	-
A-2	-	19,431.25		19,431.25	-
A-2	-	23,813.20		23,813.20	-
A-2	-	216.50		216.50	-
A-2	-	2,372.00		2,372.00	-
A-2	-	490.00		490.00	-
A-2	-	26,315.30	26,315.30		-
A-2	-	145.00	145.00		-
A-2	16,571.64	149,025.65		155,524.03	10,073.26
A-2	-	92,885.97	92,885.97		-
A-2	-	442,774.24		442,774.24	-
A-2	52,244.33	1,042,806.43		1,041,701.32	53,349.44
A-2	-	3,587.00		3,587.00	-
A-2	-	566,209.00		566,209.00	-
A-2	-	2,303.00		2,303.00	-
A-2	-	6,900.23		6,900.23	-
A-2	-	20,597.00		20,597.00	-
A-2	-	616,401.36		616,401.36	-
	<u>\$ 68,815.97</u>	<u>\$ 3,053,140.13</u>	<u>\$ 119,346.27</u>	<u>\$ 2,939,187.13</u>	<u>\$ 63,422.70</u>

Ref. A A-5 A-4 A

BOROUGH OF CHATHAM

CURRENT FUND
SCHEDULE OF INTERFUND ACCOUNTS RECEIVABLE

	Balance Dec. 31, 2013	Accrued in in 2014	Interfund Advance Originating in 2014	Received in 2014	Balance Dec. 31, 2014
Animal Control Fund - Interest	\$ -	\$ -	\$ -	\$ -	\$ -
Other Trust Funds:					
Interest	448.57	214.82	-	-	663.39
Uniform Construction Code Fees and Permits	-	11,873.15	-	5,044.00	6,829.15
Open Space (Debt Service)	28,764.56	-	-	-	28,764.56
	29,213.13	12,087.97	-	5,044.00	36,257.10
General Capital Fund - Interest	2,355.31	1,409.57	-	-	3,764.88
Water Operating Fund - Advance	30,179.79	-	-	20,000.00	10,179.79
Solid Waste Operating Fund - Advance	23,228.52	-	-	-	23,228.52
Payroll Account - FSA Shortfall	-	-	2,000.00	-	2,000.00
	\$ 84,976.75	\$ 13,497.54	\$ 2,000.00	\$ 25,044.00	\$ 75,430.29
Ref.	A		A-1,4	A-4	A
			Ref.		
		Interfund Advance Returned	A-1	\$ 20,000.00	
		Construction Code Official	A-2	5,044.00	
		Interest on Investments	A-2	-	
				\$ 25,044.00	

BOROUGH OF CHATHAM
CURRENT FUND
SCHEDULE OF OTHER ACCOUNTS RECEIVABLE

NOT APPLICABLE

BOROUGH OF CHATHAM
CURRENT FUND
SCHEDULE OF DEFERRED CHARGES

<u>Date</u> <u>Authorized</u>	<u>Purpose</u>	<u>Net Amount</u> <u>Authorized</u>	<u>1/5 of</u> <u>Net Amount</u> <u>Authorized</u>	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Authorized</u> <u>in 2014</u>	<u>Raised in</u> <u>2014</u> <u>Budget</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
	Special Emergency (N.J.S.A. 40A:4-55):						
10/24/2011	Hurricane Irene Damage	52,440.00	10,488.00	\$ 31,484.00		\$ 10,488.00	\$ 20,976.00
11/14/2011	Police Retirement Severance Liability	120,000.00	24,000.00	72,000.00		24,000.00	48,000.00
11/26/2012	Hurricane Sandy Damage	140,000.00	28,000.00	112,000.00		112,000.00	
	Expenditure Without Grant Appropriation			<u>13,515.21</u>	<u>1,215.13</u>	<u>13,515.21</u>	<u>1,215.13</u>
				<u>\$ 228,979.21</u>	<u>\$ 1,215.13</u>	<u>\$ 160,003.21</u>	<u>\$ 70,191.13</u>
	Ref.		A	A-4	A-3	A	

BOROUGH OF CHATHAM

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2013

OPERATIONS WITHIN "CAP"

Salaries and Wages :

	Balance Dec. 31, 2013	Transfers To/From	Transferred - Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Lapsed
General Administration	\$ 8.44	\$ -	\$ -	8.44	\$ -	8.44
Human Resources	377.65			377.65		377.65
Borough Clerk	1,070.40			1,070.40		1,070.40
Financial Administration	269.59			269.59		269.59
Collection of Taxes	669.56			669.56		669.56
Assessment of Taxes	25.30			25.30		25.30
Engineering Services and Costs	997.21			997.21		997.21
Municipal Land Use Law (N.J.S.A. 40:55D-1):						
Planning Board						
Zoning Costs	15.44			15.44		15.44
Police	15.44			15.44		15.44
Parking	13,805.14	(8,000.00)		5,805.14		5,805.14
Emergency Management Services	5,431.24	(5,000.00)		431.24		431.24
Fire	45.04			45.04		45.04
Fire Safety Official	2,306.03			2,306.03		2,306.03
Road Repairs and Maintenance	5,162.80			5,162.80		5,162.80
Vehicle Maintenance	6,792.79			6,792.79	6,792.79	
Board of Health	33.00			33.00		33.00
Environmental Commission	12,021.60	(12,000.00)		21.60		21.60
Recreation Services and Programs	14.24			14.24		14.24
Accumulated Leave Compensation	8,016.96	(7,000.00)		1,016.96		1,016.96
Sewerage Processing and Disposal	9,907.20	7,000.00		16,907.20	16,907.20	
Uniform Construction Code:	414.41			414.41		414.41
Code Enforcement and Administration	87.52			87.52		87.52
Other Expenses :						
General Administration	6.70			6.70		6.70
Human Resources	3,382.84	4,000.00	1,834.21	5,840.91	5,475.22	365.69
Mayor and Council	373.56			373.56		3,382.84
Borough Clerk	793.03			793.03	134.00	239.56
Financial Administration	172.35	1,000.00	360.00	1,153.03	950.39	202.64
Audit Services	16,700.00	(1,050.00)	9.90	1,182.25	410.84	771.41
Collection of Taxes	14.03	1,050.00		15,650.00		15,650.00
Assessment of Taxes	10.66	1,000.00		1,064.03	239.84	824.19
				1,010.66	600.00	410.66

BOROUGH OF CHATHAM

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2013

	Balance Dec. 31, 2013	Transfers To/From	Transferred - Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Lapsed
<u>Other Expenses: (Continued)</u>						
Legal Services and Costs	\$ 21,416.83	\$ -	\$ -	\$ 21,416.83	\$ 20,460.31	\$ 956.52
Engineering Services and Costs	1,625.57			1,625.57	1,222.73	402.84
Historical Preservation	493.75			493.75		493.75
Municipal Land Use Law (N.J.S.A. 40:55D-1)						
Planning Board	5,833.83		70.00	5,903.83	2,595.64	3,308.19
Zoning Costs	6,627.94			6,627.94	259.99	6,367.95
Insurance:						
Group Insurance - Hospital and Medical	8,734.07		51,317.48	60,051.55	51,317.48	8,734.07
Health Benefit Waiver	0.07			0.07		0.07
Unemployment Compensation Insurance	1,852.13			1,852.13		1,852.13
Police	28,168.03	(15,000.00)	8,276.13	21,444.16	12,512.23	8,931.93
Purchase of Police Vehicles	1,331.67			1,331.67		1,331.67
Police Dispatch	12,269.00			12,269.00		12,269.00
Parking	7,443.61	(5,000.00)	734.70	3,178.31	463.09	2,715.22
Emergency Management Services	695.10			695.10		695.10
Fire	16,216.10		17,236.88	33,452.98	31,158.02	2,294.96
Fire Safety Official	508.06		8.50	516.56	14.08	502.48
Road Repairs and Maintenance	944.06	10,000.00	1,417.45	12,361.51	12,037.97	323.54
Shade Tree Commission	1,078.00		6,210.00	7,288.00	6,210.00	1,078.00
Public Buildings and Grounds	953.79	3,000.00	625.33	4,579.12	3,909.33	669.79
Vehicle Maintenance	1,323.68		1,183.23	2,506.91	1,355.03	1,151.88
Community Services Act - Condo Costs	2,237.12			2,237.12		2,237.12
Board of Health	1,716.55		600.00	2,316.55	600.00	1,716.55
Environmental Commission	1,349.11		328.64	1,677.75	328.64	1,349.11
Animal Control Services	3.38			3.38		3.38
Recreation Services and Programs	7,282.83		14.10	7,296.93	1,114.10	6,182.83
Maintenance of Parks	3,834.29		92.85	3,927.14	1,015.44	2,911.70
Uniform Construction Code						
Code Enforcement and Administration	804.31		99.42	903.73	151.30	752.43

BOROUGH OF CHATHAM

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2013

	Balance Dec. 31, 2013	Transfers To/From	Transferred - Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Lapsed
<u>Other Expenses: (Continued)</u>						
<u>Utilities:</u>						
Electricity	\$ 6,408.52	\$ -	\$ 8,623.62	\$ 15,032.14	\$ 13,563.47	\$ 1,468.67
Street Lighting	3,663.65		6,211.34	9,874.99	6,208.61	3,666.38
Telephone and Telegraph	2,104.60	15,000.00	3,485.75	20,590.35	20,172.38	417.97
Natural Gas	853.21	5,000.00	229.95	6,083.16	6,062.14	21.02
Diesel Fuel, Fuel Oil	1,322.89			1,322.89		1,322.89
Sewerage Processing and Disposal	2,118.99		114.40	2,233.39	114.40	2,118.99
Gasoline		6,000.00	13,148.69	19,148.69	16,310.44	2,838.25
Contingent	536.88			536.88		536.88
Public Employees' Retirement System	17.00			17.00		17.00
Defined Contribution Retirement Program	2,000.00			2,000.00		2,000.00
Police and Firemen's Retirement System of N.J.	41.00			41.00		41.00
<u>OPERATIONS EXCLUDED FROM "CAP"</u>						
<u>Salaries and Wages:</u>						
Farmers Market	20.16			20.16		20.16
<u>Other Expenses:</u>						
Length of Service Award Program (N.J.S.A. 40A:4-453j)	20,000.00			20,000.00	12,075.00	7,925.00
Farmers Market	3,911.19			3,911.19		3,911.19
	<u>\$ 266,681.14</u>	<u>\$ -</u>	<u>\$ 122,232.57</u>	<u>\$ 388,913.71</u>	<u>\$ 252,742.10</u>	<u>\$ 136,171.61</u>

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

BOROUGH OF CHATHAM
 CURRENT FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance December 31, 2013	A	\$ 122,232.57
Increased by :		
2014 Budget Charges	A-3	<u>151,480.80</u>
		273,713.37
Decreased by :		
Transferred to 2013 Appropriation Reserves	A-16	<u>122,232.57</u>
Balance December 31, 2014	A	<u>\$ 151,480.80</u>

BOROUGH OF CHATHAM

CURRENT FUND
SCHEDULE OF INTERFUND ACCOUNTS PAYABLE

	Balance Dec. 31, 2013	Received in 2014	Accrued in 2014	Paid in 2014	Balance Dec. 31, 2014
Federal and State Grants Funds	\$ 84,610.14	\$ 20,579.51	\$ 2,500.00	\$ 31,537.73	\$ 76,151.92
Other Trust Funds:					
Open Space Fund - Levy	313,564.72		103,151.31	213,765.16	202,950.87
Accumulated Absences	28,829.06				28,829.06
Tax Sale Premiums	301,205.00	96,900.00	(175,200.00)		222,905.00
General Capital Fund	347,194.89	-	-	234,694.89	112,500.00
	<u>\$ 1,075,403.81</u>	<u>\$ 117,479.51</u>	<u>\$ (69,548.69)</u>	<u>\$ 479,997.78</u>	<u>\$ 643,336.85</u>

Ref. A A-4 A-4 A

Ref.

2014 Budget Revenue - Grants	A-2	\$ (19,136.22)
2014 Budget Appropriations - Grants	A-3	21,636.22
		<u>2,500.00</u>
Tax Sale Premium Due to Outside Lienholders	A-24	(175,200.00)
2014 Open Space Tax Levy	A-25	103,151.31
		<u>\$ (69,548.69)</u>

BOROUGH OF CHATHAM
 CURRENT FUND
SCHEDULE OF PREPAID TAXES

	<u>Ref.</u>	
Balance December 31, 2013	A	\$ 175,577.86
Increased by :		
2015 Taxes Paid	A-5	<u>220,267.17</u>
		395,845.03
Decreased by :		
Applied to Taxes Receivable	A-9	<u>175,577.86</u>
Balance December 31, 2014	A	<u>\$ 220,267.17</u>

BOROUGH OF CHATHAM
CURRENT FUND
SCHEDULE OF TAX OVERPAYMENTS

	<u>Ref.</u>	
Balance December 31, 2013	A	\$ 167,324.47
Increased by:		
Taxes Overpaid in 2014	A-5	<u>51,977.24</u>
		219,301.71
Decreased by:		
Refunded in 2014	A-4	<u>21,246.62</u>
Balance December 31, 2014	A	<u>\$ 198,055.09</u>

Analysis of Balance December 31, 2014

2014 Taxes	\$ 39,087.76
2013 Taxes	27,613.30
2012 Taxes	35,935.71
2011 Taxes	23,458.58
2010 Taxes	32,779.19
2009 Taxes	<u>39,180.55</u>
	<u>\$ 198,055.09</u>

A-21

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, 2013	A	\$ 198,836.70	\$ 112,000.00	\$ 5,666.70	\$ 6,170.00	\$ 75,000.00
Increased by:						
Received in 2014	A-4	<u>20,976.00</u>	<u>20,976.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
		219,812.70	132,976.00	5,666.70	6,170.00	75,000.00
Decreased by :						
Realized as Revenue in 2014	A-2	<u>112,000.00</u>	<u>112,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance December 31, 2014	A	<u>\$ 107,812.70</u>	<u>\$ 20,976.00</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

	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Received</u> <u>in 2014</u>	<u>Interfund</u> <u>Accounts</u> <u>Receivable</u>	<u>Paid</u> <u>in 2014</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
Amount Due to Outside Lienholders	\$ -	\$ 239,840.01	\$ 175,200.00	\$ 415,040.01	\$ -
Special Emergency Notes Payable	<u>215,464.00</u>	<u>68,976.00</u>	<u>-</u>	<u>215,464.00</u>	<u>68,976.00</u>
	<u>\$ 215,464.00</u>	<u>\$ 308,816.01</u>	<u>\$ 175,200.00</u>	<u>\$ 630,504.01</u>	<u>\$ 68,976.00</u>
Ref.	A	A-4	A-18	A-4	A

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

	Ref.	Balance <u>Dec. 31, 2013</u>	2014 Levy	Paid in 2014	Balance <u>Dec. 31, 2014</u>
Local Open Space	A-2	\$ -	\$ 102,894.98	\$ 102,894.98	\$ -
Amount Due Local Open Space for Added and Omitted Taxes - 2014	A-2		256.33	256.33	-
Amount Due Library for Added and Omitted Taxes - 2014	A-2		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		24,719,456.00	24,719,456.00	-
County Tax	A-2		5,612,990.65	5,612,990.65	-
County Open Space Preservation	A-2		232,580.65	232,580.65	-
Amount Due County for Added and Omitted Taxes - 2014	A-2	-	14,597.20	14,597.20	-
		<u>\$ 4,004.91</u>	<u>\$ 30,684,821.17</u>	<u>\$ 30,682,775.81</u>	<u>\$ 6,050.27</u>

A-1

A

Ref.

Disbursed	A-4	\$ 30,579,624.50
Interfund Accounts Payable	A-18	<u>103,151.31</u>
		<u>\$ 30,682,775.81</u>

BOROUGH OF CHATHAM

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

	<u>Ref.</u>	
Balance December 31, 2013	A	\$ 84,610.14
Increased by :		
Received in Current Fund		
- State Aid Receivable	A-27	\$ 1,238.94
- Unappropriated Reserves	A-29	19,340.57
2014 Budget Appropriations	A-28	<u>21,636.22</u>
		<u>42,215.73</u>
		126,825.87
Decreased by :		
2014 Budget Revenues		
- State Aid Receivable	A-27	-
- Unappropriated Reserves	A-29	19,136.22
Expended in Current Fund		
- Appropriated Reserves	A-28	<u>31,537.73</u>
		<u>50,673.95</u>
Balance December 31, 2014	A	<u>\$ 76,151.92</u>

A-26a

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

	<u>Ref.</u>	
Balance December 31, 2013	A	\$ 17,546.79
Increased by :		
Received in Solid Waste Operating Fund		
- Unappropriated Reserves	A-29	<u>30,115.91</u>
		47,662.70
Decreased by :		
2014 Budget Revenues in Solid Waste Operating Fund	A-29	<u>17,546.79</u>
Balance December 31, 2014	A	<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, 2013	A	<u>\$ 750.00</u>
Balance December 31, 2014	A	<u>\$ 750.00</u>

BOROUGH OF CHATHAM
 CURRENT FUND
SCHEDULE OF FEDERAL AND STATE AID RECEIVABLE

	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>2014 Budget</u> <u>Revenues</u>	<u>Received</u> <u>in Current</u> <u>Fund</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
Bulletproof Vest Program - Federal	\$ 738.94	\$ -	\$ 738.94	\$ -
Cool Cities Program Grant	1,887.76			1,887.76
Donations - Chatham Jaycees:				
Shade Tree Grant	<u>2,500.00</u>	<u>-</u>	<u>500.00</u>	<u>2,000.00</u>
	<u>\$ 5,126.70</u>	<u>\$ -</u>	<u>\$ 1,238.94</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, 2013	2014 Budget Appropriations	Expenditures in Current Fund	Balance Dec. 31, 2014
Drunk Driving Enforcement Fund	\$ 8,645.15	\$ -	\$ 1,071.39	\$ 7,573.76
Clean Communities Program	-	14,753.21	14,321.19	432.02
Alcohol Education and Rehabilitation Fund	2,018.22	263.87	-	2,282.09
Municipal Alliance on Alcoholism and Drug Abuse - Matching	-	2,500.00	2,500.00	-
Body Armor Replacement Fund	4,323.95	2,669.14	1,506.15	5,486.94
Sprout House Grant - Memorial Park	1,465.27	-	-	1,465.27
Sustainable Jersey Grant	12,000.00	-	10,823.52	1,176.48
NJCFC - Highlands Grant (Farmer's Market)	361.63	-	-	361.63
Bulletproof Vest Program - Federal	590.85	-	590.85	-
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	806.13	250.00	-	1,056.13
Donations - Chatham Jaycees:				
Farmer's Market	500.00	-	-	500.00
Community Garden Grant	675.37	-	-	675.37
Donations - Green Fair Event	24.63	700.00	724.63	-
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>\$ 71,350.62</u>	<u>\$ 21,636.22</u>	<u>\$ 31,537.73</u>	<u>\$ 61,449.11</u>
Ref.	A	A-26	A-26	A

BOROUGH OF CHATHAM

CURRENT FUND
 SCHEDULE OF UNAPPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS

	Balance Dec. 31, 2013	Received in Current Fund	Received in Solid Waste Operating Fund	Utilized as 2014 Budget Revenue	Balance Dec. 31, 2014	
				Current Fund	Solid Waste Operating Fund	
Recycling Tonnage Grant	\$ 17,546.79	\$ -	\$ 30,115.91	\$ -	\$ 17,546.79	\$ 30,115.91
Clean Communities Program	14,753.21	13,835.92		14,753.21		13,835.92
Alcohol Education and Rehabilitation Fund	263.87	354.48		263.87		354.48
Body Armor Replacement Fund	2,669.14	3,688.61		2,669.14		3,688.61
NJCFC - Highlands Grant (Farmer's Market)		1,152.00				1,152.00
Bulletproof Vest Program - Federal		309.56				309.56
Environmental Grant	500.00			500.00		
Donations - Mayor's Wellness Campaign	250.00			250.00		
Donations - Green Fair Event	700.00			700.00		
	<u>\$ 36,683.01</u>	<u>\$ 19,340.57</u>	<u>\$ 30,115.91</u>	<u>\$ 19,136.22</u>	<u>\$ 17,546.79</u>	<u>\$ 49,456.48</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

NOT APPLICABLE

BOROUGH OF CHATHAM
TRUST FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Animal Control</u>	<u>Other Funds</u>
Balance December 31, 2013	B	<u>\$ 431.27</u>	<u>\$ 1,142,071.81</u>
Increased by Receipts:			
Interfund Accounts Receivable	B-5		213,765.16
Interfund Accounts Payable	B-6	-	12,087.97
2014 Dog License Fees	B-8	9,290.40	
Late Fees	B-8	805.00	
2014 Budget Appropriation	B-8	14,500.00	
Cat Licenses	B-8	1,314.00	
Miscellaneous	B-8	18.00	
Amount Due to State Board of Health	B-9	771.60	-
Amount Due to State of New Jersey	B-11		1,045.00
Reserve for Special Funds - Deposits	B-12		561,359.19
Reserve for Special Funds - Interest	B-12	-	2,935.51
		<u>26,699.00</u>	<u>791,192.83</u>
		<u>27,130.27</u>	<u>1,933,264.64</u>
Decreased by Disbursements :			
Interfund Accounts Payable	B-6	-	5,044.00
Expenditures Per R.S. 4:19-15.11	B-8	28,925.17	
Amount Due to State Board of Health	B-9	770.40	
Amount Due to State of New Jersey	B-11		5,160.00
Reserve for Special Funds	B-12	-	723,379.51
		<u>29,695.57</u>	<u>733,583.51</u>
Balance December 31, 2014	B	<u>\$ (2,565.30)</u>	<u>\$ 1,199,681.13</u>

B-3

BOROUGH OF CHATHAM
TRUST FUND
ANALYSIS OF ASSESSMENT CASH AND INVESTMENTS

NOT APPLICABLE

B-4

SCHEDULE OF ASSESSMENTS RECEIVABLE

NOT APPLICABLE

BOROUGH OF CHATHAM

TRUST FUND
SCHEDULE OF INTERFUND ACCOUNTS RECEIVABLE

	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Paid</u> <u>in 2014</u>	<u>Accrued</u> <u>in 2014</u>	<u>Received</u> <u>in 2014</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
Other Trust Funds:					
Current Fund:					
Tax Sale Premiums	\$ 301,205.00	\$ -	\$ (78,300.00)	\$ -	\$ 222,905.00
Accumulated Absences	28,829.06				28,829.06
Open Space - Levy	313,564.72		103,151.31	213,765.16	202,950.87
Capital Fund:					
Recycling	-	-	50.00	-	50.00
	<u>\$ 643,598.78</u>	<u>\$ -</u>	<u>\$ 24,901.31</u>	<u>\$ 213,765.16</u>	<u>\$ 454,734.93</u>
Ref.	B		B-12	B-2	B

B-6

SCHEDULE OF INTERFUND ACCOUNTS PAYABLE

	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Received</u> <u>in 2014</u>	<u>Accrued</u> <u>in 2014</u>	<u>Paid</u> <u>in 2014</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
Other Trust Funds:					
Current Fund:					
Special Deposits - Interest	\$ 441.86	\$ 124.69	\$ -	\$ -	\$ 566.55
Other Trust/POAA/Recycling-Interest		90.13			90.13
Forfeited Assets-Interest	6.71				6.71
UCC Fees		11,873.15		5,044.00	6,829.15
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>\$ 33,248.83</u>	<u>\$ 12,087.97</u>	<u>\$ -</u>	<u>\$ 5,044.00</u>	<u>\$ 40,292.80</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>		
Balance December 31, 2013	B		\$ 432.47
Increased by :			
2014 Dog License Fees	B-2	\$ 9,290.40	
Late Fees	B-2	805.00	
2014 Budget Appropriation	B-2	14,500.00	
Cat Licenses	B-2	1,314.00	
Miscellaneous	B-2	<u>18.00</u>	
			<u>25,927.40</u>
			26,359.87
Decreased by :			
Expenditures Per R.S. 4:19-15.11	B-2		<u>28,925.17</u>
Balance December 31, 2014	B		<u>\$ (2,565.30)</u>

Animal Control Fees Collected

<u>Year</u>	<u>Amount</u>
2012	\$ 11,573.80
2013	<u>11,314.20</u>
	<u>\$ 22,888.00</u>

BOROUGH OF CHATHAM
 TRUST FUND
SCHEDULE OF AMOUNT DUE TO STATE BOARD OF HEALTH

	<u>Ref.</u>	
Balance December 31, 2013	B	\$ (1.20)
Increased by :		
Dog License Fees Collected in 2014	B-2	<u>771.60</u>
		770.40
Decreased by :		
Paid to State Board of Health	B-2	<u>770.40</u>
Balance December 31, 2014	B	<u>\$ -</u>

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>	<u>Marriage License Fees</u>	<u>Burial Permit</u>	<u>Code Enforcement Fees</u>
Balance December 31, 2013	B	\$ 4,308.46	\$ 75.00	\$ 5.00	\$ 4,228.46
Increased by :					
Received in 2014	B-2	<u>1,045.00</u>	<u>850.00</u>	<u>10.00</u>	<u>185.00</u>
		5,353.46	925.00	15.00	4,413.46
Decreased by :					
Paid to State of New Jersey in 2014	B-2	<u>5,160.00</u>	<u>950.00</u>	<u>10.00</u>	<u>4,200.00</u>
Balance December 31, 2014	B	<u>\$ 193.46</u>	<u>\$ (25.00)</u>	<u>\$ 5.00</u>	<u>\$ 213.46</u>

BOROUGH OF CHATHAM

TRUST FUND
RESERVE FOR SPECIAL FUNDS

	Balance Dec. 31, 2013	Received in 2014	Interest Earnings	Interfund Accounts Receivable	Paid in in 2014	Balance Dec. 31, 2014
Recreation Expenditures	\$ 521,167.39	\$ 179,630.62	\$ 1,577.70	\$ -	\$ 202,530.30	\$ 499,845.41
Police Services	17,428.17	132,761.20			141,394.29	8,795.08
Unemployment Trust	13,765.53				830.37	12,935.16
Special Deposits	115,551.81	79,713.98			49,060.47	146,205.32
Parking Offenses Adjudication Act	9,799.97	1,448.00			22.40	11,225.57
Recycling	16,141.06	7,383.09		50.00	5,302.53	18,271.62
Fire Safety	2,739.00	125.00			750.00	2,114.00
Tax Sale Premium	302,705.00			(78,300.00)		224,405.00
Accumulated Absences	33,754.06	16,907.20			846.40	49,814.86
Art Council Donations	7,556.42	5,276.30			9,368.47	3,464.25
Chatham Police 100th Anniversary	308.20				308.20	
Chatham Spring Clean	(56.60)	44,730.14			34,800.76	9,872.78
Environmental Commission	700.00	1,350.00				2,050.00
Bring Back the White Lights	5,201.00				5,201.00	-
Disposal of Forfeited Assets	38,903.68	30,031.11			37,134.34	31,800.45
Kevin Coughlin Bequest	24,552.60					24,552.60
Train station 100th Anniversary		1,000.00			500.00	500.00
Beekeepers Club		5,052.14			5,219.06	(166.92)
Public Defender	368.75					368.75
COAH	191,073.66	25,826.83	645.06			217,545.55
Open Space	436,582.26		712.75	103,151.31	197,256.86	343,189.46
Snow Removal	1,449.01	6,792.79			8,241.80	0.00
Community Garden Recreation	7,061.98	2,403.49			2,632.81	6,832.66
Flexible Spending	1,360.35	20,927.30	-		22,287.65	(0.00)
	<u>\$ 1,748,113.30</u>	<u>\$ 561,359.19</u>	<u>\$ 2,935.51</u>	<u>\$ 24,901.31</u>	<u>\$ 723,379.51</u>	<u>\$ 1,613,929.80</u>

Ref. B B-2 B-2 B-5 B-2 B

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, 2013	C		\$ 686,729.02
Increased by Receipts:			
Federal, State and Other Aid Receivable	C-7	\$ 37,500.00	
Interfund Accounts Receivable	C-8	234,694.89	
Capital Improvement Fund	C-11	50,000.00	
Interfund Accounts Payable	C-13	1,459.57	
Bond Anticipation Notes	C-17	<u>2,131,330.00</u>	
			<u>2,454,984.46</u>
			3,141,713.48
Decreased by Disbursements :			
Improvement Authorizations	C-9	786,357.36	
Reserve for Encumbrances	C-10	241,458.26	
Capital Reserves	C-12	84,694.89	
Reserve for State Aid Receivable	C-14	80,305.11	
Bond Anticipation Notes	C-17	<u>1,207,330.00</u>	
			<u>2,400,145.62</u>
Balance December 31, 2014	C		<u>\$ 741,567.86</u>

BOROUGH OF CHATHAM
GENERAL CAPITAL FUND
ANALYSIS OF CASH

	Balance or (Deficit) Dec. 31, 2013	Receipts			Disbursements			Transfers From	Balance or (Deficit) Dec. 31, 2014
		Bond Anticipation Notes	Budget Appropriation	Miscellaneous	Improvement Authorizations	Miscellaneous	To		
Improvement Authorizations :									
03-06 Recreational Improvements									
04-11 Various Equipment and Improvements:	\$ 2,288.30	\$ -	\$ -	\$ -	\$ 2,120.00	\$ -	\$ -	\$ 168.30	
Municipal Pool Improvements and Various Equipment (15 Year Life)	268.56								
Sanitary Sewer Line Repair	111.64				111.64			268.56	
05-06 Various Equipment and Improvements:	1,441.36				1,441.36			(0.00)	
Various Departments's Equipment & Improvements (15 Year Life									
Various Improvements and Acquisition of Equipment, Furnishings and Vehicles:	14,235.58							14,235.58	
Road, Sidewalk and Parking Lot Improvements									
Various Improvements and Acquisition of Equipment, Furnishings and Vehicles:	1,232.10							1,232.10	
Sanitary and Storm Sewer System Improvements	378.88							378.88	
Fire Department Various Equipment	31,778.84				7,288.97			24,489.87	
Improvements to Shepard Kollock Park	185.83							185.83	
Various Purchases of Equipment	512.56							512.56	
Various Improvements and Acquisition of Equipment, Furnishings and Vehicles:	241.25							241.25	
Various Departments's Equipment	17,623.91							17,015.91	
Sanitary and Storm Sewer System Improvements	869.06				608.00		180.00	1,049.06	
Communication and Signal Systems Equipment	15,293.80							15,293.80	
GIS Equipment	9,483.44							9,483.44	
09-04 Various Purchases and Improvements	980.89							980.89	
09-06 Various Improvements and Acquisition of Equipment:	850.00							850.00	
Reconstruction of Washington Avenue	1,898.50								
DPW Wood Chipper and Storage Rack	2,492.17				1,888.50			603.67	
HVAC and Other Improvements at Borough Hall	200.00							200.00	
Police Department SUV	(2,784.48)							(2,784.48)	
09-09 Recreation Equipment	(249,384.78)							(249,384.78)	
09-10 Improvements to the Madison-Chatham Joint Meeting Facility	4,846.62							4,846.62	
09-17 Sanitary Sewer Lining and Pipe Replacement	2,588.13							2,588.13	
10-14,16 Various Improvements and Acquisition of Equipment:	78.38							78.38	
Road and Sidewalk Improvements and Community Garden	3,583.66							3,583.66	
Sanitary and Storm Sewer System Improvements	6,150.00							6,150.00	
Building Improvements	12,492.07							12,492.07	
Recreation Improvements	513.00							513.00	
Information Technology Equipment									
Police, DPW and Sewer Equipment (15 Year Life)									
Fire and DPW Equipment (5 Year Life)									
Various Improvements and Acquisition of Equipment:									
Road, Curbs and Sidewalk Improvements									
Stormwater Drainage Improvements									
Building Improvements	2,028.71				(7,548.94)		311.25	7,860.19	
Improvements to Shepard Kollock Park	250.66				2,028.71			212.62	
DPW Equipment (15 Year Life)	68,940.89				38.04			64,254.84	
Fire, DPW and Police Equipment (5 Year Life)	17,820.01				4,464.51		221.54	16,820.01	
	2,565.79				1,000.00			1,804.29	
					761.50				

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

	<u>Ref.</u>	
Balance December 31, 2013	C	\$ 13,201,135.00
Decreased by:		
2014 Budget Appropriation:		
Serial Bonds Paid	C-15	\$ 1,385,000.00
Loans Paid	C-16	96,439.85
Loans Receivable Canceled	C-16	<u>5,376.24</u>
		<u>1,486,816.09</u>
Balance December 31, 2014	C	<u>\$ 11,714,318.91</u>

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

Ordinance Number	Improvement Description	Balance	2014	Notes Paid	Balance	Bond	Analysis of Balance	
		Dec. 31, 2013	Authorizations	by Budget Appropriation	Dec. 31, 2014	Anticipation Notes	Expenditures	Unexpended Balance
06-10	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	447,000.00		26,500.00	420,500.00	420,500.00		
	Stormwater Drainage Improvements	104,500.00		6,200.00	98,300.00	98,300.00		
	Building Improvements	19,000.00		1,100.00	17,900.00	17,900.00		
	Improvements to Municipal Pool	10,000.00		600.00	9,400.00	9,400.00		
	DPW Equipment (15 Year Life)	73,000.00		4,300.00	68,700.00	68,700.00		
	Fire, DPW and Police Equipment (5 Year Life)	154,000.00		9,100.00	144,900.00	144,900.00		
	Police and EMS Communications Equipment	37,630.00		2,200.00	35,430.00	35,430.00		
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	47,500.00		5,100.00	42,400.00	42,400.00		
	DPW Equipment (15 Year Life)	96,700.00		10,500.00	86,200.00	86,200.00		
	Fire, DPW, Recreation and Police Equipment (5 Year Life)	260,000.00		28,100.00	231,900.00	231,900.00		
	Communication and Signal Systems Equipment	58,000.00		6,300.00	51,700.00	51,700.00		
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		52,360.00		52,360.00	52,360.00		
	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		1,334,000.00			1,334,000.00
		\$ 1,969,079.00	\$ 2,258,000.00	\$ 100,000.00	\$ 4,127,079.00	\$ 2,131,330.00	\$ 273,056.04	\$ 1,722,692.96

C	C-9	C-17	C
	Improvement Authorizations - Unfunded		
	Less: Unexpended Proceeds of Notes Issued		
	Ordinance No. 12-06	\$ 35,127.70	\$ 2,071,324.16
	Ordinance No. 13-09	\$ 73,576.45	
	Ordinance No. 14-04	239,927.05	
		<u>348,631.20</u>	
			\$ 1,722,692.96

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

	<u>Ref.</u>	
Balance December 31, 2013	C	\$ 117,805.11
Decreased by :		
Received in 2014	C-2	\$ <u>37,500.00</u>
		<u>37,500.00</u>
 Balance December 31, 2014	 C	 <u>\$ 80,305.11</u>
 <u>Analysis of Balance December 31, 2014</u>		
State Aid:		
Utilized as Current Fund Revenue in 2014:		
Transportation Trust Funds (Ord. No. 12-06 (Kings))		\$ <u>80,305.11</u>
		<u>\$ 80,305.11</u>

BOROUGH OF CHATHAM
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Number	Improvement Description	Date	Ordinance Amount	Balance Dec. 31, 2013		2014 Authorizations		Balance Dec. 31, 2014	
				Funded	Unfunded	Funded	Deferred Charges	Funded	Unfunded
03-06	Recreational Improvements	3/24/03	\$ 1,500,000.00	\$ 2,288.30	-	-	-	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	
	Sanitary Sewer Line Repair		40,000.00	111.64					
05-06	Various Equipment and Improvements:	4/25/05							
06-10	Various Department's Equipment & Improvements (15 Year Life)		159,000.00	1,441.36					
	Various Improvements and Acquisition of Equipment, Furnishings and Vehicles:								
06-22	Road, Sidewalk and Parking Lot Improvements	4/10/06	1,075,500.00	14,235.58	690.00			14,235.58	690.00
	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	
07-25	Fire Department Various Equipment		17,000.00	378.88				378.88	
08-03	Various Purchases and Improvements	6/11/07	774,908.00	31,778.84				24,489.87	
08-05	Improvements to Shepard Kokock and Memorial Parks	3/10/08	500,000.00	185.83			7,268.97	185.83	
08-07	Various Purchases of Equipment	3/24/08	90,000.00	512.56				512.56	
	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		186,000.00	17,623.91				17,015.91	
	Communication and Signal Systems Equipment		20,000.00	869.06			608.00	(180.00)	
	GIS Equipment		51,000.00	15,283.80				15,283.80	
09-04	Various Purchases and Improvements	4/27/09	522,300.00	9,483.44			2,660.60	6,822.84	
09-06	Various Improvements and Acquisition of Equipment:	5/26/09							
	Reconstruction of Washington Avenue		542,950.00	980.89				980.89	
	DPW Wood Chipper and Storage Rack		62,000.00	850.00				850.00	
	HVAC and Other Improvements at Borough Hall		160,300.00	1,888.50			1,888.50		
	Police Department SUV		40,000.00	2,492.17					
09-09	Recreation Equipment	6/8/09	8,900.00	200.00				2,492.17	
09-10	Improvements to the Madison-Chatham Joint Meeting Facility	7/13/09	1,138,500.00					200.00	
09-17	Sanitary Sewer Lining and Pipe Replacement	10/28/09	1,700,000.00		91,771.52		37.84		91,733.68
10-14,16	Various Improvements and Acquisition of Equipment:	5/10/10			316,788.22		20,838.84		285,948.28
	Road and Sidewalk Improvements and Community Garden		923,600.00	4,846.62			4,151.84	694.68	
	Sanitary and Storm Sewer System Improvements		140,700.00	2,588.13			126.27	2,461.86	
	Building Improvements		111,800.00	76.38				79.38	
	Recreation Improvements		36,350.00	3,583.66			1,850.00	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	12,492.07			899.75	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:	6/13/11							
	Road, Curbs and Sidewalk Improvements		831,500.00				(7,548.94)	7,860.19	
	Stormwater Drainage Improvements		155,000.00	2,029.71			2,029.71		
	Building Improvements		162,500.00	250.66			38.04	212.62	
	Improvements to Shepard Koklock Park		309,836.00	66,940.89			4,464.51	64,254.84	
	DPW Equipment (15 Year Life)		94,300.00	17,820.01			1,000.00	16,820.01	
	Fire, DPW and Police Equipment (5 Year Life)		244,675.00	2,565.78			761.50	1,804.29	

BOROUGH OF CHATHAM
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
CONCLUDED

Number	Improvement Description	Date	Ordinance Amount	Balance Dec. 31, 2013		2014 Authorizations		Deferred Charges	Disbursed	Encumbrances	Balance Dec. 31, 2014	
				Funded	Unfunded	Funded	Unfunded				Funded	Unfunded
11-15	Purchase of Dump Truck	9/28/11	\$ 6,435.00	\$ 6,435.00	-	-	-	-	-	-	6,435.00	\$ -
12-06	Various Improvements and Acquisition of Equipment: Road, Curbs and Sidewalk Improvements Stormwater Drainage Improvements Building Improvements Improvements to Municipal Pool DPW Equipment (15 Year Life) Fire, DPW and Police Equipment (5 Year Life) Police and EMS Communications Equipment	4/23/12	620,000.00 110,000.00 20,000.00 10,525.00 77,000.00 162,720.00 39,608.00 350,000.00	4,661.61 43,745.55 2,042.00 2,914.67 2,785.99 17,256.28 25,380.00 90,516.39	-	-	-	4,572.98 28,233.48 1,100.00 1,140.79 3,871.09 24,740.05 54,931.10	-	-	-	88.62 15,512.07 942.00 1,773.88 2,785.99 13,385.19 638.95 320.00
13-07	Various Public Improvements	3/25/13										
13-08	Various Improvements and Acquisition of Equipment: Replacement of Roof at Borough Hall DPW Equipment (15 Year Life)	3/25/13	50,000.00 101,700.00 273,000.00	9,869.72 8,470.92 56,529.89				9,869.72 2,163.24 6,566.61				6,307.68 49,963.38 17,305.39
14-04	Various Improvements and Acquisition of Equipment: Road, Curbs and Sidewalk Improvements Stormwater Drainage Improvements Environmental Monitoring at DPW Facility Improvements to Borough Hall Improvements at Borough Pool DPW Equipment (15 Year Life) Fire, DPW, and Police Equipment (5 Year Life) Police Communications Equipment	4/28/14	550,960.00 25,000.00 55,000.00 26,000.00 55,200.00 198,940.00 35,000.00 1,334,000.00	26,260.00 1,200.00 1,200.00 2,620.00 1,250.00 2,630.00 10,170.00 1,670.00				387,606.24 3,734.66 41,692.28 12,940.00 50,888.00 80,943.37 23,052.34	67,266.73 552.96 5,653.37			96,087.03 20,712.38 23,800.00 7,854.35 13,060.00 4,512.00 62,153.63 11,947.66
14-10	Rehabilitation of Madison-Chatham Joint Meeting Facility	11/24/14										
			\$ 321,167.98	\$ 604,174.63	\$ 47,000.00	\$ 2,258,000.00	\$ 786,357.36	\$ 128,946.35	\$ 243,714.74	\$ 2,071,324.16		

Ref. C C C C-11 C-5 C-2 C-10 C C

BOROUGH OF CHATHAM
 GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance December 31, 2013	C	\$ 638,350.28
Increased by :		
Improvement Authorization Charges	C-9	<u>128,946.35</u>
		767,296.63
Decreased by :		
Paid in 2014	C-2	<u>241,458.26</u>
Balance December 31, 2014	C	<u>\$ 525,838.37</u>

C-11

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2013	C	\$ 6,813.37
Increased by :		
2014 Budget Appropriation	C-2	<u>50,000.00</u>
		56,813.37
Decreased by :		
Appropriated to Finance Improvement Authorizations	C-9	<u>47,000.00</u>
Balance December 31, 2014	C	<u>\$ 9,813.37</u>

BOROUGH OF CHATHAM
 GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL RESERVES

	<u>Ref.</u>	<u>Total</u>	<u>Unappropriated NJDOT Grants</u>
Balance December 31, 2013	C	\$ 84,694.89	\$ 84,694.89
Decreased by :			
Paid to Current Fund	C-2	<u>84,694.89</u>	<u>84,694.89</u>
Balance December 31, 2014	C	<u>\$ -</u>	<u>\$ -</u>

BOROUGH OF CHATHAM
 GENERAL CAPITAL FUND
SCHEDULE OF INTERFUND ACCOUNTS PAYABLE

	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Received</u> <u>in 2014</u>	<u>Paid</u> <u>in 2014</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
Current Fund - Interest	\$ 2,355.31	\$ 1,409.57	\$ -	\$ 3,764.88
Other Trust Fund - Recycling	-	50.00	-	50.00
	<u>\$ 2,355.31</u>	<u>\$ 1,459.57</u>	<u>\$ -</u>	<u>\$ 3,814.88</u>
Ref.	C	C-2		C

BOROUGH OF CHATHAM
GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR FEDERAL, STATE AND OTHER AID RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2013	C	\$ 80,305.11
Decreased by :		
Paid to Current Fund in 2014	C-2	<u>80,305.11</u>
Balance December 31, 2014	C	<u>\$ -</u>

BOROUGH OF CHATHAM

GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS

Purpose	Date	Original Issue Amount	Annual Maturities of Bonds Outstanding Dec. 31, 2014	Interest Rate	Balance Dec. 31, 2013	Paid	Balance Dec. 31, 2014	Ref.
General Improvements	8/1/02	\$ 5,058,000.00	\$ 420,000.00	4.000%	\$ 1,678,000.00	\$ 420,000.00	\$ 1,258,000.00	
			420,000.00	4.150%				
			418,000.00	4.250%				
General Improvements	12/15/06	8,170,000.00	625,000.00	3.750%	5,085,000.00	625,000.00	4,460,000.00	
			650,000.00	3.750%				
			635,000.00	4.000%				
General Improvements	8/15/11	5,819,000.00	350,000.00	1.000%	5,139,000.00	340,000.00	4,799,000.00	
			360,000.00	1.000%				
			370,000.00	2.000%				
			570,000.00	2.000%				
			590,000.00	2.000%				
			610,000.00	2.250%				
		630,000.00	2.375%					
		650,000.00	2.500%					
		669,000.00	2.500%					
					<u>\$ 11,902,000.00</u>	<u>\$ 1,385,000.00</u>	<u>\$ 10,517,000.00</u>	
					C	C-4	C	

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

	<u>Ref.</u>	<u>Total</u>	(Ord. No. 09-17) <u>2010 Loan</u>	(Ord. No. 09-10) <u>2010 Loan</u>
Balance December 31, 2013	C	\$ 1,299,135.00	\$ 856,009.25	\$ 443,125.75
Decreased by :				
Paid in 2014	C-4	96,439.85	73,119.51	23,320.34
Canceled in 2014	C-4	<u>5,376.24</u>	<u>5,376.24</u>	<u>-</u>
Balance December 31, 2014	C	<u>\$ 1,197,318.91</u>	<u>\$ 777,513.50</u>	<u>\$ 419,805.41</u>

BOROUGH OF CHATHAM
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES

Ordinance Number	Improvement Description	Original Notes		Date of Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014	
		Date of Issue	Amount Issued									
12-06	Various Improvements and Acquisition of Equipment: Road, Curbs and Sidewalk Improvements	7/23/13	\$ 447,000.00	7/23/13	7/23/14	0.49%	\$ 447,000.00	\$	\$ 447,000.00	\$	420,500.00	
		7/23/14		7/23/14	7/23/15	0.49%		420,500.00				88,300.00
		7/23/13	104,500.00	7/23/13	7/23/14	0.49%	104,500.00		104,500.00			17,900.00
		7/23/14		7/23/14	7/23/15	0.49%		19,000.00		19,000.00		9,400.00
		7/23/13	19,000.00	7/23/13	7/23/14	0.49%	19,000.00		10,000.00		73,000.00	68,700.00
		7/23/14		7/23/14	7/23/15	0.49%		10,000.00		10,000.00		144,900.00
		7/23/13	10,000.00	7/23/13	7/23/14	0.49%	10,000.00		37,630.00		37,630.00	35,430.00
		7/23/14		7/23/14	7/23/15	0.49%		37,630.00		37,630.00		795,130.00
		7/23/13	73,000.00	7/23/13	7/23/14	0.49%	73,000.00		845,130.00		845,130.00	412,200.00
		7/23/14		7/23/14	7/23/15	0.49%		47,500.00		47,500.00		42,400.00
13-09	Various Improvements and Acquisition of Equipment: Replacement of Roof at Borough Hall	7/23/13	47,500.00	7/23/13	7/23/14	0.49%	47,500.00		47,500.00		42,400.00	
		7/23/14		7/23/14	7/23/15	0.49%		96,700.00		96,700.00		86,200.00
		7/23/13	96,700.00	7/23/13	7/23/14	0.49%	96,700.00		260,000.00		260,000.00	231,900.00
		7/23/14		7/23/14	7/23/15	0.49%		260,000.00		260,000.00		51,700.00
		7/23/13	260,000.00	7/23/13	7/23/14	0.49%	260,000.00		58,000.00		58,000.00	412,200.00
		7/23/14		7/23/14	7/23/15	0.49%		58,000.00		58,000.00		524,700.00
		7/23/13	58,000.00	7/23/13	7/23/14	0.49%	58,000.00		462,200.00		462,200.00	23,800.00
		7/23/14		7/23/14	7/23/15	0.49%		462,200.00		462,200.00		23,800.00
		7/23/13	47,500.00	7/23/13	7/23/14	0.49%	47,500.00		524,700.00		524,700.00	23,800.00
		7/23/14		7/23/14	7/23/15	0.49%		524,700.00		524,700.00		23,800.00
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		524,700.00	
		7/23/14	23,800.00	7/23/14	7/23/15	0.49%	23,800.00		23,800.00		23,800.00	
		7/23/14	23,800.00	7/23/14	7/23/15	0.49%	23,800.00		23,800.00		23,800.00	
		7/23/14	52,380.00	7/23/14	7/23/15	0.49%	52,380.00		24,750.00		24,750.00	
		7/23/14	24,750.00	7/23/14	7/23/15	0.49%	24,750.00		52,570.00		52,570.00	
		7/23/14	52,570.00	7/23/14	7/23/15	0.49%	52,570.00		188,670.00		188,670.00	
		7/23/14	188,670.00	7/23/14	7/23/15	0.49%	188,670.00		33,330.00		33,330.00	
		7/23/14	33,330.00	7/23/14	7/23/15	0.49%	33,330.00		924,000.00		924,000.00	
		7/23/14		7/23/14	7/23/15	0.49%		924,000.00		924,000.00		2,131,330.00
		7/23/14		7/23/14	7/23/15	0.49%		2,131,330.00		2,131,330.00		2,131,330.00

C

C

Ref.

C-2

C-5

Cash

Budget Appropriation

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance Dec. 31, 2013	2014 Authorizations	Notes Issued	Balance Dec. 31, 2014
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
14-04	Various Improvements and Acquisition of Equipment:				
	Road, Curbs and Sidewalk Improvements		524,700.00	524,700.00	
	Stormwater Drainage Improvements		23,800.00	23,800.00	
	Environmental Monitoring at DPW Facility		23,800.00	23,800.00	
	Improvements to Borough Hall		52,380.00	52,380.00	
	Improvements at Borough Pool		24,750.00	24,750.00	
	DPW Equipment (15 Year Life)		52,570.00	52,570.00	
	Fire, DPW, and Police Equipment (5 Year Life)		188,670.00	188,670.00	
	Police Communications Equipment		33,330.00	33,330.00	
14-10	Rehabilitation of Madison-Chatham Joint Meeting Facility		1,334,000.00		1,334,000.00
		<u>\$ 661,749.00</u>	<u>\$ 2,258,000.00</u>	<u>\$ 924,000.00</u>	<u>\$ 1,995,749.00</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, 2013	D	\$ 578,360.62	\$ 424,463.31
Increased by Receipts:			
Miscellaneous Revenue	D-3	25,674.64	
Water Collector	D-7	1,542,521.62	
Interfunds Accounts Payable	D-18	-	694.21
Utility Charges Overpayments	D-19	2,758.46	
Capital Improvement Fund	D-25	-	10,000.00
Bond Anticipation Notes	D-31	-	633,200.00
		<u>1,570,954.72</u>	<u>643,894.21</u>
		<u>2,149,315.34</u>	<u>1,068,357.52</u>
Decreased by Disbursements :			
2014 Budget Appropriations	D-4	1,186,038.95	
2013 Appropriation Reserves	D-16	415.46	
Reserve for Encumbrances	D-17	31,376.52	
Interfunds Accounts Payable	D-18	20,000.00	-
Accrued Interest on Bonds	D-20	81,854.47	
Accrued Interest on Notes	D-22	2,082.70	
Improvement Authorizations	D-23		205,898.33
Reserve for Encumbrances	D-24	-	45,388.62
Bond Anticipation Notes	D-31	-	519,900.00
		<u>1,321,768.10</u>	<u>771,186.95</u>
Balance December 31, 2014	D	\$ 827,547.24	\$ 297,170.57

BOROUGH OF CHATHAM
WATER UTILITY FUND
ANALYSIS OF WATER CAPITAL CASH

Ord. No.	Description	Balance or (Deficit) Dec. 31, 2013	Receipts			Disbursements			Balance or (Deficit) Dec. 31, 2014
			Budget Appropriation	Bond Anticipation Notes	Miscellaneous	Improvement Authorizations	Miscellaneous	Transfers From	
Improvement Authorizations:									
04-10	Various Improvements:								
	Replacement of Water Main (Main St.)	\$ (0.84)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (0.84)
	New Automotive Vehicle	(25.33)							(25.33)
07-06	Various Purchases and Improvements	20,600.00			8,666.86				11,933.14
08-06	Various Purchases and Improvements	709.42			479.42				230.00
08-08	Acquisition and Replacement of Equipment	2.78							2.78
08-05	Various Purchases and Improvements	10,587.29			170.00			440.00	9,987.29
08-07	Various Public Improvements and the Acquisition of New Additional and Replacement Equipment	571.47			450.11				121.36
10-13	Various Public Improvements and the Acquisition of New Additional and Replacement Equipment	81,659.17			18,837.89				42,821.28
11-13	Various Public Improvements and the Acquisition of New Additional and Replacement Equipment	2,818.13			1,971.05				847.08
12-07	Various Public Improvements and the Acquisition of New Additional and Replacement Equipment	31,309.64		244,600.00	20,827.17	244,600.00			10,482.47
13-08	Various Public Improvements and the Acquisition of New Additional and Replacement Equipment	216,596.06		290,300.00	97,815.70	290,300.00		6,221.25	112,459.11
45-05	Various Public Improvements and the Acquisition of New Additional and Replacement Equipment			113,300.00	56,580.13			13,010.25	48,409.62
	Interfund Accounts Payable	573.68					5,700.00		1,267.89
	Reserve for Encumbrances	45,388.62							19,671.50
	Capital Improvement Fund	15,222.02	10,000.00			45,388.62		19,671.50	19,522.02
	Fund Balance	18,441.20						5,700.00	18,441.20
		\$ 424,463.31	\$ 10,000.00	\$ 648,200.00	\$ 694.21	\$ 580,288.62	\$ 25,371.50	\$ 25,371.50	\$ 297,170.57

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

	<u>Ref.</u>		
Increased by Receipts:			
Consumers' Accounts Receivable	D-9	\$ 1,542,521.62	
Utility Charges Overpayments	D-19	<u>2,758.46</u>	
			<u>\$ 1,545,280.08</u>
Decreased by Disbursements :			
Amount Paid to Treasurer:			
Water Operating Fund	D-5		<u>\$ 1,545,280.08</u>

BOROUGH OF CHATHAM
 WATER UTILITY FUND
SCHEDULE OF INTERFUND ACCOUNTS RECEIVABLE

	<u>Balance Dec. 31, 2013</u>	<u>Accrued in 2014</u>	<u>Balance Dec. 31, 2014</u>
Water Operating Fund:			
Open Sapce Trust	\$ 3,285.70	\$ -	\$ 3,285.70
Water Capital Fund - Interest	<u>573.68</u>	<u>694.21</u>	<u>1,267.89</u>
	<u>3,859.38</u>	<u>694.21</u>	<u>4,553.59</u>
	<u>\$ 3,859.38</u>	<u>\$ 694.21</u>	<u>\$ 4,553.59</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, 2013	D	\$ 93,473.47
Increased by :		
2014 Charges		<u>1,540,949.05</u>
		1,634,422.52
Decreased by :		
Received in 2014	D-3,7	\$ 1,542,521.62
Utility Charges Overpayments Applied in 2014	D-3,19	<u>1,892.57</u>
		<u>1,544,414.19</u>
Balance December 31, 2014	D	<u>\$ 90,008.33</u>

D-10

SCHEDULE OF OTHER ACCOUNT RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2013	D	<u>\$ 2,300.00</u>
Balance December 31, 2014	D	<u>\$ 2,300.00</u>

BOROUGH OF CHATHAM

WATER UTILITY FUND
SCHEDULE OF DEFERRED CHARGES-OPERATING OVEREXPENDITURE

Increased by:		
Overexpenditure of Budget Appropriation	D-1	\$ <u>98.26</u>
Balance December 31, 2014	D	\$ <u>98.26</u>

BOROUGH OF CHATHAM
 WATER UTILITY FUND
SCHEDULE OF FIXED CAPITAL

	Balance <u>Dec. 31, 2013</u>	Transferred from Fixed Capital Authorized and <u>Uncompleted</u>	Balance <u>Dec. 31, 2014</u>
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	3,756.88		3,756.88
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	<u>154,219.94</u>	<u>-</u>	<u>154,219.94</u>
	<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

Improvement Description	Ordinance Number	Date	Amount	Balance	2014	Balance
				Dec. 31, 2013	Authorizations	Dec. 31, 2014
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
				\$ 1,433,586.00	\$ 119,000.00	\$ 1,552,586.00

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 - 2013

	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Paid or</u> <u>Charged</u>	<u>Lapsed</u>
Operating:			
Salaries and Wages	\$ 34,807.76	\$ -	\$ 34,807.76
Other Expenses	19,286.24	415.46	18,870.78
Statutory Expenditures:			
Contribution to:			
Social Security System (O.A.S.I.)	<u>727.68</u>	<u>-</u>	<u>727.68</u>
	<u>\$ 54,821.68</u>	<u>\$ 415.46</u>	<u>\$ 54,406.22</u>
Ref.	D	D-5	D-1

BOROUGH OF CHATHAM
 WATER UTILITY FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance December 31, 2013	D	\$ 31,376.52
Increased by :		
Charges to 2014 Budget Appropriations	D-4	<u>9,026.20</u>
		40,402.72
Decreased by :		
Paid in 2014	D-5	<u>31,376.52</u>
Balance December 31, 2014	D	<u>\$ 9,026.20</u>

BOROUGH OF CHATHAM

WATER UTILITY FUND
SCHEDULE OF INTERFUND ACCOUNTS PAYABLE

	<u>Balance Dec. 31, 2013</u>	<u>Received in 2014</u>	<u>Paid in 2014</u>	<u>Balance Dec. 31, 2014</u>
Water Operating Fund: Current Fund	\$ 30,179.79	-	\$ 20,000.00	\$ 10,179.79
	<u>30,179.79</u>	<u>-</u>	<u>20,000.00</u>	<u>10,179.79</u>
Water Capital Fund: Water Operating Fund	573.68	694.21	-	1,267.89
	<u>573.68</u>	<u>694.21</u>	<u>-</u>	<u>1,267.89</u>
	<u>\$ 30,753.47</u>	<u>\$ 694.21</u>	<u>\$ 20,000.00</u>	<u>\$ 11,447.68</u>

Ref. D D-5 D-5 D

BOROUGH OF CHATHAM
 WATER UTILITY FUND
SCHEDULE OF UTILITY CHARGES OVERPAYMENTS

	<u>Ref.</u>	
Balance December 31, 2013	D	\$ 1,892.57
Increased by :		
Received in 2014	D-5,7	<u>2,758.46</u>
		4,651.03
Decreased by :		
Applied to Consumers' Accounts Receivable in 2014	D-9	<u>1,892.57</u>
Balance December 31, 2014	D	<u>\$ 2,758.46</u>
<u>Analysis of Balance at December 31, 2014</u>		
Water Charge Overpayments		<u>\$ 2,758.46</u>

D-20

SCHEDULE OF ACCRUED INTEREST ON BONDS

	<u>Ref.</u>	
Balance December 31, 2013	D	\$ 22,921.38
Increased by :		
2014 Budget Appropriation	D-4	<u>78,755.76</u>
		101,677.14
Decreased by :		
Interest Paid in 2014	D-5	<u>81,854.47</u>
Balance December 31, 2014	D	<u>\$ 19,822.67</u>

BOROUGH OF CHATHAM
WATER UTILITY FUND
SCHEDULE OF ACCRUED INTEREST ON LOANS

NOT APPLICABLE

SCHEDULE OF ACCRUED INTEREST ON NOTES

	<u>Ref.</u>	
Increased by :		
2014 Budget Appropriation	D-4	\$ 4,954.03
Decreased by :		
Interest Paid in 2011	D-5	<u>2,082.70</u>
Balance December 31, 2014	D	<u>\$ 2,871.33</u>

BOROUGH OF CHATHAM

WATER UTILITY FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Improvement Description	Date	Amount	Balance December 31, 2013		2014		Expended	Encumbrances	Balance December 31, 2014	
				Funded	Unfunded	Authorizations	Funded			Unfunded	
07-06	Various Purchases and Improvements	2/12/07	\$ 86,520.00	\$ 20,600.00	\$ -	\$ -	\$ 8,666.86	\$ -	\$ 11,933.14	\$ -	\$ -
08-06	Various Purchases and Improvements	3/24/08	72,000.00	709.42	-	-	479.42	-	230.00	-	-
08-08	Acquisition and Replacement of Equipment	4/14/08	61,800.00	2.78	-	-	170.00	440.00	2.78	-	-
09-05	Various Purchases and Improvements	4/27/08	54,475.00	10,597.29	-	-	-	-	9,987.29	-	-
09-07	Various Public Improvements and the Acquisition of New Additional and Replacement Equipment	5/26/09	201,056.00	571.47	-	-	450.11	-	121.36	-	-
10-13	Various Public Improvements and the Acquisition of New Additional and Replacement Equipment	5/10/10	236,100.00	61,859.17	-	-	18,837.89	-	42,821.28	-	-
11-13	Various Public Improvements and the Acquisition of New Additional and Replacement Equipment	6/13/11	159,135.00	2,818.13	980.00	-	1,971.05	-	847.08	980.00	-
12-07	Various Public Improvements and the Acquisition of New Additional and Replacement Equipment	4/23/12	257,500.00	-	31,309.64	-	20,827.17	-	-	10,482.47	-
13-08	Various Public Improvements and the Acquisition of New Additional and Replacement Equipment	3/25/13	305,000.00	-	216,596.06	-	97,915.70	6,221.25	-	112,459.11	-
14-05	Various Public Improvements and the Acquisition of New Additional and Replacement Equipment	4/28/14	119,000.00	-	-	119,000.00	56,580.13	13,010.25	-	49,409.62	-
				\$ 96,958.26	\$ 240,885.70	\$ 119,000.00	\$ 205,898.33	\$ 19,671.50	\$ 65,942.93	\$ 173,331.20	

Ref. D D D-5 D-13 D-24 D

Water Capital Improvement Fund \$ 5,700.00
Debt Authorized 113,300.00
\$ 119,000.00

BOROUGH OF CHATHAM
 WATER UTILITY FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance December 31, 2013	D	\$ 45,388.62
Increased by :		
Improvement Authorizations Charges	D-23	<u>19,671.50</u>
		65,060.12
Decreased by :		
Paid in 2014	D-5	<u>45,388.62</u>
Balance December 31, 2014	D	<u>\$ 19,671.50</u>

BOROUGH OF CHATHAM
 WATER UTILITY FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2013	D	\$ 15,222.02
Increased by:		
2014 Budget Appropriation	D-5	<u>10,000.00</u>
		25,222.02
Decreased by:		
Appropriated to Finance Improvement Authorization	D-28	<u>5,700.00</u>
Balance December 31, 2014	D	<u>\$ 19,522.02</u>

D-26

SCHEDULE OF CAPITAL RESERVES

NOT APPLICABLE

BOROUGH OF CHATHAM
 WATER UTILITY FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

	Ref.	
Balance December 31, 2013	D	\$ 4,354,652.48
Increased by :		
Serial Bonds Paid by Operating Budget	D-29	235,000.00
Notes Paid by Operating Budget	D-31	<u>15,000.00</u>
		<u>250,000.00</u>
Balance December 31, 2014	D	<u>\$ 4,604,652.48</u>

BOROUGH OF CHATHAM

WATER UTILITY FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date</u>	<u>Ordinance Amount</u>	<u>Balance Dec. 31, 2013</u>	<u>2014 Authorizations</u>	<u>Balance Dec. 31, 2014</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
				\$ 273,036.00	\$ 5,700.00	\$ 278,736.00

Ref.

D

D-25

D

BOROUGH OF CHATHAM

WATER UTILITY FUND
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date	Original Issue Amount	Annual Maturity of Bonds Outstanding Dec. 31, 2014	Interest Rate	Balance Dec. 31, 2013	Paid	Balance Dec. 31, 2014
Water Bonds	3/1/95	\$ 1,287,000.00	3/1/15 \$ 82,000.00	5.80%	\$ 167,000.00	\$ 85,000.00	\$ 82,000.00
Water Bonds	8/1/02	1,274,000.00	8/1/15 70,000.00	4.000%	689,000.00	65,000.00	624,000.00
			8/1/16 70,000.00	4.150%			
			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	12/15/15 45,000.00	3.750%	735,000.00	35,000.00	700,000.00
			12/15/16-20 60,000.00	3.750%			
			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	8/15/15 50,000.00	1.000%	816,000.00	50,000.00	766,000.00
			8/15/16 85,000.00	1.000%			
			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%				
					\$ 2,407,000.00	\$ 235,000.00	\$ 2,172,000.00

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	Original Note		Date of Issue	Maturity Date	Interest Rate	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
		Date of Issue	Amount of Issue							
12-07	Various Public Improvements and the Acquisition of New Additional and Replacement Equipment	7/23/13	\$ 244,600.00	7/23/13 7/23/14	7/23/14 7/23/15	0.49% 0.49%	\$ 244,600.00	\$ 229,600.00	\$ 244,600.00	\$ 229,600.00
13-08	Various Public Improvements and the Acquisition of New Additional and Replacement Equipment	7/23/13	290,300.00	7/23/13 7/23/14	7/23/14 7/23/15	0.49% 0.49%	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	7/23/15	0.49%	113,300.00	113,300.00	-	113,300.00
							<u>\$ 534,900.00</u>	<u>\$ 633,200.00</u>	<u>\$ 534,900.00</u>	<u>\$ 633,200.00</u>

Ref.	D	D
Cash	\$ 633,200.00	\$ 519,900.00
Budget Appropriation	-	15,000.00
	<u>\$ 633,200.00</u>	<u>\$ 534,900.00</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, 2013</u>	<u>2014 Authorizations</u>	<u>BANs Issued</u>	<u>Balance Dec. 31, 2014</u>
04-10	Various Improvements: Replacement of Water Main (Main St.) Automotive Vehicle	\$ 0.84 25.33	-	\$ -	0.84 25.33
11-13	Various Public Improvements and the Acquisition of New Additional and Replacement Equipment	980.00			980.00
14-05	Various Public Improvements and the Acquisition of New Additional and Replacement Equipment	-	113,300.00	113,300.00	-
		<u>\$ 1,006.17</u>	<u>\$ 113,300.00</u>	<u>\$ 113,300.00</u>	<u>\$ 1,006.17</u>

BOROUGH OF CHATHAM

SOLID WASTE UTILITY FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>		<u>Operating</u>
Balance December 31, 2013	E		\$ 264,119.32
Increased by Receipts:			
Miscellaneous Revenue	E-2	\$ 2,969.57	
Solid Waste Collector	E-5	486,364.75	
Interfunds Accounts Payable	E-12	<u>30,115.91</u>	
			<u>519,450.23</u>
			783,569.55
Decreased by Disbursements :			
Refund of Prior Year Revenue	E-1	18,889.42	
2014 Budget Appropriations	E-3	455,809.64	
2013 Appropriation Reserves	E-10	2,968.42	
Reserve for Encumbrances	E-11	<u>11,784.00</u>	
			<u>489,451.48</u>
Balance December 31, 2014	E		<u>\$ 294,118.07</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	\$ 485,442.65	
Utility Charges Overpayments	E-13	<u>922.10</u>	
			<u>\$ 486,364.75</u>
Decreased by Disbursements :			
Amount Paid to Treasurer:			
Solid Waste Operating Fund	E-4		<u>\$ 486,364.75</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, 2013	E	\$ 8,286.23
Increased by :		
2014 Charges		<u>488,766.05</u>
		497,052.28
Decreased by :		
Received in 2014	E-2,5	\$ 485,442.65
Utility Charges Overpayments Applied in 2014	E-2,13	<u>1,508.12</u>
		<u>486,950.77</u>
Balance December 31, 2014	E	<u>\$ 10,101.51</u>

SCHEDULE OF SOLID WASTE LIENS RECEIVABLE

NOT APPLICABLE

BOROUGH OF CHATHAM

SOLID WASTE UTILITY FUND
SCHEDULE OF DEFERRED CHARGES-OPERATING DEFICIT

NOT APPLICABLE

BOROUGH OF CHATHAM

E-10

SOLID WASTE UTILITY FUND
SCHEDULE OF APPROPRIATION RESERVES - 2013

	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 6,404.45	\$ -	\$ -	\$ 6,404.45
Other Expenses	7,516.56		2,968.42	4,548.14
Statutory Expenditures:				
Contribution to:				
Public Employees' Retirement System	0.20			0.20
Social Security System (O.A.S.I.)	472.47			472.47
Unemployment Compensation				
Insurance (N.J.S.A. 43:21 et seq.)	<u>300.00</u>	<u>-</u>	<u>-</u>	<u>300.00</u>
	<u>\$ 14,693.68</u>	<u>\$ -</u>	<u>\$ 2,968.42</u>	<u>\$ 11,725.26</u>
Ref.	E		E-4	E-1

BOROUGH OF CHATHAM
 SOLID WASTE UTILITY FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance December 31, 2013	E	\$ 11,784.00
Increased by :		
Charges 2014 Budget Appropriations	E-3	<u>7,593.44</u>
		19,377.44
Decreased by :		
Paid in 2014	E-4	<u>11,784.00</u>
Balance December 31, 2014	E	<u>\$ 7,593.44</u>

BOROUGH OF CHATHAM

SOLID WASTE UTILITY FUND
SCHEDULE OF INTERFUND ACCOUNTS PAYABLE

Solid Waste Operating Fund:
 Current Fund:
 Payroll and Bills
 Federal and State Grants Fund
 Recycling Tonnage Grant

	<u>Balance Dec. 31, 2013</u>	<u>Received in 2014</u>	<u>Realized as Revenue in 2014</u>	<u>Balance Dec. 31, 2014</u>
	\$ 23,228.52	\$ -	\$ -	\$ 23,228.52
	<u>17,546.79</u>	<u>30,115.91</u>	<u>17,546.79</u>	<u>30,115.91</u>
	<u>\$ 40,775.31</u>	<u>\$ 30,115.91</u>	<u>\$ 17,546.79</u>	<u>\$ 53,344.43</u>

Ref. E E E-2 E

BOROUGH OF CHATHAM

SOLID WASTE UTILITY FUND
SCHEDULE OF UTILITY CHARGES OVERPAYMENTS

	<u>Ref.</u>	
Balance December 31, 2013	E	\$ 1,508.12
Increased by :		
Received in 2014	E-5	<u>922.10</u>
		2,430.22
Decreased by :		
Applied to Consumers' Accounts Receivable in 2014	E-7	<u>1,508.12</u>
Balance December 31, 2014	E	<u>\$ 922.10</u>

BOROUGH OF CHATHAM
SOLID WASTE UTILITY FUND
SCHEDULE OF FIXED CAPITAL

	<u>Ref.</u>	
Balance December 31, 2013	E	<u>\$ 18,000.00</u>
Balance December 31, 2014	E	<u>\$ 18,000.00</u>

BOROUGH OF CHATHAM
SOLID WASTE UTILITY FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

	Ref.	
Balance December 31, 2013	E	<u>\$ 18,000.00</u>
Balance December 31, 2014	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, 2013	E	\$ 9,792.86	\$ 17,867.01	\$ 27,659.87
Increased by Receipts:				
Donations	F-2	<u>300.00</u>	<u>-</u>	<u>300.00</u>
		10,092.86	17,867.01	27,959.87
Decreased by Disbursements :				
Public Assistance Expenditures	F-2	<u>2,936.78</u>	<u>-</u>	<u>2,936.78</u>
Balance December 31, 2014	E	<u>\$ 7,156.08</u>	<u>\$ 17,867.01</u>	<u>\$ 25,023.09</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, 2013	F	\$ 9,792.86	\$ 17,867.01	\$ 27,659.87
Increased by:				
Donations	F-1	<u>300.00</u>	<u>-</u>	<u>300.00</u>
		10,092.86	17,867.01	27,959.87
Decreased by:				
Public Assistance Expenditures	F-1	<u>2,936.78</u>	<u>-</u>	<u>2,936.78</u>
Balance December 31, 2014	F	<u>\$ 7,156.08</u>	<u>\$ 17,867.01</u>	<u>\$ 25,023.09</u>

BOROUGH OF CHATHAM
PUBLIC ASSISTANCE TRUST FUND
SCHEDULE OF PUBLIC ASSISTANCE REVENUES - 2014

	<u>P.A.T.F. #1</u>	<u>Total</u>
Donations	\$ 300.00	\$ 300.00
Total Revenues (PATF)	<u>300.00</u>	<u>300.00</u>
 Total Receipts	 <u>\$ 300.00</u>	 <u>\$ 300.00</u>

BOROUGH OF CHATHAM
PUBLIC ASSISTANCE TRUST FUND
SCHEDULE OF PUBLIC ASSISTANCE EXPENDITURES - 2014

	<u>P.A.T.F. #1</u>	<u>Total</u>
Assistance Ineligible for State Aid	<u>\$ 2,936.78</u>	<u>\$ 2,936.78</u>
Total Expenditures (P.A.T.F.)	<u>2,936.78</u>	<u>2,936.78</u>
Total Disbursements (P.A.T.F.)	<u>\$ 2,936.78</u>	<u>\$ 2,936.78</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, 2014 and December 31, 2013, and the related notes to the financial statements and have issued our report thereon dated March 31, 2015. 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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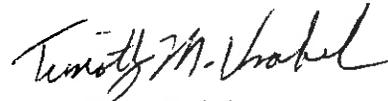
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Given 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

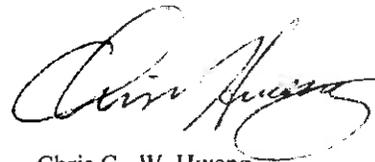
As part of obtaining reasonable assurance about whether the Borough of Chatham's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and 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
March 31, 2015

BOROUGH OF CHATHAM

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2014

Federal Funding Department	Federal Program	CFDA No.	Federal Grant (Award) Number	Grant Award Amount	Total		Amount of Receipts		Accounts Receivable Dec. 31, 2014	Amount of Expenditures		Unexpended Balance Dec. 31, 2014
					From	To	Prior Year	Current Year		Prior Year	Current Year (1)	
EPA	New Jersey Environmental Infrastructure Trust Financing Program (Ord. No. 09-17)	66.458		\$ 850,371.00	2010		\$ 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		
Homeland Security	FEMA	97.042		367,946.46	2011	2012	277,614.46	90,332.00		367,946.46		
Justice	Bulletproof Vest Program			6,816.20			5,567.70	1,048.50		5,715.79	590.85	309.56
							\$ 1,395,520.16	\$ 91,380.50	\$	\$ 1,486,000.25	\$ 590.85	\$ 309.56

(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, 2014

State Program	State Account Number	Grant Award Amount	Total		Amount of Receipts		Accounts Receivable Dec. 31, 2014	Amount of Expenditures		Unexpended Balance Dec. 31, 2014
			Grant Period From To	Prior Year	Current Year	Prior Year		Current Year (1)		
							2010		2010	\$
Department of Environmental Protection: New Jersey Environmental Infrastructure Trust Financing Program (Ord. No. 09-17) New Jersey Environmental Infrastructure Trust Financing Program (Ord. No. 09-10)		\$ 283,456.00 260,000.00	2010 2010	\$ 283,456.00 260,000.00	\$ - -	\$ - -	\$ - -	\$ 283,456.00 260,000.00	\$ - -	
Department of Transportation: N.J. Transportation Trust Fund: Washington (Ord. No. 11-12) Kings (Ord. No. 12-06)	11-480-078-6320-W46 12-480-078-6320-W46	150,000.00 315,000.00		112,500.00 234,684.89	37,500.00	80,305.11	150,000.00 315,000.00			
Recycling Tonnage Grant Drunk Driving Enforcement Fund Clean Communities Grant Alcohol Education and Rehabilitation Fund Body Armor Replacement Fund Sustainable Jersey Grant NICFC - Highlands Grant Office of Environmental Services Grant Environmental Grant Municipal Stormwater Regulation Program Cool Cities Program Grant Improvement District Challenge Grant NJ Energy Efficiency Conservation Block Grant ANJEC Smart Growth Planning Grant	4900-752-178810-60 1110-448-031020-60 4900-765-178910-60 9735-760-060000-60	47,662.70 8,645.15 28,589.13 2,636.57 10,681.70 12,000.00 7,102.74 2,500.00 500.00 8,468.00 3,662.25 10,000.00 20,000.00 7,500.00		17,546.79 8,645.15 14,753.21 2,282.09 6,983.09 12,000.00 1,152.00 2,500.00 500.00 8,468.00 1,774.49 10,000.00 20,000.00	30,115.91 13,835.92 354.48 3,688.61 12,000.00 1,152.00	- -	17,546.79 1,071.39 14,321.19 2,636.57 9,175.55 10,823.52 5,589.11 2,495.63 558.87 1,774.49 9,930.92	30,115.91 7,573.76 14,267.94 2,636.57 9,175.55 1,176.48 1,513.63 4.37 500.00 7,909.13 1,887.76 69.08 20,000.00 7,500.00		
				950,064.45	106,146.92	82,192.87	1,028,805.02	45,269.04	104,330.18	

(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, 2014

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. 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, 2014**

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.

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, Employee Issues Attorney and Animal Control Services.

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

Sidewalk and Curb Programs and Borough Hall Roof

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: Leaf Vacuum, Dump Truck Body and Computer Equipment.

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, Ford Explorer, Pickup Truck, and Dump Truck

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 6, 2014, 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, 2014 include taxes for 1989, 1987, 1986, 1985 and 1976 which are for bankrupt properties.

The last tax sale was held December 15, 2014 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>
2014	1
2013	1
2012	1
2011	1
2010	1
2009	3
2008	2
2007	1
2006	1
2005	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 2015 Taxes	25
Payments of 2014 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, 2014, 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

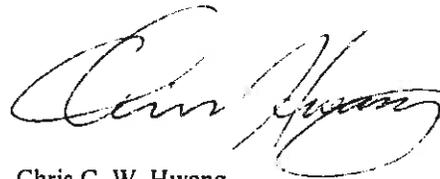
Should any questions arise as to our comments, or should you desire assistance, please do not hesitate to call us.

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
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