

**TOWNSHIP OF CHATHAM**

---

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

# TOWNSHIP OF CHATHAM

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**INDEPENDENT AUDITOR'S REPORT**



# VM ASSOCIATES, INC.

Vincent M. Montanino, RMA, PSA  
Michael S. Zambito, CPA, RMA  
Antonia Russo, Associate

## INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and  
Members of the Township Committee  
Township 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 group of the Township 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, which collectively comprise the Township's financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

The management of the Township of Chatham is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting prescribed by 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 statements that are free from material misstatements, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audits. 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 includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. 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, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we express no such opinion. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that the audit evidence obtained is sufficient to provide a reasonable basis for our opinions.

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

As discussed in Note I, the Township of Chatham prepares its financial statements in conformity with the accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles 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 discussed 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 Township's policy to prepare its financial statements on the basis of accounting discussed in the preceding 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 Township of Chatham as of December 31, 2014 and December 31, 2013 or the results of its operations for the years then ended.

### **Qualified Opinion on Regulatory Basis of Accounting**

However, in our opinion, the financial statements referred to above present fairly, in all material respects, the financial position - regulatory basis of the various funds and account group of the Township 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, on the basis of accounting described in Note I.

### **Other Matters**

Our audit was performed for the purpose of forming opinions on the financial statements of the Township of Chatham, in the County of Morris, State of New Jersey that collectively comprise their financial statements. The accompanying supplementary information listed in the table of contents and the letter of comments and recommendations section are presented for purposes of additional analysis, as required by the Division of Local Government Services and are not a required part of the financial statements.

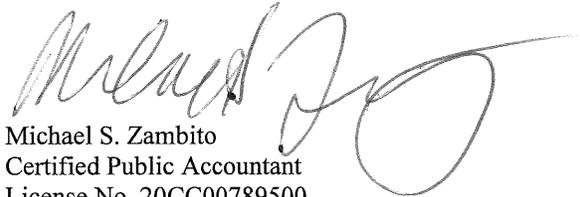
The supplemental information listed in the table of contents are the responsibility of management and were derived from the underlying accounting and other records used to prepare the financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, such information is fairly stated in all material respects in relation to the financial statements taken as a whole

**Other Reporting Required by Government Auditing Standards**

In accordance with Governmental Auditing Standards, we have also issued our report dated June 29, 2015 on our consideration of the Township of Chatham's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 on compliance. That report is an integral part of an audit performed in accordance with Governmental Auditing Standards and should be read in considering the Township's internal control over financial reporting and compliance.



Vincent M. Montanino  
Registered Municipal Accountant  
License No. CR 000375



Michael S. Zambito  
Certified Public Accountant  
License No. 20CC00789500

June 29, 2015

SECTION A  
CURRENT FUND

TOWNSHIP 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	\$ 6,709,418.34	\$ 5,447,735.41
Change Fund	A-6	170.00	170.00
Amount Due from State of New Jersey for Senior Citizens and Veterans Deductions	A-8	<u>19,040.07</u>	<u>18,055.14</u>
		<u>6,728,628.41</u>	<u>5,465,960.55</u>
Receivables and other Assets With Full Reserves :			
Delinquent Property Taxes	A-9	644,414.72	602,208.81
Tax Title Liens	A-10	228,741.56	214,410.01
Property Acquired for Taxes - Assessed Valuation	A-11	599,650.00	1,002,050.00
Interfund Accounts Receivable	A-13	<u>9,143.64</u>	<u>9,460.19</u>
		<u>1,481,949.92</u>	<u>1,828,129.01</u>
Federal and State Grants Fund :			
Amount Due From Current Fund	A-27	157,260.64	98,354.39
Federal and State Aid Receivable	A-28	<u>58,578.20</u>	<u>33,380.49</u>
		<u>215,838.84</u>	<u>131,734.88</u>
		<u>\$ 8,426,417.17</u>	<u>\$ 7,425,824.44</u>

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

TOWNSHIP 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-3,15	\$ 663,510.44	\$ 674,115.30
Reserve for Encumbrances	A-16	206,276.12	155,952.60
Amount Due to Federal and State Grants Fund	A-17	157,260.64	98,354.39
Interfund Accounts Payable	A-18	302,600.00	172,800.00
Prepaid Taxes	A-20	356,332.19	300,129.58
Tax Overpayments	A-21	202,218.65	113,390.18
Reserve for Funds - Appropriated	A-22	6,799.05	7,409.65
Reserve for Funds - Unappropriated	A-23	10,000.00	300.00
Reserve for Storm Water Mitigation	A-24	56,601.00	56,601.00
		<u>1,961,598.09</u>	<u>1,579,052.70</u>
Reserve for Receivables and Other Assets		1,481,949.92	1,828,129.01
Fund Balance	A-1	<u>4,767,030.32</u>	<u>3,886,907.85</u>
		<u>8,210,578.33</u>	<u>7,294,089.56</u>
Federal and State Grants Fund :			
Appropriated Reserves	A-29	97,835.26	101,111.84
Unappropriated Reserves	A-30	17,073.58	17,825.40
Reserves for Encumbrances	A-31	100,930.00	12,797.64
		<u>215,838.84</u>	<u>131,734.88</u>
		<u>\$ 8,426,417.17</u>	<u>\$ 7,425,824.44</u>

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

TOWNSHIP 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	\$ 2,400,000.00	\$ 2,100,000.00
Miscellaneous Revenue Anticipated	A-2	2,000,143.66	2,102,306.04
Receipts from Delinquent Taxes	A-2	579,637.89	758,213.42
Receipts from Current Taxes	A-2	52,764,057.65	51,091,103.06
Non - Budget Revenue	A-2	882,002.46	895,947.82
Other Credits to Income :			
Sale of Forclosed Property	A-11	350,154.36	
Return of Interfund Advances	A-13	9,460.19	12,860.81
Unexpended Balance of Appropriation Reserves Lapsed	A-15	553,154.97	507,261.75
Return of Grant Interfund Advances			17,706.51
Prior Year School Taxes Payable Canceled	A-26	(0.73)	1.43
Grant Appropriated Reserves Canceled	A-29	3,244.56	80,023.97
Tax Overpayments Cancelled	A-21	29,917.38	-
		<u>59,571,772.39</u>	<u>57,565,424.81</u>
<u>Expenditures</u>			
Budgetary and Emergency Appropriations :			
Appropriations Within "CAP"			
Operations			
Salaries and Wages	A-3	5,038,811.00	5,054,251.00
Other Expenses	A-3	4,725,616.00	4,410,150.00
Deferred Charges and Statutory Expenditures	A-3	1,061,898.00	1,094,656.00
Appropriations Excluded from "CAP"			
Operations:			
Other Expenses	A-3	1,246,123.46	1,311,719.10
Capital Improvements	A-3	30,000.00	50,000.00
Debt Service	A-3	786,322.39	681,429.04
Deferred Charges - Municipal		-	175,000.00

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

TOWNSHIP 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	\$ 954.00	\$ 8,520.22
Return of Change Fund		-	\$ 100.00
Prior Year State Aid Receivable Canceled	A-17	3,358.66	17,868.15
Prior Year Tax Appeals Granted	A-21	26,312.10	13,973.95
Regional District School Tax	A-26	34,744,206.00	33,397,622.00
County Taxes	A-26	8,398,954.59	8,184,536.62
County Share of Added and Omitted Taxes -Current Year	A-26	75,473.53	63,189.27
Local Open Space Share of Added Taxes -Current Year	A-26	1,367.85	1,145.37
Local Open Space Tax	A-26	152,252.34	150,550.16
		<u>43,402,879.07</u>	<u>41,837,505.74</u>
Total Expenditures		<u>56,291,649.92</u>	<u>54,614,710.88</u>
Excess in Revenue		3,280,122.47	2,950,713.93
Fund Balance January 1	A	<u>3,886,907.85</u>	<u>3,036,193.92</u>
		7,167,030.32	5,986,907.85
Decreased by :			
Utilization as Anticipated Revenue	A-2	<u>2,400,000.00</u>	<u>2,100,000.00</u>
Fund Balance December 31	A	<u>\$ 4,767,030.32</u>	<u>\$ 3,886,907.85</u>

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

TOWNSHIP OF CHATHAM

CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS

	Ref.	Anticipated	Added by 40A:4-87	Realized	Excess or (Deficit)
	A-1	\$ 2,400,000.00	\$ -	\$ 2,400,000.00	\$ -
Fund Balance Anticipated					
Miscellaneous Revenues :					
Licenses :					
Alcohol Beverages	A-12	6,000.00		6,814.00	814.00
Other	A-2	6,500.00		5,740.00	(760.00)
Fees and Permits :					
Construction Code Official	A-2	475,000.00		511,812.00	36,812.00
Other	A-2	55,000.00		96,119.93	41,119.93
Fines and Costs					
Municipal Court	A-12	60,000.00		60,188.98	188.98
Interest and Costs on Taxes	A-12	120,000.00		122,791.21	2,791.21
Interest on Investments and Deposits	A-2	7,500.00		9,118.85	1,618.85
Colony Pool - Dues and Membership Fees	A-12	170,000.00		181,086.50	11,086.50
Energy Receipts Tax	A-12	790,264.00		790,264.00	-
Supplemental Energy Receipts Tax	A-12	46,203.00		46,203.00	-
Public and Private Revenues Off-Set with Appropriations:					
Recycling Tonnage Grant	A-17	14,927.93		14,927.93	-
Municipal Alliance on Alcoholism and Drug Abuse	A-17	9,721.00	23,950.00	33,671.00	-
Clean Communities Program	A-17		18,508.06	18,508.06	-
Body Armor Replacement Fund	A-17	2,897.47		2,897.47	-
NJ Transportation Trust- River Road Improvements	A-17	-	100,000.00	100,000.00	-
Total Miscellaneous Revenues	A-1	1,764,013.40	142,458.06	2,000,142.93	93,671.47
Receipts from Delinquent Taxes	A-1,2	450,000.00		579,637.89	129,637.89
Amount to be raised by Taxes for Support of Municipal Budget :					
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	A-2	8,629,321.23	-	9,888,675.57	1,259,354.34
Minimum Library Tax	A-2	994,869.00	-	994,869.00	-
Budget Totals		14,238,203.63	142,458.06	15,863,325.39	1,482,663.70
Non-Budget Revenues	A-1,2	-	-	882,002.46	882,002.46
	Ref.	\$ 14,238,203.63	\$ 142,458.06	\$ 16,745,327.85	\$ 2,364,666.16
		A-3	A-3		

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

TOWNSHIP OF CHATHAM

CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
(CONTINUED)

	<u>Ref.</u>		
<u>Analysis of Realized Revenue</u>			
Allocation of Current Tax Collections :			
2014 Taxes Collected in 2013	A-9	\$ 300,129.58	
2014 Taxes Collected in 2014	A-9	52,378,902.76	
State's Share of Senior Citizens' and Veterans' Deductions	A-9	66,500.00	
Tax Overpayments Applied	A-9	<u>18,525.31</u>	
	A-1	52,764,057.65	
Allocated to Local Open Space, School and County Taxes	A-26	<u>43,372,254.31</u>	
		9,391,803.34	
Add : Reserve for Uncollected Taxes	A-3	<u>1,491,741.23</u>	
Amount for Support of Municipal and Library Budgets	A-2		<u>\$ 10,883,544.57</u>
Receipts from Delinquent Taxes :			
Prior Year Taxes Collected	A-9	\$ 579,637.89	
	A-2		<u>\$ 579,637.89</u>
Licenses - Other :			
Clerk	A-12	\$ 3,463.00	
Registrar	A-12	<u>2,277.00</u>	
	A-2		<u>\$ 5,740.00</u>
Fees and Permits - Other :			
Septic Fee	A-12	\$ 2,640.00	
Board of Adjustment	A-12	4,400.00	
Planning Board	A-12	1,525.00	
Solicitor/Canvass/Gun Permits	A-12	276.00	
Alarms	A-12	735.00	
Uniform Fire Safety	A-12	33,740.93	
Sewer Inspection/Connection	A-12	3,025.00	
Registrar	A-12	1,547.00	
Street Opening	A-12	3,950.00	
Interfund Accounts Receivable:			
Construction Code Official - Other Fees and Permits	A-13	<u>44,281.00</u>	
	A-2		<u>\$ 96,119.93</u>
Interest on Investments and Deposits:			
Received in Current Fund	A-12	\$ 8,416.88	
Interfund Accounts Receivable	A-13	<u>702.70</u>	
	A-2		<u>\$ 9,119.58</u>
Construction Code Fees and Permits			
Interfund Accounts Receivable	A-13	\$ 512,625.00	
Refunded in 2013	A-4	<u>813.00</u>	
	A-2		<u>\$ 511,812.00</u>

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

TOWNSHIP OF CHATHAM  
CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
(CONCLUDED)

<u>Analysis of Realized Revenue (Continued)</u>	<u>Ref.</u>		
<u>Analysis of Non-Budget Revenue</u>			
Tax Collector:			
Miscellaneous Reimbursements	A-5	\$	324.00
Treasurer :			
Miscellaneous Reimbursements	A-4		<u>881,678.46</u>
	A-2	\$	<u>882,002.46</u>

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

TOWNSHIP OF CHATHAM

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Ref.	Budget	Appropriations Budget After Modification	Paid or Charged	Expended Reserved	Unexpended Balance Canceled
<b>OPERATIONS WITHIN "CAP"</b>						
<b>GENERAL GOVERNMENT :</b>						
Administrative and Executive						
Salaries and Wages		\$ 267,000.00	\$ 267,000.00	\$ 242,534.55	\$ 24,465.45	\$ -
Other Expenses		60,000.00	68,500.00	68,438.87	61.13	
Mayor and Township Committee						
Salaries and Wages		4,801.00	4,801.00	4,800.00	1.00	
Other Expenses		1,000.00	1,000.00	248.34	751.66	
Municipal Clerk						
Salaries and Wages		85,500.00	85,500.00	64,387.62	21,112.38	
Other Expenses		20,000.00	20,000.00	19,241.75	758.25	
Financial Administration						
Salaries and Wages		7,000.00	7,000.00	6,668.16	331.84	
Other Expenses		1,000.00	1,000.00	1,000.00	-	
Audit Services						
Other Expenses		38,200.00	38,200.00	19,850.00	18,350.00	
Computerized Data Processing						
Salaries and Wages		33,000.00	33,000.00	32,952.96	47.04	
Other Expenses		2,000.00	2,000.00	2,000.00	-	
Collection of Taxes						
Salaries and Wages		66,000.00	66,000.00	65,845.20	154.80	
Other Expenses		9,000.00	9,000.00	8,792.53	207.47	
Assessment of Taxes						
Salaries and Wages		85,500.00	85,500.00	84,974.64	525.36	
Other Expenses		6,500.00	6,500.00	6,023.40	476.60	
Legal Services and Costs						
Salaries and Wages		-	-	-	-	
Other Expenses		150,000.00	150,000.00	110,644.07	39,355.93	
Engineering Services and Costs						
Other Expenses		120,000.00	120,000.00	86,101.17	33,898.83	
Municipal Land Use Law (N.J.S.A. 40:55D-1)						
Planning Board						
Salaries and Wages		6,000.00	6,000.00	3,250.00	2,750.00	
Other Expenses		25,000.00	25,000.00	24,795.53	204.47	
Board of Adjustment						
Salaries and Wages		6,000.00	6,000.00	3,100.00	2,900.00	
Other Expenses		15,000.00	15,000.00	11,437.71	3,562.29	
Insurance						
Special Assessment		33,000.00	33,000.00	33,000.00	-	
Liability Insurance		139,866.00	139,866.00	139,866.00	-	
Worker Compensation Insurance		113,000.00	113,000.00	113,000.00	-	
Group Insurance Plan for Employees		1,900,000.00	1,900,000.00	1,900,000.00	-	
Group Health Insurance Waivers		14,100.00	14,100.00	11,541.58	2,558.42	

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

TOWNSHIP OF CHATHAM

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
(CONTINUED)

	Ref.	Budget	Appropriations Budget After Modification	Paid or Charged	Expended	Reserved	Unexpended Balance Canceled
<u>OPERATIONS WITHIN "CAP" (CONTINUED)</u>							
<u>PUBLIC SAFETY:</u>							
Police							
Salaries and Wages		\$ 2,566,000.00	\$ 2,566,000.00	\$ 2,380,511.83	\$ 185,488.17	\$ -	\$ -
Other Expenses		180,000.00	180,000.00	162,688.79	17,311.21		
Police Dispatch/911							
Other Expenses		224,200.00	224,200.00	220,315.57	3,884.43		
Emergency Management Services							
Salaries and Wages		5,000.00	5,000.00	-	5,000.00		
Other Expenses		500.00	500.00	66.64	433.36		
First Aid Organization Contributions		10,000.00	10,000.00	10,000.00	-		
Fire							
Aid to Volunteer Fire Company		90,000.00	90,000.00	90,000.00	-		
Other Expenses		190,000.00	190,000.00	171,939.51	18,060.49		
<u>PUBLIC WORKS FUNCTIONS:</u>							
Road Repairs and Maintenance							
Salaries and Wages		645,000.00	645,000.00	645,000.00	-		
Other Expenses		190,000.00	210,000.00	203,668.33	6,331.67		
Tree Protection							
Other Expenses		2,000.00	2,000.00	1,186.65	813.35		
Solid Waste Collection							
Salaries and Wages		187,000.00	187,000.00	183,415.09	3,584.91		
Other Expenses		220,000.00	235,000.00	163,119.99	71,880.01		
Public Buildings and Grounds							
Salaries and Wages		515,000.00	515,000.00	514,450.85	549.15		
Other Expenses		80,000.00	90,000.00	89,553.54	446.46		
Vehicle Maintenance							
Other Expenses		85,000.00	92,350.00	81,896.86	10,453.14		
<u>HEALTH AND WELFARE:</u>							
Board of Health							
Salaries and Wages		4,910.00	4,910.00	4,846.30	63.70		
Other Expenses		120,000.00	120,000.00	108,953.52	11,046.48		
Animal Control Service							
Other Expenses		4,000.00	4,000.00	3,200.60	799.40		
Environmental Commission							
Other Expenses		4,000.00	4,000.00	1,945.33	2,054.67		

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

TOWNSHIP OF CHATHAM

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
(CONTINUED)

	Ref.	Budget	Appropriations Budget After Modification	Paid or Charged	Expended	Reserved	Unexpended Balance Canceled
<b>OPERATIONS WITHIN "CAP" (CONTINUED)</b>							
<b>RECREATION AND EDUCATION :</b>							
Recreation Services and Programs		\$ 75,000.00	\$ 75,000.00	\$ 75,000.00	\$ -	\$ -	\$ -
Salaries and Wages		60,000.00	50,000.00	35,750.85	14,249.15		
Other Expenses		200,000.00	150,000.00	106,265.08	43,734.92		
Colony Pool		75,000.00	75,000.00	74,234.27	765.73		
Salaries and Wages		1,000.00	1,000.00	-	1,000.00		
Other Expenses		2,500.00	2,500.00	813.85	1,686.15		
Maintenance of Parks		57,000.00	57,000.00	56,174.00	826.00		
Other Expenses							
Celebration of Public Event, Anniversary or Holiday							
Municipal Court (N.J.S.A. 40A:4-45.3pp)							
<b>CODE ENFORCEMENT AND ADMINISTRATION:</b>							
Code Enforcement Functions		316,000.00	316,000.00	297,803.90	18,196.10		
Salaries and Wages		24,000.00	18,500.00	9,804.75	8,695.25		
Other Expenses							
<b>UNCLASSIFIED :</b>							
Utilities		110,000.00	110,000.00	85,528.76	24,471.24		
Electricity		54,000.00	54,000.00	48,275.75	5,724.25		
Street Lighting		60,000.00	60,000.00	54,489.11	5,510.89		
Telephone and Telegraph		28,000.00	28,000.00	26,665.63	1,334.37		
Water		45,000.00	45,000.00	45,000.00	-		
Natural Gas		130,000.00	130,000.00	123,908.24	6,091.76		
Gasoline		9,768,577.00	9,763,927.00	9,140,967.67	622,959.33		
TOTAL OPERATIONS WITHIN "CAP"		500.00	500.00	-	500.00		
CONTINGENT							
TOTAL OPERATIONS INCLUDING CONTINGENT - WITHIN "CAP"		9,769,077.00	9,764,427.00	9,140,967.67	623,459.33		
<b>DETAIL :</b>							
Salaries and Wages	A-1	5,088,811.00	5,038,811.00	4,727,347.76	311,463.24		
Other Expenses	A-1	4,680,266.00	4,725,616.00	4,413,619.91	311,996.09		
		9,769,077.00	9,764,427.00	9,140,967.67	623,459.33		

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

TOWNSHIP OF CHATHAM

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
(CONTINUED)

	Ref.	Budget	Appropriations Budget After Modification	Paid or Charged	Expended Reserved	Unexpended Balance Canceled
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAP"</u>						
Contribution to :						
Public Employees' Retirement System		\$ 294,067.00	\$ 294,067.00	\$ 294,067.00	\$ -	\$ -
Social Security System (O.A.S.I.)		240,000.00	240,000.00	209,211.53	30,788.47	
Police and Firemen's Retirement System of N.J.		523,181.00	527,831.00	527,800.12	30.88	
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAP"	A-1	1,057,248.00	1,061,898.00	1,031,078.65	30,819.35	
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAP"		10,826,325.00	10,826,325.00	10,172,046.32	654,278.68	
<u>OPERATIONS EXCLUDED FROM "CAP"</u>						
Maintenance of Joint Free Public Library		994,869.00	994,869.00	994,869.00	-	
- Proportionate Share (N.J.S.A. 40A:54-29.17)						
Fair Housing Act (52:27D-237)						
Affordable Housing		6,000.00	6,000.00	4,093.24	1,906.76	
Other Expenses		70,000.00	70,000.00	62,675.00	7,325.00	
LOSAP						
Public and Private Programs Offset by Revenues:						
Clean Communities Program (Added by N.J.S.A. 40A:4-87)		-	18,508.06	18,508.06	-	
NJ Transportation Trust-River Road Improvement (Added by N.J.S.A. 40A:4-87)		-	100,000.00	100,000.00	-	
Municipal Alliance Program		9,721.00	31,671.00	31,671.00	-	
Municipal Alliance Supplemental		-	2,000.00	2,000.00	-	
Recycling Tonnage Grants		14,927.93	14,927.93	14,927.93	-	
Body Armor Replacement		2,897.47	2,897.47	2,897.47	-	
Matching Funds for Grants:						
Municipal Alliance Program		5,250.00	5,250.00	5,250.00	-	
TOTAL OPERATIONS EXCLUDED FROM "CAP"		1,103,665.40	1,246,123.46	1,236,891.70	9,231.76	
DETAIL :						
Other Expenses	A-1	1,103,665.40	1,246,123.46	1,236,891.70	9,231.76	
		1,103,665.40	1,246,123.46	1,236,891.70	9,231.76	

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

TOWNSHIP OF CHATHAM

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
(CONTINUED)

	Ref.	Appropriations		Budget After Modification	Paid or Charged	Expended	Reserved	Unexpended Balance Canceled
		Budget						
<u>CAPITAL IMPROVEMENTS EXCLUDED FROM "CAP"</u>								
Capital Improvement Fund				\$ 30,000.00	\$ 30,000.00	\$ -	\$ -	\$ -
TOTAL CAPITAL IMPROVEMENTS EXCLUDED FROM "CAP"	A-1	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ -	\$ -	\$ -
<u>MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAP"</u>								
Payment of Bond Principal		475,400.00	475,400.00	475,400.00	475,400.00	-	-	-
Payment of Bond Anticipation Notes and Capital Notes		95,000.00	95,000.00	95,000.00	95,000.00	-	-	-
Interest on Bonds		175,672.00	175,672.00	175,672.00	175,672.00	-	-	-
Interest on Notes		40,400.00	40,400.00	40,400.00	40,250.39	-	-	149.61
TOTAL MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAP"	A-1	786,472.00	786,472.00	786,472.00	786,322.39	-	-	149.61
<u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES - EXCLUDED FROM "CAP"</u>		1,920,137.40	2,062,595.46	2,062,595.46	2,053,214.09	9,231.76	9,231.76	149.61
<u>SUBTOTAL GENERAL APPROPRIATIONS RESERVE FOR UNCOLLECTED TAXES</u>		12,746,462.40	12,888,920.46	12,888,920.46	12,225,260.41	663,510.44	663,510.44	149.61
		1,491,741.23	1,491,741.23	1,491,741.23	1,491,741.23	-	-	-
TOTAL GENERAL APPROPRIATIONS		\$ 14,238,203.63	\$ 14,380,661.69	\$ 14,380,661.69	\$ 13,717,001.64	\$ 663,510.44	\$ 663,510.44	\$ 149.61
	Ref.						A	
Adopted Budget	A-2		\$ 14,238,203.63	\$ 14,238,203.63				
Added by N.J.S.A. 40A:4-87	A-2		142,458.06	142,458.06				
			\$ 14,380,661.69	\$ 14,380,661.69				
Cash Disbursed	A-4				\$ 11,843,729.83			
Reserve for Encumbrances	A-16				206,276.12			
Amount Due to Federal and State Grants Fund	A-17				175,254.46			
Reserve for Uncollected Taxes	A-2				1,491,741.23			
					\$ 13,717,001.64			

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

SECTION B  
TRUST FUND

TOWNSHIP OF CHATHAM  
TRUST FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

<u>Assets</u>	<u>Ref.</u>	<u>December 31,</u>	
		<u>Year 2014</u>	<u>Year 2013</u>
Animal Control Fund :			
Cash - Treasurer	B-1	\$ 26,886.40	\$ 28,101.99
Cash - Animal Control Clerk	B-2	-	2,220.00
		<u>26,886.40</u>	<u>30,321.99</u>
Trust Other Funds:			
Cash - Treasurer	B-1	1,069,933.61	1,466,001.21
Interfund Accounts Receivable	B-3	302,600.00	172,800.00
		<u>1,372,533.61</u>	<u>1,638,801.21</u>
		<u>\$ 1,399,420.01</u>	<u>\$ 1,669,123.20</u>
Length of Service Award Program:			
Cash with Agent Provider (Unaudited)		<u>\$ 1,373,692.53</u>	<u>\$ 1,211,834.46</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Animal Control Fund :			
Reserve for Animal Control Fund Expenditures	B-4	\$ 17,775.60	\$ 18,641.80
Amount Due to State of New Jersey	B-5	-	136.80
Prepaid Licenses	B-6	-	2,083.20
Interfund Accounts Payable	B-7	9,110.80	9,460.19
		<u>26,886.40</u>	<u>30,321.99</u>
Trust Other Funds:			
Interfund Accounts Payable	B-7	32.84	-
Reserve for Special Funds	B-9	1,372,500.77	1,638,801.21
		<u>1,372,533.61</u>	<u>1,638,801.21</u>
		<u>\$ 1,399,420.01</u>	<u>\$ 1,669,123.20</u>
Length of Service Award Program:			
Reserve for Qualified Participants-(Unaudited)		<u>\$ 1,373,692.53</u>	<u>\$ 1,211,834.46</u>

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

SECTION C  
GENERAL CAPITAL FUND

TOWNSHIP 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	\$ 1,201,030.36	\$ 1,441,116.72
Deferred Charges to Future Taxation:			
Funded	C-4	6,435,000.00	7,010,000.00
Unfunded	C-5	3,841,750.00	3,229,000.00
Accounts Receivable -			
Contributions in Aid of Construction	C-6	<u>70,000.00</u>	<u>-</u>
		<u>\$ 11,547,780.36</u>	<u>\$ 11,680,116.72</u>
 <u>Liabilities, Reserves and Fund Balance</u>			
Serial Bonds	C-13	\$ 6,435,000.00	\$ 7,010,000.00
Bond Anticipation Notes	C-12	3,841,750.00	3,229,000.00
Reserve for Senior Center	C-7	30,000.00	30,000.00
Improvement Authorizations :			
Funded	C-8	135,143.15	95,739.79
Unfunded	C-8	392,531.48	322,230.36
Reserve for Encumbrances	C-9	255,574.99	557,005.79
Capital Improvement Fund	C-10	81,562.64	88,812.64
Fund Balance	C-1	<u>376,218.10</u>	<u>347,328.14</u>
		<u>\$ 11,547,780.36</u>	<u>\$ 11,680,116.72</u>

There were no Bonds and Notes Authorized but not Issued at December 31, 2014.

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

TOWNSHIP OF CHATHAM

C-1

GENERAL CAPITAL FUND  
STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	
Balance December 31, 2013	C	\$ 347,328.14
Increased by :		
Premium on Sale of Bonds	C-2	<u>28,889.96</u>
Balance December 31, 2014	C	<u>\$ 376,218.10</u>

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

SECTION D

SEWER UTILITY NO. 1 FUND

TOWNSHIP OF CHATHAM  
SEWER UTILITY NO. 1 FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

<u>Assets</u>	<u>Ref.</u>	<u>December 31,</u>	
		<u>2014</u>	<u>2013</u>
Sewer Operating Fund:			
Cash - Treasurer	D-6	\$ 1,437,277.75	\$ 1,220,109.86
Interfund Accounts Receivable	D-10	<u>14,504.70</u>	<u>16,856.03</u>
		<u>1,451,782.45</u>	<u>1,236,965.89</u>
Receivables with Full Reserves:			
Consumers' Accounts Receivable	D-11	<u>245,000.08</u>	<u>286,625.93</u>
Total Sewer Operating Fund		<u>1,696,782.53</u>	<u>1,523,591.82</u>
Sewer Assessment Fund			
Cash - Treasurer	D-6	202,962.77	264,416.97
Assessment Receivable	D-12	443,261.73	514,158.86
Assessment Lien Receivable	D-13	5,870.00	5,870.00
Assessment Lien Interest and Costs	D-14	<u>1,411.28</u>	<u>1,411.28</u>
Total Sewer Assessment Fund		<u>653,505.78</u>	<u>785,857.11</u>
Sewer Capital Fund :			
Cash - Treasurer	D-6	686,286.89	248,065.00
Fixed Capital	D-15	18,035,297.65	18,028,592.65
Fixed Capital Authorized and Uncompleted	D-16	7,475,000.00	7,475,000.00
Wastewater Treatment Trust Loan Receivable	D-17	<u>2,022,119.00</u>	<u>-</u>
Total Sewer Capital Fund		<u>28,218,703.54</u>	<u>25,751,657.65</u>
		<u>\$ 30,568,991.85</u>	<u>\$ 28,061,106.58</u>

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

TOWNSHIP OF CHATHAM  
SEWER UTILITY NO. 1 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>
<b>Sewer Operating Fund :</b>			
Liabilities :			
Appropriation Reserves	D-5,18	\$ 332,466.60	\$ 365,654.95
Reserve for Encumbrances	D-19	80,072.04	85,653.03
Prepaid Utility Charges	D-20	4,703.68	1,780.85
Accrued Interest on Bonds	D-21	16,931.25	19,775.00
Accrued Interest on Loans	D-22	10,072.93	11,010.43
Accrued Interest on Notes	D-23	<u>7,255.32</u>	<u>7,710.07</u>
		451,501.82	491,584.33
Reserve Receivables		245,000.08	286,625.93
Fund Balance	D-1	<u>1,000,280.63</u>	<u>745,381.56</u>
Total Sewer Operating Fund		<u>1,696,782.53</u>	<u>1,523,591.82</u>
<b>Sewer Assessment Fund:</b>			
Interfund Accounts Payable	D-24	14,504.70	16,856.03
Reserve for Assessments and Liens Receivable	D-25	449,131.73	520,028.86
Reserve for Assessment Lien			
Interest and Costs	D-26	1,411.28	1,411.28
Fund Balance	D-2	<u>188,458.07</u>	<u>247,560.94</u>
Total Sewer Assessment Fund		<u>653,505.78</u>	<u>785,857.11</u>
<b>Sewer Capital Fund :</b>			
Bond Anticipation Notes	D-31	906,000.00	943,000.00
Serial Bonds	D-32	1,935,000.00	2,260,000.00
Wastewater Treatment Trust Loan Payable	D-33	6,381,287.46	1,003,690.05
Improvement Authorizations - Funded	D-27	2,453,527.77	-
- Unfunded	D-27	1,532,599.00	7,000,000.00
Capital Improvement Fund	D-28	121,761.28	121,761.28
Reserve for Amortization	D-29	14,755,411.19	14,296,902.60
Fund Balance	D-3	<u>133,116.84</u>	<u>126,303.72</u>
Total Sewer Capital Fund		<u>28,218,703.54</u>	<u>25,751,657.65</u>
		<u>\$ 30,568,991.85</u>	<u>\$ 28,061,106.58</u>

There were Bonds and Notes Authorized but not Issued at December 31, 2014 in the amount of \$1,532,599.00. See Schedule D-34 for analysis.

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

TOWNSHIP OF CHATHAM  
SEWER UTILITY NO. 1 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-1,4	\$ 250,000.00	\$ 150,000.00
Sewer Rents	D-4	2,214,556.90	2,067,144.80
Miscellaneous	D-4	40,570.18	59,349.44
Assessment Fund Balance	D-4	130,000.00	130,000.00
Utility Capital Fund Balance		-	100,000.00
Other Credits to Income :			
Unexpended Balance of Appropriation Reserves	D-18	<u>319,771.99</u>	<u>403,677.33</u>
Total Income		<u>2,954,899.07</u>	<u>2,910,171.57</u>
<u>Expenditures</u>			
Budgetary and Emergency Appropriations:			
Operating	D-5	1,735,000.00	1,675,000.00
Capital Improvements	D-5	63,975.14	65,666.22
Debt Service	D-5	605,024.86	628,333.78
Statutory Expenditures	D-5	<u>46,000.00</u>	<u>51,000.00</u>
Total Expenditures		<u>2,450,000.00</u>	<u>2,420,000.00</u>
Excess in Revenue		504,899.07	490,171.57
Fund Balance January 1	D	<u>745,381.56</u>	<u>405,209.99</u>
		1,250,280.63	895,381.56
Decreased by :			
Utilization by Sewer Operating Budget	D-1	<u>250,000.00</u>	<u>150,000.00</u>
Fund Balance December 31	D	<u>\$ 1,000,280.63</u>	<u>\$ 745,381.56</u>

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

TOWNSHIP OF CHATHAM  
SEWER UTILITY NO. 1 FUND  
STATEMENT OF ASSESSMENT TRUST FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	
Balance December 31, 2013	D	\$ 247,560.94
Increased by:		
Collection of Unpledged Assessments and Liens	D-25	<u>70,897.13</u>
		318,458.07
Decreased by:		
Anticipated as Revenue Sewer Operating Fund	D-4,6	<u>130,000.00</u>
Balance December 31, 2014	D	<u>\$ 188,458.07</u>

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

STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS

Balance December 31, 2013	D	\$ 126,303.72
Increased by :		
Premium On Note Sale	D-6	<u>6,813.12</u>
Balance December 31, 2014	D	<u>\$ 133,116.84</u>

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

TOWNSHIP OF CHATHAM

D-4

SEWER UTILITY NO. 1 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	D-1	\$ 250,000.00	\$ 250,000.00	\$ -
Rents	D-1,4	2,025,000.00	2,214,556.90	189,556.90
Miscellaneous	D-1,4	45,000.00	40,570.18	(4,429.82)
Assessment Fund Balance	D-1,2	<u>130,000.00</u>	<u>130,000.00</u>	<u>-</u>
	D-5	<u>\$ 2,450,000.00</u>	<u>\$ 2,635,127.08</u>	<u>\$ 185,127.08</u>

Analysis of Realized Revenue

	<u>Ref.</u>		
<u>Rents :</u>			
Consumer Accounts Receivable	D-11	\$ 2,212,776.05	
Prepaid Sewer Charges Applied	D-11	<u>1,780.85</u>	
	D-4		<u>\$ 2,214,556.90</u>
<u>Miscellaneous :</u>			
Interest on Investments - Capital	D-10	\$ 461.83	
Interest on Investments - Assessment	D-10	287.57	
Interest on Collections - Assessment	D-10	<u>14,504.70</u>	
			\$ 15,254.10
Interest on Investments - Operating		\$ 1,243.20	
Other		3,741.13	
Connection Fees		6,550.00	
Interest on Sewer Rents		12,484.53	
Cost of Ads		197.22	
Municipal Expense Sewer Fee		500.00	
Sewer Applications		<u>600.00</u>	
	D-6		<u>25,316.08</u>
	D-4		<u>\$ 40,570.18</u>

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

TOWNSHIP OF CHATHAM

D-5

SEWER UTILITY NO. 1 FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS

	<u>Ref.</u>	<u>Budget Appropriations</u>	<u>Budget After Transfers</u>	<u>Paid or Charged</u>	<u>Expended</u>	<u>Reserved</u>
Operating :						
Salaries and Wages		\$ 585,000.00	\$ 585,000.00	\$ 551,945.95	\$ 33,054.05	
Other Expenses		<u>1,150,000.00</u>	<u>1,150,000.00</u>	<u>914,006.51</u>	<u>235,993.49</u>	
Total Operating	D-1	<u>1,735,000.00</u>	<u>1,735,000.00</u>	<u>1,465,952.46</u>	<u>269,047.54</u>	
Capital Improvement :						
Capital Outlay		63,975.14	63,975.14	6,705.00	57,270.14	
Total Capital Improvement	D-1	<u>63,975.14</u>	<u>63,975.14</u>	<u>6,705.00</u>	<u>57,270.14</u>	
Debt Service :						
Payment of Bond Principal		325,000.00	325,000.00	325,000.00		
Payment of Notes and Loan Principal		126,803.59	126,803.59	126,803.59		
Interest on Bonds		116,433.75	116,433.75	116,433.75		
Interest on Notes and Loans		<u>36,787.52</u>	<u>36,787.52</u>	<u>36,787.52</u>		
Total Debt Service	D-1	<u>605,024.86</u>	<u>605,024.86</u>	<u>605,024.86</u>		
Statutory Expenditures :						
Contribution:						
Public Employees Retirement System		1,000.00	1,000.00	-	1,000.00	
Social Security (O.A.S.I.)		<u>45,000.00</u>	<u>45,000.00</u>	<u>39,851.08</u>	<u>5,148.92</u>	
Total Statutory Expenditures	D-1	<u>46,000.00</u>	<u>46,000.00</u>	<u>39,851.08</u>	<u>6,148.92</u>	
		<u>\$ 2,450,000.00</u>	<u>\$ 2,450,000.00</u>	<u>\$ 2,117,533.40</u>	<u>\$ 332,466.60</u>	D
	<u>Ref.</u>	<u>D-4</u>				
Disbursed	<u>Ref.</u>					
Reserve for Encumbrances	D-6			\$ 1,884,240.09		
Reserve for Interest on Bonds	D-19			80,072.04		
Reserve for Interest on Loans	D-21			116,433.75		
Reserve for Interest on Notes	D-22			27,737.52		
	D-23			<u>9,050.00</u>		
				<u>\$ 2,117,533.40</u>		

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

SECTION E

SEWER UTILITY NO. 2 FUND

TOWNSHIP OF CHATHAM  
SEWER UTILITY NO. 2 FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

		<u>December 31,</u>	
<u>Assets</u>	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
Operating Fund :			
Cash - Treasurer	E-5	\$ 556,493.62	\$ 431,339.56
		<u>556,493.62</u>	<u>431,339.56</u>
Receivables with Full Reserves:			
Consumers' Account Receivable	E-7	<u>32,353.57</u>	<u>41,199.55</u>
Total Operating Fund		<u>588,847.19</u>	<u>472,539.11</u>
Capital Fund :			
Cash - Treasurer	E-5	113,508.62	309,745.86
Fixed Capital	E-13	561,827.81	561,827.81
Fixed Capital Authorized and Uncompleted	E-14	<u>855,000.00</u>	<u>855,000.00</u>
Total Capital Fund		<u>1,530,336.43</u>	<u>1,726,573.67</u>
		<u>\$ 2,119,183.62</u>	<u>\$ 2,199,112.78</u>

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

TOWNSHIP OF CHATHAM  
SEWER UTILITY NO. 2 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>
Operating Fund :			
Liabilities :			
Appropriation Reserves	E-4,8	\$ 213,221.17	\$ 186,057.72
Reserve For Encumbrances	E-9	10,228.87	14,866.77
Reserve for Interest on Bonds	E-10	7,784.37	11,265.62
Reserve for Interest on Notes	E-11	428.23	578.13
Prepaid Sewer Charges	E-12	494.12	258.26
		<u>232,156.76</u>	<u>213,026.50</u>
Reserve for Consumers' Accounts Receivable		32,353.57	41,199.55
Fund Balance	E-1	<u>324,336.86</u>	<u>218,313.06</u>
Total Operating Fund		<u>588,847.19</u>	<u>472,539.11</u>
Capital Fund :			
Improvement Authorizations - Funded	E-15	34,496.10	248,991.29
Improvement Authorizations - Unfunded	E-15	-	-
Reserve For Encumbrances-Improvement Authorizations	E-16	30,955.83	13,261.88
Capital Improvement Fund	E-17	16,500.00	16,500.00
Reserve for Amortization	E-18	917,436.38	812,436.38
Deferred Reserve for Amortization	E-19	164,391.43	164,391.43
Bond Anticipation Notes	E-20	75,000.00	75,000.00
Serial Bonds Payable	E-21	260,000.00	365,000.00
Fund Balance	E-2	<u>31,556.69</u>	<u>30,992.69</u>
Total Capital Fund		<u>1,530,336.43</u>	<u>1,726,573.67</u>
		<u>\$ 2,119,183.62</u>	<u>\$ 2,199,112.78</u>

There were no Bonds and Notes Authorized but not Issued at December 31, 2014.

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

## TOWNSHIP OF CHATHAM

E-1

SEWER UTILITY NO. 2 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-1,3	\$ 120,000.00	\$ 120,000.00
Sewer Rents	E-3	519,431.67	501,980.89
Miscellaneous	E-3	3,411.12	3,430.14
Other Credits to Income :			
Unexpended Balance of Appropriation Reserves	E-8	<u>178,181.01</u>	<u>105,511.46</u>
Total Income		<u>821,023.80</u>	<u>730,922.49</u>
 <u>Expenditures</u> 			
Budgetary and Emergency Appropriations:			
Operating	E-4	440,101.25	445,108.13
Capital Improvements	E-4	30,000.00	25,000.00
Debt Service	E-4	114,898.75	114,891.87
Statutory Expenditures	E-4	<u>10,000.00</u>	<u>10,000.00</u>
Total Expenditures		<u>595,000.00</u>	<u>595,000.00</u>
Excess in Revenue		226,023.80	135,922.49
Fund Balance January 1	E	<u>218,313.06</u>	<u>202,390.57</u>
		444,336.86	338,313.06
Decreased by :			
Utilization by Sewer No. 2 Operating Budget	E-1	<u>120,000.00</u>	<u>120,000.00</u>
Fund Balance December 31	E	<u>\$ 324,336.86</u>	<u>\$ 218,313.06</u>

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

TOWNSHIP OF CHATHAM

E-2

SEWER UTILITY NO. 2 FUND  
STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	
Balance December 31, 2013	E	\$ 30,992.69
Increased by :		
Premium on Note Sale	E-5	<u>564.00</u>
Balance December 31, 2014	E	<u>\$ 31,556.69</u>

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

SEWER UTILITY NO. 2 FUND  
STATEMENT OF REVENUES - REGULATORY BASIS

	<u>Ref.</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Operating Fund Balance Utilized	E-1	\$ 120,000.00	\$ 120,000.00	\$ -
Sewer Rents	E-1,3	475,000.00	519,431.67	44,431.67
Miscellaneous	E-1,3	<u>-</u>	<u>3,411.12</u>	<u>3,411.12</u>
	E-4	<u>\$ 595,000.00</u>	<u>\$ 642,842.79</u>	<u>\$ 47,842.79</u>
<u>Analysis of Realized Revenue</u>	<u>Ref.</u>			
Sewer Rents:				
Received in 2014	E-7	\$ 519,173.41		
Prepaid Sewer Charges Applied	E-7	<u>258.26</u>		
	E-3		<u>\$ 519,431.67</u>	
Miscellaneous:				
Interest on Investments		\$ 706.22		
Interest on Sewer Rents		2,629.90		
Other		<u>75.00</u>		
	E-3		<u>\$ 3,411.12</u>	

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

TOWNSHIP OF CHATHAM

E-4

SEWER UTILITY NO. 2 FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended</u> <u>Reserved</u>
Operating :					
Salaries and Wages		\$ 115,000.00	\$ 115,000.00	\$ 114,734.25	\$ 265.75
Other Expenses		325,101.25	325,101.25	143,357.95	181,743.30
Total Operating	E-1	440,101.25	440,101.25	258,092.20	182,009.05
Capital Improvements:					
Capital Outlay		30,000.00	30,000.00	-	30,000.00
Total Capital Improvements	E-1	30,000.00	30,000.00	-	30,000.00
Debt Service :					
Payment of Bond Principal		105,000.00	105,000.00	105,000.00	-
Interest on Bonds		9,113.75	9,113.75	9,113.75	-
Interest on Notes		785.00	785.00	785.00	-
Total Debt Service	E-1	114,898.75	114,898.75	114,898.75	-
Statutory Expenditures :					
Contribution to:					
Social Security System (O.A.S.I.)		10,000.00	10,000.00	8,787.88	1,212.12
Total Statutory Expenditures	E-1	10,000.00	10,000.00	8,787.88	1,212.12
		\$ 595,000.00	\$ 595,000.00	\$ 381,778.83	\$ 213,221.17
	Ref.	E-3	Ref.	E	
	Disbursed		E-5	\$ 361,651.21	
	Reserve for Encumbrances		E-9	10,228.87	
	Reserve for Interest on Bonds		E-10	9,113.75	
	Reserve for Interest on Notes		E-11	785.00	
				\$ 381,778.83	

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

SECTION F

GENERAL FIXED ASSETS ACCOUNT GROUP

## TOWNSHIP 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	\$ 14,846,741.00	\$ 14,121,741.00
Land Improvements	2,350,388.00	128,898.00
Buildings and Improvements	8,550,153.00	8,543,158.00
Equipment	1,185,647.00	956,872.00
Vehicles	<u>3,895,461.00</u>	<u>3,831,111.00</u>
	<u>\$ 30,828,390.00</u>	<u>\$ 27,581,780.00</u>
 Investments in General Fixed Assets	 <u>\$ 30,828,390.00</u>	 <u>\$ 27,581,780.00</u>

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

**NOTES TO FINANCIAL STATEMENTS**

TOWNSHIP OF CHATHAM

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014

Note I: Summary of Significant Accounting Policies

A. Basis of Presentation

The financial statements of the Township Committee of the Township 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 Township's accounting policies are described below.

B. Reporting Entity

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

The primary criterion for including activities within the Township'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 Township 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 Township of Chatham include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township of Chatham, as required by N.J.S. 40A:5-5. Accordingly, the financial statements of the Township of Chatham do not include the operations of the municipal library or volunteer fire and first aid squads. Furthermore, the Township 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 Township 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 Township 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.

TOWNSHIP OF CHATHAM

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(CONTINUED)

Note I: Summary of Significant Accounting Policies (Continued)

C. Description of Funds (Continued)

Sewer Operating and Capital Funds No. 1 and No. 2 – account for the operations and acquisition of capital facilities of the Sewer Utilities.

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

Bond and Interest Fund – receipts and disbursements of funds for payment of interest and principal on outstanding debt.

General Fixed Asset Account Group – account for all the general fixed assets of the Township, other than those accounted for in the Sewer Utility funds. The Township's infrastructure is not reported in the account group.

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 differences are as follows:

Property Taxes, Sewer Rents and Other Revenues – property taxes, sewer rents and other revenues are recognized on a cash basis. Receivables for property taxes and other items that are susceptible to accrual are recorded with offsetting reserves on the balance sheets. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Grant Revenues – Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Township of Chatham budget. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Expenditures (including Federal and State Financial Assistance Programs) – unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless canceled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Encumbrances – contractual orders at December 31 are reported as expenditures through the establishment of a reserve for encumbrances. Encumbrances do not constitute expenditures under GAAP.

Appropriation Reserves – are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

TOWNSHIP OF CHATHAM

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(CONTINUED)

Note I: Summary of Significant Accounting Policies (Continued)

D. Basis of Accounting (Continued)

Operating Deficits – deficits resulting from expenditures and other debits which exceed cash revenues, other realized revenues and credits to income in such fiscal year, are recorded as deferred charges on the balance sheet of the respective operating funds at year end and are required to be funded in the succeeding year’s budget. GAAP does not permit the deferral of operating deficits at year end.

Compensated Absences – expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid, however, municipalities may establish and budget reserve funds for the future payment of compensated absences. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

Property Acquired for Taxes – is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the general fixed assets account group at market value on the date of acquisition.

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

Interfunds – advances from the Current Fund are reported as interfund receivables with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. GAAP does not require the establishment of an offsetting reserve.

Basic Financial Statement – The GASB Codification also defines the financial statements of a governmental unit that are required to be presented in the general purpose financial statements be in accordance with GAAP. The Township of Chatham presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

E. 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 \$1,491,741.23. To balance the budget, the municipality is permitted to utilize fund balance. The amounts of fund balance utilized to balance the 2014 statutory budgets were as follows:

Current Fund	\$2,400,000.00
Sewer No. 1 Utility Operating Fund	250,000.00
Sewer No. 2 Utility Operating Fund	120,000.00

TOWNSHIP OF CHATHAM

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(CONTINUED)

Note I: Summary of Significant Accounting Policies (Continued)

E. Budgetary Information (Continued)

Transfers of line item amounts are permitted after November 1, and must be made by a resolution adopted by the governing body. The following significant budget transfers were approved in the 2014 calendar year.

<u>Budget Category</u>	<u>Amount</u>
Public Buildings and Grounds - OE	\$10,000.00
Roads Repairs and Maintenance – OE	20,000.00
Recreation Services and Programs - OE	(10,000.00)
Colony Pool – S&W	(50,000.00)
Solid Waste Collection – OE	15,000.00

N.J.S.A. 40A:4-87 permits special items of revenue and appropriations to be inserted into the annual budget, after the adoption of the budget, when the item has been made available by any public or private funding source. The following significant budget insertions were approved during the 2014 calendar year.

<u>Budget Category</u>	<u>Amount</u>
NJ Transportation Trust – River Road Improvements	\$100,000.00
Clean Communities Program	18,508.06
Municipal Alliance	21,950.00
Municipal Alliance - Supplemental	2,000.00

The municipality may make emergency appropriations, after the adoption of the budget, for a purpose which was not foreseen at the time the budget was adopted or for which adequate provision was not made therein. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety, morals or welfare or to provide temporary housing or public assistance prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budget of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. The Township did not approve emergency appropriations during the 2014 and 2013 calendar years.

TOWNSHIP OF CHATHAM

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(CONTINUED)

Note I: Summary of Significant Accounting Policies (Continued)

F. Assets and Liabilities

1. Deposits and Investments

Deposits are cash and cash equivalents including petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Other than Certificates of Deposit, deposits with maturities of greater than three months are considered to be investments. U.S. Treasury and Agency Obligations and Certificates of Deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey governmental units are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statutes provide a list of permissible investments that may be purchased by New Jersey governmental units.

2. Property Tax Assessment and Billing

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the result of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners. But it often results in a divergence of the assessment ratio to true value. Because of the changes in property resale values, annual adjustments could not keep pace with the changing values. A revaluation of all property in the Township was last completed in 2005.

Upon the filing of certified adopted budgets by the School District and the County, the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provision for the assessment of property, levying of taxes and the collection thereof are set forth in N.J.S.A. 54:4-1 et seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special districts.

Tax bills are mailed annually in June. The taxes are due August 1 and November 1 respectively, and are adjusted to reflect the current calendar year's total tax liability. The preliminary taxes due February 1 and May 1 of the succeeding year, are based upon one-half of the current year's total tax.

Tax installments not paid on or before the due date are subject to interest penalties of 8% per annum on the first \$1,500.00 of the delinquency and 18% per annum on any amount in excess of \$1,500.00. Pursuant to c. 75, P.L. 1991, the governing body may also fix a penalty to be charged to a taxpayer with a delinquency in excess of \$10,000.00 who fails to pay that delinquency prior to the end of the calendar year. The penalty so fixed shall not exceed 6% of the amount of the delinquency. These interest and penalties are the highest permitted under New Jersey Statutes. Delinquent taxes open for one year or more are annually included in a tax sale in accordance with New Jersey Statutes.

TOWNSHIP OF CHATHAM

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(CONTINUED)

Note I: Summary of Significant Accounting Policies (Continued)

F. Assets and Liabilities (Continued)

3. Deferred Charges

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

4. Fixed Assets

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

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 improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems 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 which is valued at assessed value.

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 capital have not been accounted for separately.

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

Property and equipment purchased by the Sewer 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 balances in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital funds represent charges to operations for the costs of acquisitions of property, equipment and improvements. The utilities do not record depreciation on fixed assets.

TOWNSHIP OF CHATHAM

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(CONTINUED)

Note I: Summary of Significant Accounting Policies (Continued)

F. Assets and Liabilities (Continued)

5. Use of Estimates

The preparation of financial statements in conformity with the accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey requires management to make estimates and assumptions that affect certain reports, amounts and disclosures. Accordingly, actual results could differ from those estimates.

6. Comparative Data

Comparative total data for the prior year has been presented in the accompanying Balance Sheets and Statements of Operations in order to provide an understanding of changes in the Township of Chatham's financial position. However, comparative data have not been presented in each of the supplemental schedules since their inclusion would make statements unduly complex and difficult to read.

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 a market value at least 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.

TOWNSHIP OF CHATHAM

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

(CONTINUED)

Note II: Detailed Notes On All Funds (Continued)

A. Deposits and Investments (Continued)

Deposits (Continued)

At December 31, 2014 the Township of Chatham's cash and cash equivalent's amounted to \$12,031,240.82. Of this amount, \$250,000.00 was covered by federal depository insurance (F.D.I.C.) and \$10,997,571.58 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 \$533,669.24 included in Developers Escrow deposits is covered.

At December 31, 2014 the Township of Chatham did not participate 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 Township 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 \$533,669.24 of the Township of Chatham's cash and cash equivalents of \$12,031,240.82 was exposed to custodial credit risk.

Uninsured and Uncollateralized

\$533,669.24

TOWNSHIP OF CHATHAM

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(CONTINUED)

Note II: Detailed Notes On All Funds (Continued)

A. Deposits and Investments (Continued)

Investments

New Jersey statutes (N.J.S.A.) 40A:5-15.1) permits the Township 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 if 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 obligations 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 Township of Chatham had no investments as described in Note I:F.1. at December 31, 2014.

TOWNSHIP OF CHATHAM

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(CONTINUED)

Note II: Detailed Notes On All Funds (Continued)

B. Property Taxes

The Township 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, 2013 are composed of the following:

<u>Year of Levy</u>	<u>Amount</u>
2013	<u>\$602,208.81</u>

Property taxes receivable as of December 31, 2014 were composed of the following:

<u>Year of Levy</u>	<u>Amount</u>
2014	<u>\$644,414.72</u>

C. Interfund Receivables and Payables

As of December 31, 2013 interfund receivables and payables resulting from various interfund transactions were as follows:

	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
Current Fund	\$ 9,460.19	\$271,154.39
Federal and State Grants Fund	98,354.39	
Trust Funds:		
Animal Control Trust Fund		9,460.19
Other Trust Fund	172,800.00	
Sewer Utility No. 1 Fund:		
Operating Fund	16,856.03	
Assessment Fund		16,856.03
Sewer Utility No. 2 Fund		
Operating Fund	<u>0.00</u>	<u>0.00</u>
	<u>\$ 297,470.61</u>	<u>\$297,470.61</u>

The above interfunds were created either by using the Current Fund to pay bills for the other funds or due to interest, revenues and expenses that should have paid over to their respective operating funds.

TOWNSHIP OF CHATHAM

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(CONTINUED)

Note II: Detailed Notes On All Funds (Continued)

C. Interfund Receivables and Payables (Continued)

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

	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
Current Fund	\$ 9,143.64	\$ 459,860.64
Federal and State Grants Fund	157,260.64	
Trust Funds:		
Animal Control Trust Fund		9,110.80
Other Trust Fund	302,600.00	32.84
Sewer Utility No. 1 Fund:		
Operating Fund	14,504.70	
Assessment Fund	<u>0.00</u>	<u>14,504.70</u>
	<u>\$ 483,508.98</u>	<u>\$483,508.98</u>

The above interfunds were created either by using the Current Fund to pay bills for the other funds or due to interest or revenues and expenses that should have paid over to their respective operating funds.

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 Current Fund has no deferred charges. At December 31, 2013 the Current Fund has no deferred charges. None of the Township's other funds had deferred charges at December 31, 2014 or 2013.

E. Leases

The Township of Chatham has commitments to lease copying equipment under operating leases which expire in 2019. Total operating lease payments made during the year ended December 31, 2014 were \$14,930.52 and total operating lease payments made during the year ended December 31, 2013 were \$20,686.44. Future minimum lease payments are as follows:

<u>Year Ended</u>	<u>Amount</u>
December 31, 2015	\$12,014.40
December 31, 2016	12,014.40
December 31, 2017	10,983.20
December 31, 2018	4,368.00
December 31, 2019	<u>728.00</u>
	<u>\$40,108.00</u>

TOWNSHIP OF CHATHAM

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(CONTINUED)

Note II: Detailed Disclosures Regarding Liabilities and Expenses/Expenditures

F. Debt

The Local Bond Law governs the issuance of bonds and notes to finance general municipal and utility capital expenditures. Bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Township of Chatham are general obligation bonds, backed by the full faith and credit of the Township 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.

Summary of Municipal Debt

	<u>Year 2014</u>	<u>Year 2013</u>	<u>Year 2012</u>
<u>Issued</u>			
General:			
Bonds and Notes	\$ 10,276,750.00	\$ 10,239,000.00	\$ 10,283,000.00
Sewer Utility No. 1:			
Bonds, Loans, and Notes	9,222,287.46	4,206,690.05	4,659,902.56
Sewer Utility No. 2:			
Bonds and Notes	<u>335,000.00</u>	<u>440,000.00</u>	<u>540,000.00</u>
Total Issued	<u>19,834,037.46</u>	<u>14,885,690.05</u>	<u>15,482,902.56</u>
Net Debt Issued	<u>19,834,037.46</u>	<u>14,885,690.05</u>	<u>15,482,902.56</u>
<u>Authorized but not Issued</u>			
Sewer Utility No. 1:			
Bonds and Notes	<u>1,532,599.00</u>	<u>7,000,000.00</u>	<u>-</u>
Total Authorized but Not Issued	<u>1,532,599.00</u>	<u>7,000,000.00</u>	<u>-</u>
Net Bonds and Notes Issued and Authorized but not Issued	<u>\$ 21,366,636.46</u>	<u>\$ 21,885,690.05</u>	<u>\$ 15,482,902.56</u>

TOWNSHIP OF CHATHAM

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(CONTINUED)

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

F. Debt (Continued)

Summary of Statutory Debt Condition-Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.316 %.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School District Debt	\$ 17,726,185.52	\$ 17,726,185.52	\$ -
Sewer Utility No. 1 Debt	10,754,886.46	10,754,886.46	-
Sewer Utility No. 2 Debt	335,000.00	335,000.00	-
General Debt	<u>10,276,750.00</u>	<u>-</u>	<u>10,276,750.00</u>
	<u>\$ 39,092,821.98</u>	<u>\$ 28,816,071.98</u>	<u>\$ 10,276,750.00</u>

Net Debt \$ 10,276,750.00 divided by Equalized Valuation Basis  
per N.J.S.A. 40A:2-2 as amended, \$ 3,256,830,379.67 = 0.316%

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 113,989,063.29
Net Debt	<u>10,276,750.00</u>
Remaining Borrowing Power	<u>\$ 103,712,313.29</u>

TOWNSHIP OF CHATHAM

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(CONTINUED)

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

F. Debt (Continued)

Calculation of " Self Liquidating Purpose", Sewer Utility No. 1 Per N.J.S.A. 40A:2-45

Cash Receipts from Fees, Rents or Other Charges for Year		\$ 2,635,127.08
Deductions:		
Operating and Maintenance Cost	\$ 1,781,000.00	
Debt Service per Sewer Utility No. 1 Account	<u>605,024.86</u>	
		<u>2,386,024.86</u>
 Excess in Revenue-Self Liquidating		 <u>\$ 249,102.22</u>

Footnote:

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

Calculation of " Self Liquidating Purpose", Sewer Utility No. 2 Per N.J.S.A. 40A:2-45

Cash Receipts from Fees, Rents or Other Charges for Year		\$ 639,431.67
Deductions:		
Operating and Maintenance Cost	\$ 450,101.25	
Debt Service per Sewer Utility No. 2 Account	<u>114,898.75</u>	
		<u>565,000.00</u>
 Excess in Revenue-Self Liquidating		 <u>\$ 74,431.67</u>

Footnote:

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

A revised annual debt statement should be filed by the Chief Financial Officer.

TOWNSHIP OF CHATHAM

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(CONTINUED)

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

F. Debt (Continued)

1. Bonds Payable

Bonds are authorized in accordance with State law by the adoption of an ordinance. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Township 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 Capital:					
General Bonds of 2006	3.75%	2/1	2022	\$ 6,910,000.00	\$ 4,045,000.00
General Bonds of 2013	2% to 2.625%	11/15	2026	2,550,000.00	<u>2,390,000.00</u>
					<u>6,435,000.00</u>
Sewer Utility No. 1					
Improvements to Sewer System	5% to 5.40%	11/1	2020	5,500,000.00	<u>1,935,000.00</u>
					<u>1,935,000.00</u>
Sewer Utility No. 2					
Improvements to Sewer System	5% to 5.40%	11/1	2020	115,000.00	45,000.00
Improvements of 2006	3.75%	2/1	2016	900,000.00	<u>215,000.00</u>
					<u>260,000.00</u>
					<u>\$ 8,630,000.00</u>

TOWNSHIP OF CHATHAM

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(CONTINUED)

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

F. Debt (Continued)

1. Bonds Payable

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

Calendar Year	<u>General</u>		<u>Sewer Utility No. 1</u>		<u>Sewer Utility No. 2</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 600,000.00	\$ 194,812.50	\$ 325,000.00	\$ 102,621.25	\$ 110,000.00	\$ 8,495.00
2016	625,000.00	174,825.00	325,000.00	85,965.00	115,000.00	4,207.50
2017	650,000.00	153,987.50	325,000.00	68,902.51	5,000.00	1,882.50
2018	675,000.00	132,300.00	320,000.00	51,840.00	10,000.00	1,620.00
2019	700,000.00	109,762.50	320,000.00	34,560.00	10,000.00	1,080.00
2020	735,000.00	86,281.25	320,000.00	17,280.00	10,000.00	540.00
2021	765,000.00	61,662.50				
2022	775,000.00	36,475.00				
2023	215,000.00	21,681.25				
2024	225,000.00	17,112.50				
2025	230,000.00	12,050.00				
2026	240,000.00	6,300.00	-	-	-	-
	<u>\$ 6,435,000.00</u>	<u>\$ 1,007,250.00</u>	<u>\$ 1,935,000.00</u>	<u>\$ 361,168.76</u>	<u>\$ 260,000.00</u>	<u>\$ 17,825.00</u>

Changes in Long-Term Debt

	Balance December 31, 2013	Additions	Reductions	Balance December 31, 2014	Amount Due Within One Year
General Capital Fund	\$ 7,010,000.00	\$ -	\$ 575,000.00	\$ 6,435,000.00	\$ 600,000.00
Sewer Utility No.1 Bonds	2,260,000.00		325,000.00	1,935,000.00	325,000.00
Sewer Utility No.1 Loans	1,003,690.05	5,467,401.00	89,803.59	6,381,287.46	284,730.41
Sewer Utility No.2 Bonds	365,000.00	-	105,000.00	260,000.00	110,000.00
	<u>\$ 10,638,690.05</u>	<u>\$ 5,467,401.00</u>	<u>\$ 1,094,803.59</u>	<u>\$ 15,011,287.46</u>	<u>\$ 1,319,730.41</u>

TOWNSHIP OF CHATHAM

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(CONTINUED)

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

F. Debt (Continued)

2. Bond Anticipation Notes

Bond Anticipation notes outstanding as of December 31, 2014 consists of the following:

<u>Description</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Amount Outstanding</u>
General Capital:				
Various Improvements - 2009	1.00%	7/18/14	7/17/15	\$ 349,250.00
Various Improvements - 2010	1.00%	7/18/14	7/17/15	617,500.00
Purchase of Communication Equipment	1.00%	7/18/14	7/17/15	315,000.00
Various Improvements - 2011	1.00%	7/18/14	7/17/15	641,000.00
Various Improvements - 2012	1.00%	7/18/14	7/17/15	593,750.00
Various Improvements - 2013	1.00%	7/18/14	7/17/15	617,500.00
Various Improvements - 2014	1.00%	7/18/14	7/17/15	<u>707,750.00</u>
				<u>\$ 3,841,750.00</u>
Sewer Utility No. 1 Capital:				
Engineering Work for Sewer Expansion	1.00%	7/18/14	7/17/15	\$ 245,000.00
Engineering Work Regarding WPC Plant #1	1.00%	7/18/14	7/17/15	252,000.00
Various Improvements Regarding WPC Plant #1	1.00%	7/18/14	7/17/15	<u>409,000.00</u>
				<u>\$ 906,000.00</u>
Sewer Utility No. 2 Capital:				
Purchase of a Generator	1.00%	7/18/14	7/17/15	<u>\$ 75,000.00</u>
<u>Changes in Short-Term Debt</u>				
	Balance December 31, <u>2013</u>	<u>Additions</u>	<u>Reductions</u>	Balance December 31, <u>2014</u>
General Capital Fund	\$ 3,229,000.00	\$ 3,841,750.00	\$ 3,229,000.00	\$ 3,841,750.00
Sewer Utility No.1	943,000.00	906,000.00	943,000.00	906,000.00
Sewer Utility No.2	<u>75,000.00</u>	<u>75,000.00</u>	<u>75,000.00</u>	<u>75,000.00</u>
	<u>\$ 4,247,000.00</u>	<u>\$ 4,822,750.00</u>	<u>\$ 4,247,000.00</u>	<u>\$ 4,822,750.00</u>

3. Bonds Authorized but not Issued

As of December 31, 2014 the Township of Chatham had the following authorized but not issued bonds:

Sewer Utility No. 1 Capital Fund	<u>\$ 1,532,599.00</u>
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TOWNSHIP OF CHATHAM

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(CONTINUED)

Note II: Detailed Notes On All Funds (Continued)

G. N.J. Wastewater Treatment Financing Program

On November 9, 2000, and on November 10, 2005 two separate loan agreements were entered into by the Township of Chatham for the purpose of improvements to the Wastewater Treatment Plant. Loans payable in the amount of \$1,789,863.00 are detailed as follows:

New Jersey Wastewater Treatment Trust	\$ 905,000.00
New Jersey Wastewater Treatment Fund	<u>884,863.00</u>
	<u>\$1,789,863.00</u>

On May 5, 2009 the State of New Jersey Department of Environmental Protection deobligated \$54,951 of the 2005 Fund Loan.

On November 9, 2000, and on November 10, 2005 two separate loan agreements were entered into by the Township of Chatham for the purpose of improvements to the Wastewater Treatment Plant. Loans payable in the amount of \$5,467,401.00 are detailed as follows:

New Jersey Wastewater Treatment Trust	\$4,097,401.00
New Jersey Wastewater Treatment Fund	<u>1,370,000.00</u>
	<u>\$5,467,401.00</u>

TOWNSHIP OF CHATHAM

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(CONTINUED)

Note II: Detailed Notes On All Funds (Continued)

G. N.J. Wastewater Treatment Financing Program (Continued)

Schedules of annual principal and interest payments for the four combined loans are detailed as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 284,730.41	\$ 75,531.28	\$360,261.69
2016	372,868.63	72,062.52	444,931.15
2017	371,358.30	68,137.52	439,495.82
2018	374,832.96	63,187.52	438,020.48
2019	373,251.72	57,900.02	431,151.74
2020	384,864.59	52,612.52	437,477.11
2021	356,063.74	46,762.52	402,826.26
2022	354,945.86	41,762.52	396,708.38
2023	367,021.92	36,762.52	403,784.44
2024	345,816.66	31,293.76	377,110.42
2025	339,503.62	25,575.02	365,078.64
2026	299,503.62	21,356.26	320,859.88
2027	299,503.62	18,956.26	318,459.88
2028	304,503.62	16,556.26	321,059.88
2029	304,503.62	14,006.26	318,509.88
2030	309,503.62	11,456.26	320,959.88
2031	309,503.62	8,756.26	318,259.88
2032	314,503.62	6,056.26	320,559.88
2033	<u>314,503.71</u>	<u>3,087.50</u>	<u>317,591.21</u>
	<u>\$ 6,381,287.46</u>	<u>\$ 671,819.04</u>	<u>\$ 7,053,106.50</u>

H. Fund Balances 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	\$2,800,000.00
Sewer No. 1 Utility Operating Fund	470,000.00
Sewer No. 2 Utility Operating Fund	150,000.00

TOWNSHIP OF CHATHAM

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(CONTINUED)

Note III: Pension Plans

Description of Systems

Substantially all of the Township'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), or the Police and Firemen's Retirement System (PFRS). These systems are sponsored and administered by the New Jersey Division of Pensions and Benefits. The PERS and PFRS are considered cost sharing multiple-employer plans.

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 10 years of service for pension benefits.

The Police and Firemen'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.

According to the State of New Jersey Management Administrative Code, all obligations of the Systems will be assumed by the State of New Jersey should the 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. These reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey 08625-2095.

Retirement Benefits

For PERS employees, the benefits will be 1/55 of the average of the three highest years 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 numbers of years of service.

TOWNSHIP OF CHATHAM

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(CONTINUED)

Note III: Pension Plans (Continued)

Significant Legislation

Chapter 89, P.L. 2008, effective November 1, 2008, increased the PERS retirement age. If a person becomes a member on or after November 1, 2008 that person must be at least 62 years of age in order to retire without a reduction in their retirement allowance.

Chapter 78, P.L. 2011, effective June 28, 2011 implements changes to the PERS. PERS employee pension contribution rates will increase from 5.5% to 6.5% of salary

The second phase of the contribution rate increase from 6.5% to 7.5% is to be phased in equally over a 7 year period beginning July 2012. The contribution rate will increase by 0.14% each year with the first payroll of July until the 7.5% contribution rate is reached in July 2018.

The increase in the PERS employee contribution rate will also increase the minimum repayment amount for pension loans or the cost for a purchase of service credit if certified after the employee's increased contribution becomes effective.

Under a provision of Chapter 78, P.L. 2011, Cost of Living Adjustments (COLA) are suspended for all current and future retirees of all retirement systems. There is no reduction to any COLA increases that were already added to retiree benefits prior to the effective date of the law.

Contribution Requirements

The contribution policy is set by New Jersey State Statutes and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The various pension funds provide for employee contributions based on percentages ranging from 6.92 percent for PERS to 10.0 percent for PFRS of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in all Funds. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PFRS and PERS.

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 differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997..

Legislation enacted in 1991 provided early retirement incentives for Township'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 Township will assume the increased cost for the early retirement.

TOWNSHIP OF CHATHAM

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(CONTINUED)

Note III: Pension Plans (Continued)

Contribution Requirements (Continued)

The Township's total payroll for the year ended December 31, 2013 was \$5,664,334.41 and covered payroll was \$2,577,625.00 for PERS and \$2,091,395.00 for PFRS. The Township's total payroll for the year ended December 31, 2014 was \$5,640,974.68 and covered payroll was \$2,664,204.00 for PERS and \$2,132,736.00 for PFRS. Contributions to the PERS and the PFRS for the last three years made by the employees and Township of Chatham were as follows:

		<u>PERS</u>	Percent of Covered Payroll	<u>PFRS</u>	Percent of Covered Payroll
Employees	12/31/12	167,538.65	6.71%	221,328.80	10.00%
	12/31/13	174,397.83	6.77%	209,139.50	10.00%
	12/31/14	183,051.32	6.87%	215,675.40	10.11%
Township of Chatham	12/31/12	334,962.00	13.41%	548,556.00	24.78%
	12/31/13	303,613.00	11.78%	536,323.00	25.64%
	12/31/14	272,407.00	10.22%	523,181.00	24.53%

Note IV: Post Retirement Medical Benefits

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 Fireman'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.

PERS employees do not receive post-retirement medical benefits.

Note V: Risk Management

The Township 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 Township of Chatham is a member of the following joint insurance funds:

MORRIS COUNTY MUNICIPAL JOINT INSURANCE FUND

This fund was created on January 1, 1987 in accordance with P.L. 1983, entitled "An act concerning joint insurance funds for local units of government, and supplementing Chapter 10 of Title 40A of the New Jersey statutes". The Fund is both an insured and self-administered group of municipalities established for the purpose of providing low-cost insurance coverage for the member municipalities in order to keep local property taxes at a minimum.

TOWNSHIP OF CHATHAM  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(CONTINUED)

Note V: Risk Management (Continued)

The following coverage's are offered by the Fund to its members:

- a) Workers' Compensation and Employers' Liability
- b) Liability Other than Motor Vehicles
- c) Property Damage Other than Motor Vehicles
- d) Motor Vehicle

The Morris County Municipal Joint Insurance Fund is also a member of the Municipal Excess Liability Joint Insurance Fund, which provides excess insurance for each of the coverages noted above, except for excess property coverage which is purchased by the Fund from a commercial carrier. Fund members are subject to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would be responsible for the Fund's liabilities. The Fund considers anticipated investment income when determining if a deficiency exists.

A participating municipality must remain in the Fund for the full term of membership unless terminated earlier by a majority vote of the Fund Commissioners or a two-thirds vote of the Executive Committee for nonpayment of assessments or continued noncompliance after written notice to comply with the bylaws or other obligations. Termination may occur only after proper notice has been given, in accordance with the Fund's bylaws. The Fund has 42 members at December 31, 2013 and December 31, 2014, all of which are municipalities.

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND

This Fund was created on December 16, 1986, in accordance with P.L. 1983, C. 372, entitled "An act concerning joint insurance funds for local units of government, and supplementing Chapter 10 of Title 40A of the New Jersey statutes". The Fund is both an insured and self-administered group of municipalities established for the purpose of providing low-cost insurance coverage for the member municipalities in order to keep local property taxes at a minimum. The participating municipalities and authorities must be a member of a local Joint Insurance Fund or be able to prove satisfactorily to the Fund their compliance with funding and underlying coverage criteria as annually agreed and approved by the Fund. The Fund consists of 19 local Joint Insurance Funds (JIFs) representing over 60% of local governments in New Jersey including 383 municipalities, 162 authorities, 1 counties, 36 fire/first aid squads and 2 commissions at December 31, 2014 and had 585 members consisting of 383 municipalities, 167 authorities, 1 county, 32 fire/first aid squads and 2 commissions at December 31, 2013.

The following coverage's are offered by the Fund to its members:

- a) Worker's Compensation and Employers' Liability
- b) Liability Other than Motor Vehicles
- c) Property Damage Other than Motor Vehicles
- d) Motor Vehicle
- e) Public Officials' Liability

Fund members are subject to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would be responsible for the Fund's liabilities. The Fund considers anticipated investment income when determining if a deficiency exists.

TOWNSHIP OF CHATHAM

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(CONTINUED)

Note V: Risk Management (Continued)

A participating member must remain in the Fund for the full term of membership unless terminated earlier by a majority vote of the Fund Commissioners or a two-thirds vote of the Executive Committee for nonpayment of assessments or continued noncompliance after written notice to comply with the bylaws or other obligations. Termination may occur only after proper notice has been given, in accordance with the Fund's bylaws.

Note VI: Segment Information – Utility/Enterprise Funds

The Township of Chatham maintains two sewer utility funds which provide sewer services. Segment information for the year ended December 31, 2013 and 2014 were as follows:

	<u>2013</u>		<u>2014</u>	
	<u>WPC#1</u> <u>Fund</u>	<u>WPC#2</u> <u>Fund</u>	<u>WPC#1</u> <u>Fund</u>	<u>WPC#2</u> <u>Fund</u>
Operating Revenues	\$2,124,721.83	\$504,642.99	\$2,253,134.48	\$522,136.57
Operating Expenses	1,726,000.00	455,108.13	1,781,000.00	450,101.25
Operating Income or (Loss)	398,721.83	49,534.86	472,134.48	72,035.32
Net Income or (Loss)	490,171.57	135,922.49	504,899.07	226,023.80
Fixed Assets:				
Additions	1,278.00		6,705.00	
Net Working Capital	1,032,007.49	259,512.61	1,245,280.71	356,690.43
Total Operating Assets	1,523,591.82	472,539.11	1,696,782.53	588,847.19
Operating Fund Balance	745,381.56	218,313.06	1,000,280.63	324,336.86
Long Term Debt	3,754,886.46	335,000.00	9,222,287.46	335,000.00
Short Term Debt	451,803.59	105,000.00	646,730.41	110,000.00

Note VII: Accrued Sick and Vacation Benefits

The Township 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 \$205,266.52. 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 Township of Chatham's budget operating expenditures in the year in which it is used.

TOWNSHIP OF CHATHAM

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(CONTINUED)

Note VIII: Related Party Transactions

Mr. Kevin Sullivan, Mayor of the Township of Chatham is also Trustee of the Free Public Library. Exhibit A-3 reflects that \$994,869.00 has been paid to the Free Public Library.

Note IX: Contingent Liabilities

The Township of Chatham is a defendant in a few 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 X: Subsequent Events

The Township has informed us that there are no matters that need to be disclosed from the balance sheet date through the date of this audit.

**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	\$ 2,400,000.00	4.03%	\$ 2,100,000.00	3.65%
Miscellaneous-From Other than Local Property Tax Levies	3,828,076.85	6.43%	3,616,108.33	6.28%
Collection of Delinquent Taxes and Tax Title Liens	579,637.89	0.97%	758,213.42	1.32%
Collection of Current Tax Levy	<u>52,764,057.65</u>	<u>88.57%</u>	<u>51,091,103.06</u>	<u>88.75%</u>
Total Income	<u>59,571,772.39</u>	<u>100.00%</u>	<u>57,565,424.81</u>	<u>100.00%</u>
 <u>Expenditures</u>				
Budget Expenditures:				
Municipal Purposes	12,888,770.85	22.90%	12,777,205.14	23.40%
County Taxes	8,474,428.12	15.06%	8,247,725.89	15.10%
Regional District School Taxes	34,744,206.00	61.72%	33,397,622.00	61.15%
Open Space Taxes	153,620.19	0.27%	151,695.53	0.28%
Other Expenditures	<u>30,624.76</u>	<u>0.05%</u>	<u>40,462.32</u>	<u>0.07%</u>
Total Expenditures	<u>56,291,649.92</u>	<u>100.00%</u>	<u>54,614,710.88</u>	<u>100.00%</u>
Excess in Revenue	<u>3,280,122.47</u>		<u>2,950,713.93</u>	
Adjustments - Expenditures Included Above Which by Statute are Deferred Charges to Budgets of Succeeding Years	<u>-</u>		<u>-</u>	
Statutory Excess	3,280,122.47		2,950,713.93	
Fund Balance January 1	<u>3,886,907.85</u>		<u>3,036,193.92</u>	
	7,167,030.32		5,986,907.85	
Less:				
Utilization as Anticipated Revenue	<u>2,400,000.00</u>		<u>2,100,000.00</u>	
Fund Balance December 31	<u>\$ 4,767,030.32</u>		<u>\$ 3,886,907.85</u>	

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN  
FUND BALANCE - SEWER UTILITY NO. 1 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	\$ 250,000.00	8.46%	\$ 150,000.00	5.15%
Collection of Sewer Rents	2,214,556.90	74.95%	2,067,144.80	71.03%
Miscellaneous-From Other than Sewer Rents	170,570.18	5.77%	289,349.44	9.94%
Other Income	<u>319,771.99</u>	10.82%	<u>403,677.33</u>	<u>13.88%</u>
Total Income	<u>2,954,899.07</u>	<u>100.00%</u>	<u>2,910,171.57</u>	<u>100.00%</u>
<u>Expenditures</u>				
Budget Expenditures:				
Operating	1,735,000.00	70.82%	1,675,000.00	69.22%
Capital Improvements	63,975.14	2.61%	65,666.22	2.71%
Debt Service	605,024.86	24.69%	628,333.78	25.96%
Statutory Expenditures and Deferred Charges	<u>46,000.00</u>	<u>1.88%</u>	<u>51,000.00</u>	<u>2.11%</u>
Total Expenditures	<u>2,450,000.00</u>	<u>100.00%</u>	<u>2,420,000.00</u>	<u>100.00%</u>
Excess in Revenue	504,899.07		490,171.57	
Fund Balance January 1	<u>745,381.56</u>		<u>405,209.99</u>	
	1,250,280.63		895,381.56	
Less:				
Utilization as Anticipated Revenue	<u>250,000.00</u>		<u>150,000.00</u>	
Fund Balance December 31	<u>\$ 1,000,280.63</u>		<u>\$ 745,381.56</u>	

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN  
FUND BALANCE - SEWER UTILITY NO. 2 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	\$ 120,000.00	14.62%	\$ 120,000.00	16.42%
Collection of Sewer Rents	519,431.67	63.27%	501,980.89	68.68%
Miscellaneous-From Other than				
Sewer Rents	3,411.12	0.41%	3,430.14	0.47%
Other Income	<u>178,181.01</u>	<u>21.70%</u>	<u>105,511.46</u>	<u>14.44%</u>
Total Income	<u>821,023.80</u>	<u>100.00%</u>	<u>730,922.49</u>	<u>100.00%</u>
<u>Expenditures</u>				
Budget Expenditures:				
Operating	440,101.25	73.97%	445,108.13	74.81%
Capital Improvements	30,000.00	5.04%	25,000.00	4.20%
Statutory Expenditures	10,000.00	1.68%	10,000.00	1.68%
Debt Service	<u>114,898.75</u>	<u>19.31%</u>	<u>114,891.87</u>	<u>19.31%</u>
Total Expenditures	<u>595,000.00</u>	<u>100.00%</u>	<u>595,000.00</u>	<u>100.00%</u>
Excess in Revenue	226,023.80		135,922.49	
Fund Balance January 1	<u>218,313.06</u>		<u>202,390.57</u>	
	444,336.86		338,313.06	
Less:				
Utilization as Anticipated Revenue	<u>120,000.00</u>		<u>120,000.00</u>	
Fund Balance December 31	<u>\$ 324,336.86</u>		<u>\$ 218,313.06</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
<u>Tax Rate</u>	<u>\$ 1.738</u>	<u>\$ 1.704</u>	<u>\$ 1.683</u>	<u>\$ 1.653</u>	<u>\$ 1.601</u>	<u>\$ 1.569</u>	<u>\$ 1.552</u>	<u>\$ 1.500</u>	<u>\$ 1.440</u>	<u>\$ 1.320</u>

Apportionment of Tax Rate

Municipal	0.283	\$0.285	\$0.288	\$0.287	\$0.318	\$0.301	\$0.288	\$0.284	\$0.268	\$0.259
Library	0.033	0.032	0.034	0.033						
Local Open Space	0.005	0.005	0.004	0.005	0.010	0.010	0.020	0.022	0.021	0.012
County	0.276	0.273	0.263	0.257	0.252	0.255	0.269	0.266	0.252	0.238
Regional School	1.141	1.109	1.094	1.071	1.021	1.003	0.975	0.928	0.899	0.811

Assessed Valuation

2014	\$3,045,646,843.00
2013	\$3,012,610,402.00
2012	\$2,983,041,525.00
2011	\$2,982,615,689.00
2010	\$2,961,030,693.00
2009	\$2,936,723,658.00
2008	\$2,861,683,545.00
2007	\$2,794,861,217.00
2006	\$2,757,484,757.00
2005	\$2,734,636,563.00

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>Currently Percentage of Collection</u>
2014	\$ 53,408,511.09	\$ 52,764,057.65	98.79%
2013	51,729,909.86	51,091,104.06	98.76%
2012	50,526,518.11	49,738,810.10	98.44%
2011	49,677,509.25	48,991,000.90	98.61%
2010	47,709,719.22	47,036,066.13	98.58%
2009	46,405,540.25	45,773,091.52	98.63%
2008	45,332,668.65	44,771,903.27	98.76%
2007	42,580,137.87	42,025,237.35	98.69%
2006	40,194,857.57	39,756,462.81	98.90%
2005	36,266,604.59	35,846,788.51	98.84%

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	\$ 228,741.56	\$ 644,414.72	\$ 873,156.28	1.63%
2013	214,410.01	602,208.81	816,618.82	1.58%
2012	356,172.18	764,985.81	1,121,157.99	2.22%
2011	342,294.15	592,640.33	934,934.48	1.88%
2010	320,962.20	627,155.94	948,118.14	1.99%
2009	302,326.57	500,140.35	802,466.92	1.73%
2008	429,325.49	457,981.45	887,306.94	1.96%
2007	402,053.74	453,004.13	855,057.87	2.01%
2006	375,695.74	374,073.79	749,769.53	1.87%
2005	585,183.50	289,453.41	874,636.91	2.41%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

One property was sold in 2014.

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	\$ 599,650.00
2013	1,002,050.00
2012	599,650.00
2011	599,650.00
2010	599,650.00
2009	599,650.00
2008	6,450.00
2007	6,450.00
2006	6,450.00
2005	6,450.00

COMPARISON OF SEWER UTILITY NO. 1 LEVIES

<u>Year</u>	<u>Levy</u>	<u>Cash Collection</u>
2014	\$ 2,172,931.05	\$ 2,214,556.90
2013	2,116,491.23	2,067,144.80
2012	1,965,926.86	2,090,687.42
2011	1,996,003.17	1,823,275.88
2010	1,922,063.90	1,821,961.42
2009	1,899,454.06	1,949,170.94
2008	1,893,145.66	1,909,535.32
2007	1,889,130.73	1,812,312.50
2006	1,630,903.52	1,620,020.76
2005	1,544,235.06	1,545,993.68

COMPARISON OF SEWER UTILITY NO. 2 LEVIES

<u>Year</u>	<u>Levy</u>	<u>Cash Collection</u>
2014	\$ 510,585.69	\$ 519,431.67
2013	512,286.34	501,980.89
2012	478,727.07	478,129.16
2011	478,924.17	471,613.29
2010	480,101.84	481,411.12
2009	476,839.75	483,642.87
2008	479,493.75	481,488.81
2007	479,887.35	462,100.53
2006	381,011.47	382,158.89
2005	381,849.94	380,208.42

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>Year</u>	<u>Balance Dec. 31</u>	<u>Utilized In Budget of Succeeding Year</u>
Current Fund	2014	\$ 4,767,030.32	\$ 2,800,000.00
	2013	3,886,907.85	2,400,000.00
	2012	3,036,193.92	2,100,000.00
	2011	2,746,169.61	2,000,000.00
	2010	2,581,415.58	1,750,000.00
	2009	2,804,496.05	1,860,000.00
	2008	3,191,121.14	1,844,140.00
	2007	3,434,606.62	2,040,000.00
	2006	2,884,965.99	1,600,000.00
	2005	2,221,234.35	1,375,000.00
Sewer Utility No. 1 Operating Fund	2014	\$ 1,000,280.63	\$ 470,000.00
	2013	745,381.56	250,000.00
	2012	405,209.99	150,000.00
	2011	174,402.07	150,000.00
	2010	220,032.27	175,000.00
	2009	376,000.73	275,000.00
	2008	345,200.68	275,000.00
	2007	461,183.81	375,000.00
	2006	461,240.57	375,000.00
	2005	524,134.53	388,744.70
Sewer Utility No. 2 Operating Fund	2014	\$ 324,336.86	\$ 150,000.00
	2013	218,313.06	120,000.00
	2012	202,390.57	120,000.00
	2011	252,192.36	150,000.00
	2010	280,446.17	170,000.00
	2009	299,276.22	160,000.00
	2008	273,554.43	160,000.00
	2007	251,837.31	160,000.00
	2006	221,097.92	155,000.00
	2005	158,126.26	110,557.50

## 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>
Kevin Sullivan	Mayor	
Curt Ritter	Deputy Mayor	
Bailey Brower, Jr	Member-Township Committee	
Robert Gallop	Member-Township Committee	
Katherine R. Abbott	Member-Township Committee	
Thomas Ciccarone	Administrator – Treasurer	\$1,000,000.00
Debra King	Chief Financial Officer	
Gregory J. LaConte	Clerk	
	Board of Health Secretary	
	Registrar of Vital Statistics	
Mary Ellen Babyack	Collector, Tax Search Officer, Collector of Sewer Service Charges and Assessments	1,000,000.00
Albert E. Cruz	Attorney	
Kali P. Tsimbouski	Control Person	
Greg Impink	Construction Official and Building Sub-Code Official	
Dennis Bettler	Fire Sub-Code Official	
Chris Gibbons	Plumbing Sub-Code Official	
John Paton	Chief of Police	
Glen Sherman	Assessor	
Jack Conway	Recreation Director	

The Surety Bonds for the Tax and Utility Collector were examined and properly executed in accordance with the Local Finance Board promulgated schedules.

Employees and Officials other than where specific coverage is indicated were covered by a Public Employees' Honesty Blanket Position Bond in the amount of \$50,000.00

TOWNSHIP OF CHATHAM  
CURRENT FUND  
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>		
Balance December 31, 2013	A		\$ 5,447,735.41
Increased by Receipts:			
Miscellaneous Revenue Not Anticipated	A-2	\$ 881,678.46	
Tax Collector	A-5	53,638,677.86	
Petty Cash Returned	A-7	200.00	
Amount Due from State for Senior Citizens' and Veterans' Deductions	A-8	65,515.07	
Sale of Foreclosed Property	A-11	350,154.36	
Revenue Accounts Receivable	A-12	1,150,552.29	
Interfund Accounts Receivable	A-13	567,068.89	
Amount Due to Federal and State Grants Fund	A-17	140,396.27	
Interfund Accounts Payable	A-18	136,900.00	
Reserve for Funds - Unappropriated	A-23	10,000.00	
Amount Due to State of New Jersey	A-25	<u>25,935.00</u>	
			<u>56,967,078.20</u>
			62,414,813.61
Decreased by Disbursements :			
Refund of Prior Year Revenue	A-1	954.00	
Refund of Current Year Revenue	A-2	813.00	
2014 Budget Appropriations	A-3	11,843,729.83	
Petty Cash	A-7	200.00	
2013 Appropriation Reserves	A-15	276,912.93	
Amount Due to Federal and State Grants Fund	A-17	87,154.12	
Interfund Accounts Payable	A-18	7,100.00	
Amount Due to Outside Lien Holders	A-19	14,590.80	
Tax Overpayments Refunded	A-21	75,139.95	
Reserve for Funds Appropriated	A-22	610.60	
Amount Due State of New Jersey	A-25	25,935.00	
Local Open Space, Regional District School and County Taxes	A-26	<u>43,372,255.04</u>	
			<u>55,705,395.27</u>
Balance December 31, 2014	A		<u>\$ 6,709,418.34</u>

TOWNSHIP OF CHATHAM  
CURRENT FUND  
SCHEDULE OF CASH - TAX COLLECTOR

	<u>Ref.</u>		
Increased by Receipts :			
Miscellaneous Revenue	A-2	\$ 324.00	
Tax Receivable	A-9	52,958,540.65	
Revenue Accounts Receivable	A-12	122,791.21	
Amount Due to Outside Lien Holders	A-19	14,590.80	
Prepaid Taxes	A-20	356,332.19	
Tax Overpayments	A-21	<u>186,099.01</u>	
			<u>\$ 53,638,677.86</u>
Decreased by Disbursements :			
Paid to Treasurer	A-4		<u>\$ 53,638,677.86</u>

TOWNSHIP OF CHATHAM

A-6

CURRENT FUND  
SCHEDULE OF CHANGE FUNDS

Balance December 31, 2013	A	<u>\$170.00</u>
Balance December 31, 2014	A	<u>\$170.00</u>

Analysis of Balance at December 31, 2014:

Tax Collector		\$120.00
Clerk		<u>50.00</u>
		<u>\$170.00</u>

A-7

SCHEDULE OF PETTY CASH

	<u>Ref.</u>	
Increased by:		
Received in 2014	A-4	<u>\$200.00</u>
Decreased by:		
Returned in 2014	A-4	<u>\$200.00</u>

TOWNSHIP OF CHATHAM

A-8

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

	<u>Ref.</u>	
Balance December 31, 2013	A	\$ 18,055.14
Increased by :		
Senior Citizens' Deductions Per Tax Billings	A-8	\$ 4,500.00
Veterans' Deductions Per Tax Billings	A-8	62,500.00
Senior Citizens' Deductions Allowed by Tax Collector	A-8	250.00
Veterans' Deductions Allowed by Tax Collector	A-8	<u>1,000.00</u>
		<u>68,250.00</u>
		86,305.14
Decreased by :		
Received in Cash from State of New Jersey	A-4	65,515.07
Senior Citizens' Deductions Disallowed by Tax Collector	A-8	<u>1,750.00</u>
		<u>67,265.07</u>
Balance December 31, 2014	A	<u>\$ 19,040.07</u>

Calculation of State's Share of  
 Senior Citizens' and Veterans' Deductions

Senior Citizens' Deductions per Tax Billings	A-8	\$ 4,500.00
Veterans' Deductions per Tax Billings	A-8	62,500.00
Senior Citizens' Deductions Allowed by Tax Collector	A-8	250.00
Veterans' Deductions Allowed by Tax Collector	A-8	1,000.00
Senior Citizens' Deductions Disallowed by Tax Collector	A-8	<u>(1,750.00)</u>
	A-9	<u>\$ 66,500.00</u>

TOWNSHIP 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	Tax Overpayments Applied	Canceled	Transferred to Tax Title Liens	Balance Dec. 31, 2014
2013	\$ 602,208.81	\$ -	\$ -	\$ -	\$ 579,637.89	\$ -	\$ -	\$ -	\$ -	\$ 22,570.92
2014	-	-	53,408,511.09	300,129.58	52,378,902.76	66,500.00	18,525.31	8,278.09	14,331.55	621,843.80
	\$ 602,208.81	\$ -	\$ 53,408,511.09	\$ 300,129.58	\$ 52,958,540.65	\$ 66,500.00	\$ 18,525.31	\$ 8,278.09	\$ 14,331.55	\$ 644,414.72
Ref.	A			A-2,20	A-2,5	A-2,8	A-2,21		A-10	A

Analysis of 2014 Property Tax Levy

Tax Yield :  
 General Purpose Tax \$ 52,910,012.16  
 Business Personality Tax 23,329.92

Added Taxes (54:4-63.1 et seq.)  
 \$ 52,933,342.08  
 475,169.01  
\$ 53,408,511.09

Tax Levy :  
 Regional School District Tax (Abstract)  
 County Taxes (Abstract) \$ 8,064,765.24  
 County Open Space Preservation (Abstract) 334,189.35  
 Amount Due to County for Added  
 Taxes (54:4-63.1 et seq.) 75,473.53

\$ 34,744,206.00

Local Tax for Municipal Purposes (Abstract)  
 Municipal Library Tax 8,629,321.23  
 Municipal Open Space 994,869.00  
 Amount Due to Municipal Open Space for  
 Added Taxes 152,252.34  
 1,367.85  
 Add : Additional Tax Levied 412,066.55

8,474,428.12  
 10,189,876.97  
\$ 53,408,511.09

TOWNSHIP OF CHATHAM  
CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS

	<u>Ref.</u>	
Balance December 31, 2013	A	\$ 214,410.01
Increased by :		
Transferred from Taxes Receivable	A-9	<u>14,331.55</u>
Balance December 31, 2014	A	<u>\$ 228,741.56</u>

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES - ASSESSED VALUATION

	<u>Ref.</u>		
Balance December 31, 2013	A		\$ 1,002,050.00
Decreased by :			
Sale of Foreclosed Property	A-1,4	\$ 350,154.36	
Adjustment to Assessed Valuation		<u>52,245.64</u>	
			<u>402,400.00</u>
Balance December 31, 2014	A		<u>\$ 599,650.00</u>

Analysis of Balance December 31, 2014

<u>Block</u>	<u>Lot</u>	
48	57	2,100.00
48	65	1,900.00
48	65.05	45,900.00
48	65.07	478,300.00
48	67	23,000.00
48	68	23,000.00
48	69	23,000.00
48	74	700.00
50	2	500.00
115	8-11	<u>1,250.00</u>
		<u>\$ 599,650.00</u>

TOWNSHIP 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
Clerk :					
A-2	\$ -	\$ 6,814.00	-	\$ 6,814.00	\$ -
A-2		3,463.00		3,463.00	-
A-2		4,400.00		4,400.00	-
A-2		2,277.00		2,277.00	
A-2		1,547.00		1,547.00	
A-2		735.00		735.00	
A-2		1,525.00		1,525.00	
A-2		276.00		276.00	
A-2		2,640.00		2,640.00	
A-2		60,188.98		60,188.98	
A-2		33,740.93		33,740.93	
A-2		3,025.00		3,025.00	
A-2		3,950.00		3,950.00	
A-2		122,791.21	122,791.21		
A-2		8,416.88		8,416.88	
A-2		790,264.00		790,264.00	
A-2		46,203.00		46,203.00	
A-2		181,086.50		181,086.50	
	\$ -	\$ 1,273,343.50	\$ 122,791.21	\$ 1,150,552.29	\$ -
Ref.	A		A-5	A-4	A

CURRENT FUND  
SCHEDULE OF INTERFUND ACCOUNTS RECEIVABLE

	<u>Balance</u>	<u>Accrued in</u>	<u>Received</u>	<u>Interfund</u>	<u>Balance</u>
	<u>Dec. 31, 2013</u>	<u>2014</u>	<u>in 2014</u>	<u>Advance</u>	<u>Dec. 31, 2014</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>Returned</u>	<u>\$</u>
				<u>in 2014</u>	
Trust Other Fund:					
Construction Code Official - Fees	-	\$ 512,625.00	\$ 512,625.00	-	-
Construction Code Official - Other Fees and Permits		44,281.00	44,281.00		-
Construction Code Official - Interest		26.35	26.35		-
Registrar - Fees					-
Registrar - Interest		0.28	0.28		-
Invested Escrow Funds-Interest		428.51	395.67		32.84
Municipal Property Insurance	-				-
P.O.A.A.					-
Public Defender		0.36	0.36		-
Recreation		214.31	214.31		-
Police Outside Trust		2.77	2.77		-
Community Pass					-
Animal Control Fund	9,460.19	9,144.02	33.22	9,460.19	9,110.80
General Capital Fund	-	29.74	29.74	-	-
	<u>\$ 9,460.19</u>	<u>\$ 566,752.34</u>	<u>\$ 557,608.70</u>	<u>\$ 9,460.19</u>	<u>\$ 9,143.64</u>
Ref.	A		A-4	A-1,4	A
Construction Code Official		Ref			
Fees and Permits - Other		A-2	\$ 512,625.00	-	
Animal Control Statutory Excess		A-2	44,281.00		9,460.19
Interest on Investments		A-1	702.70	-	
		A-1,2	<u>\$ 557,608.70</u>	<u>\$ 9,460.19</u>	

TOWNSHIP OF CHATHAM

A-13

CURRENT FUND  
SCHEDULE OF INTERFUND ACCOUNTS RECEIVABLE

	<u>Balance</u> Dec. 31, 2013	<u>Accrued in</u> 2014	<u>Received</u> in 2014	<u>Interfund</u> <u>Advance</u> <u>Returned</u> <u>in 2014</u>	<u>Balance</u> Dec. 31, 2014
Trust Other Fund:					
Construction Code Official - Fees	\$ -	\$ 512,625.00	\$ 512,625.00	-	-
Construction Code Official - Other Fees and Permits		44,281.00	44,281.00		
Construction Code Official - Interest		26.35	26.35		
Registrar - Interest		0.28	0.28		
Invested Escrow Funds-Interest		428.51	395.67		32.84
Public Defender		0.36	0.36		
Recreation		214.31	214.31		
Police Outside Trust	9,460.19	2.77	2.77	9,460.19	-
Animal Control Fund		9,144.02	33.22		9,110.80
General Capital Fund	-	29.74	29.74	-	-
	<u>\$ 9,460.19</u>	<u>\$ 566,752.34</u>	<u>\$ 557,608.70</u>	<u>\$ 9,460.19</u>	<u>\$ 9,143.64</u>
Ref.	A		A-4	A-1,4	A
Construction Code Official		Ref			
Fees and Permits - Other		A-2	\$ 512,625.00	-	
Animal Control Statutory Excess		A-2	44,281.00	9,460.19	
Interest on Investments		A-1	702.70	-	
		A-1,2	<u>\$ 557,608.70</u>	<u>\$ 9,460.19</u>	
		A-4	A-4	A-1	

TOWNSHIP OF CHATHAM

A-14

CURRENT FUND  
SCHEDULE OF DEFERRED CHARGES  
EMERGENCY AUTHORIZATION-MUNICIPAL

NOT APPLICABLE

TOWNSHIP OF CHATHAM

CURRENT FUND  
SCHEDULE OF APPROPRIATION RESERVES - 2013

OPERATIONS WITHIN "CAP"

Salaries and Wages :

Administration and Executive

Mayor and Township Committee

Municipal Clerk

Financial Administration

Computerized Data Processing

Collection of Taxes

Assessment of Taxes

Legal Services and Costs

Municipal Land Use Law (N.J.S.A. 40:55D-1):

Planning Board

Board of Adjustment

Police

Road Repairs and Maintenance

Solid Waste Collection

Public Buildings and Grounds

Recreation Services and Programs

Colony Pool

Uniform Construction Code:  
Code Enforcement and Administration

Other Expenses :

Administration and Executive

Mayor and Township Committee

Municipal Clerk

Audit Services

Computerized Data Processing

Collection of Taxes

Assessment of Taxes

	Balance Dec. 31, 2013	Transfers To/From	Transferred - Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Lapsed
	\$ 10,120.22	\$ -	\$ -	\$ 10,120.22	\$ 618.50	\$ 9,501.72
	1.00			1.00		1.00
	20,052.13			20,052.13		20,052.13
	-			-		-
	19.12			19.12		19.12
	-			-		-
	656.22			656.22		656.22
	1,375.04			1,375.04		1,375.04
	2,750.00			2,750.00	250.00	2,500.00
	3,350.00			3,350.00	250.00	3,100.00
	212,911.51			212,911.51	4,139.96	208,771.55
	43,200.24			43,200.24	5,121.20	38,079.04
	30,710.16			30,710.16	276.90	30,433.26
	34,588.11			34,588.11		34,588.11
	9,000.13			9,000.13		9,000.13
	19,924.54			19,924.54		19,924.54
	4,318.48			4,318.48	3,005.00	1,313.48
	170.83		5,103.01	5,273.84	5,273.84	-
	739.80			739.80		739.80
	749.26		6,046.05	6,795.31	5,456.01	1,339.30
	1,850.00			1,850.00	1,850.00	-
	99.13		508.96	608.09	608.09	-
	172.17		76.67	248.84	76.67	172.17
	231.90		1,559.92	1,791.82	1,791.82	-

TOWNSHIP 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	\$ 16,823.69	\$ -	\$ 25,785.01	\$ 42,608.70	\$ 40,166.70	\$ 2,442.00
Engineering Services and Costs	12,983.73			12,983.73	12,983.73	-
Municipal Land Use Law (N.J.S.A. 40:55D-1)						
Planning Board	4,367.77		2,173.49	6,541.26	6,451.65	89.61
Board of Adjustment	408.76		1,373.89	1,782.65	1,744.98	37.67
Fire	35,744.16		6,107.09	41,851.25	41,851.25	-
Police	4,042.29		20,058.89	24,101.18	24,101.18	-
Police Dispatch / 911	341.41			341.41	-	341.41
Emergency Management Services	500.00			500.00	-	500.00
Road Repairs and Maintenance	33.53		21,369.33	21,402.86	21,402.86	-
Tree Protection	2,000.00			2,000.00	-	2,000.00
Solid Waste Collection	45,383.57		12,354.00	57,737.57	33,593.04	24,144.53
Public Buildings and Grounds	1,085.40		12,644.38	13,729.78	12,974.80	754.98
Vehicle Maintenance	4,120.60		6,427.15	10,547.75	5,949.83	4,597.92
Board of Health	1,213.50		974.22	2,187.72	974.22	1,213.50
Animal Control Service	620.18		850.91	1,471.09	850.91	620.18
Environmental Commission	1,655.27		45.00	1,700.27	45.00	1,655.27
Recreation Services and Programs	14,313.32		798.72	15,112.04	5,177.72	9,934.32
Colony Pool	439.45		1,410.33	1,849.78	1,592.78	257.00
Maintenance of Parks	1,000.00			1,000.00		1,000.00
Celebration of Public Event, Anniversary or Holiday	2,500.00			2,500.00		2,500.00
Municipal Court (N.J.S.A. 40A:4-45.3pp)	988.00			988.00		988.00
Uniform Construction Code						
Code Enforcement and Administration	2,209.48		379.44	2,588.92	2,588.92	-

TOWNSHIP 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>						
Utilities:						
Electricity	\$ 8,719.80	\$ -	\$ 4,417.87	\$ 13,137.67	\$ 6,899.67	\$ 6,238.00
Street Lighting	2,725.32		4,181.34	6,906.66	4,152.85	2,753.81
Telephone and Telegraph	13,001.88		5,084.60	18,086.48	4,111.56	13,974.92
Water	6,539.66		729.20	7,268.86	4,973.32	2,295.54
Natural Gas	-		3,274.99	3,274.99	2,941.23	333.76
Gasoline	2,684.49		1,892.00	4,576.49	1,892.00	2,684.49
Contingent	500.00			500.00		500.00
Public Employees' Retirement System	17,811.43		25.00	17,836.43	66.27	17,770.16
Social Security System (O.A.S.I.)	22,933.22			22,933.22		22,933.22
<u>OPERATIONS EXCLUDED FROM "CAP"</u>						
Insurance (N.J.S.A. 40A:4-45.3(00))			9,495.00	9,495.00	9,495.00	-
Employee Group Insurance						
Maintenance of Free Public Library	41,673.05			41,673.05		41,673.05
-Proportionate Share (N.J.S.A. 40A:54-29.17)						
Fair Housing Act (52:27D-237)	962.35		806.14	1,768.49	1,213.47	555.02
Affordable Housing	6,800.00	-	-	6,800.00	-	6,800.00
LOSAP						
	<u>\$ 674,115.30</u>	<u>\$ -</u>	<u>\$ 155,952.60</u>	<u>\$ 830,067.90</u>	<u>\$ 276,912.93</u>	<u>\$ 553,154.97</u>

Ref. A

A-16

A-4

A-1

TOWNSHIP OF CHATHAM  
 CURRENT FUND  
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance December 31, 2013	A	\$ 155,952.60
Increased by :		
2014 Budget Charges	A-3	<u>206,276.12</u>
		362,228.72
Decreased by :		
Appropriation Reserves	A-15	<u>155,952.60</u>
Balance December 31, 2014	A	<u>\$ 206,276.12</u>

## TOWNSHIP OF CHATHAM

A-17

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

	<u>Ref.</u>		
Balance December 31, 2013	A		\$ (98,354.39)
Increased by :			
Appropriated Reserves Canceled in 2013	A-1	\$ 3,244.56	
2014 Budget Revenues	A-2	170,004.46	
Grant Funds Expended in 2014	A-4	<u>87,154.12</u>	
			<u>260,403.14</u>
			162,048.75
Decreased by :			
State Aid Receivable Canceled	A-1	3,358.66	
2014 Budget Appropriation	A-3	175,254.46	
Grant Funds Received in 2014	A-4	140,396.27	
Reserve for Funds Unappropriated	A-23	<u>300.00</u>	
			<u>319,309.39</u>
Balance December 31, 2014	A		<u>\$ (157,260.64)</u>

CURRENT FUND  
SCHEDULE OF INTERFUND ACCOUNTS PAYABLE

	<u>Ref.</u>	<u>Total</u>	<u>Other Trust Funds</u> <u>Tax Sale</u> <u>Premiums</u>
Balance December 31, 2013	A	\$172,800.00	\$ 172,800.00
Increased by :			
Received in 2014	A-4	<u>136,900.00</u>	<u>136,900.00</u>
		<u>136,900.00</u>	<u>136,900.00</u>
		309,700.00	309,700.00
Decreased by :			
Paid in 2014	A-4	<u>7,100.00</u>	<u>7,100.00</u>
Balance December 31, 2014	A	<u>\$302,600.00</u>	<u>\$302,600.00</u>

TOWNSHIP OF CHATHAM  
 CURRENT FUND  
SCHEDULE OF AMOUNT DUE TO OUTSIDE LIEN HOLDERS

	<u>Ref.</u>	
Increased by :		
Received in 2014	A-5	<u>\$ 14,590.80</u>
Decreased by :		
Refunded in 2014	A-4	<u>\$ 14,590.80</u>

SCHEDULE OF PREPAID TAXES

	<u>Ref.</u>	
Balance December 31, 2013	A	\$ 300,129.58
Increased by :		
2015 Taxes Paid	A-5	<u>356,332.19</u>
		656,461.77
Decreased by :		
Applied to Taxes Receivable	A-9	<u>300,129.58</u>
Balance December 31, 2014	A	<u>\$ 356,332.19</u>

TOWNSHIP OF CHATHAM

A-21

CURRENT FUND  
SCHEDULE OF TAX OVERPAYMENTS

	<u>Ref.</u>	
Balance December 31, 2013	A	\$113,390.18
Increased by:		
Prior Year Tax Appeals Granted	A-1	\$ 26,312.10
Taxes Overpaid in 2014	A-5	<u>186,099.01</u>
		<u>212,411.11</u>
		325,801.29
Decreased by:		
Applied in 2014	A-9	18,525.31
Canceled in 2014	A-1	29,917.38
Refunded in 2014	A-4	<u>75,139.95</u>
		<u>123,582.64</u>
Balance December 31, 2014	A	<u>\$ 202,218.65</u>

TOWNSHIP OF CHATHAM  
 CURRENT FUND  
SCHEDULE OF RESERVES FOR FUNDS - APPROPRIATED

	<u>Ref.</u>	<u>Total</u>	<u>Codification of Ordinances</u>	<u>Revision of Master Plan</u>
Balance December 31, 2013	A	\$ 7,409.65	\$ 2,753.65	\$ 4,656.00
Decreased by:				
Paid in 2014	A-4	<u>610.60</u>	<u>-</u>	<u>610.60</u>
		<u>610.60</u>	<u>-</u>	<u>610.60</u>
Balance December 31, 2014	A	<u>\$ 6,799.05</u>	<u>\$ 2,753.65</u>	<u>\$ 4,045.40</u>

TOWNSHIP OF CHATHAM  
 CURRENT FUND  
SCHEDULE OF RESERVE FOR FUNDS - UNAPPROPRIATED

	<u>Ref.</u>	<u>Total</u>	<u>Mel Reinhart Trust</u>	<u>Skate Park Donations</u>
Balance December 31, 2013	A	\$ 300.00	\$ -	\$ 300.00
Increased by:				
Received in 2014	A-4	<u>10,000.00</u>	<u>10,000.00</u>	<u>-</u>
		10,300.00	10,000.00	300.00
Decreased by :				
Realized as Revenue in 2014	A-17	<u>300.00</u>	<u>-</u>	<u>300.00</u>
Balance December 31, 2014	A	<u>\$ 10,000.00</u>	<u>\$ 10,000.00</u>	<u>\$ -</u>

SCHEDULE OF RESERVE FOR STORM WATER MITIGATION

	<u>Ref.</u>	
Balance December 31, 2013	A	<u>\$ 56,601.00</u>
Balance December 31, 2014	A	<u>\$ 56,601.00</u>

## TOWNSHIP OF CHATHAM

CURRENT FUND  
SCHEDULE OF AMOUNT DUE TO STATE OF NEW JERSEY

	<u>Ref.</u>	Marriage License <u>Fees</u>	Construction Code Surcharge <u>Fees</u>	<u>Total</u>
Increased by:				
Received in 2014	A-4	<u>\$ 1,100.00</u>	<u>\$ 24,835.00</u>	<u>\$ 25,935.00</u>
Decreased by:				-
Paid in 2014	A-4	<u>\$ 1,100.00</u>	<u>\$ 24,835.00</u>	<u>\$ 25,935.00</u>

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

Ref.	Balance <u>Dec. 31, 2013</u>	2014 Lewy	Paid in 2014	Canceled in 2014	Balance <u>Dec. 31, 2014</u>
A-2	\$ -	\$ 152,252.34	\$ 152,252.34		\$ -
A-2		1,367.85	1,367.85		-
A-2		34,744,206.00	34,744,206.73	(0.73)	-
A-2		8,064,765.24	8,064,765.24		-
A-2		334,189.35	334,189.35		-
A-2	-	<u>75,473.53</u>	<u>75,473.53</u>	-	-
	\$ -	<u>\$ 43,372,254.31</u>	<u>\$ 43,372,255.04</u>	<u>\$ (0.73)</u>	<u>\$ -</u>
	A	A-1	A-4	A-1	A

Local Open Space  
 Amount Due Local Open Space for Added  
 and Omitted Taxes - 2014  
 Regional District School Tax  
 County Tax  
 County Open Space Preservation  
 Amount Due County for Added  
 and Omitted Taxes - 2014

## TOWNSHIP OF CHATHAM

A-27

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

	<u>Ref.</u>		
Balance December 31, 2013	A		\$ (98,354.39)
Increased by :			
2014 Budget Revenues			
- State Aid Receivable	A-28	\$ 152,179.06	
- Unappropriated Reserves	A-30	17,825.40	
Canceled			
- Appropriated Reserves	A-29	3,244.56	
Expended in Current Fund			
- Appropriated Reserves	A-29	74,356.48	
- Reserve for Encumbrances	A-31	<u>12,797.64</u>	
			<u>260,403.14</u>
			162,048.75
Decreased by :			
State Aid Receivable Canceled	A-28	3,358.66	
Received in Current Fund			
- State Aid Receivable	A-28	123,622.69	
- Unappropriated Reserves	A-30	17,073.58	
2014 Budget Appropriations	A-29	<u>175,254.46</u>	
			<u>319,309.39</u>
Balance December 31, 2014	A		<u>\$ (157,260.64)</u>

TOWNSHIP OF CHATHAM

A-28

CURRENT FUND  
SCHEDULE OF STATE AID RECEIVABLE

	<u>Balance</u> Dec. 31, 2013	<u>2014 Budget</u> <u>Revenues</u>	<u>Canceled</u>	<u>Received</u> <u>in Current</u> <u>Fund</u>	<u>Balance</u> Dec. 31, 2014
Municipal Alliance Program	\$ 23,452.29	\$ 31,671.00	\$ 3,358.66	\$ 27,814.63	\$23,950.00
Municipal Alliance Program-Supplemental	-	2,000.00	-	2,000.00	-
Clean Communities Program	-	18,508.06	-	18,508.06	-
Transportation Trust - Shunpike Sidewalks	9,628.20	-	-	-	9,628.20
Transportation Trust - Shunpike Sidewalks	-	100,000.00	-	75,000.00	25,000.00
Donations-Skate Park Repairs & Resurfacing	300.00	-	-	300.00	-
	<u>\$ 33,380.49</u>	<u>\$ 152,179.06</u>	<u>\$ 3,358.66</u>	<u>\$ 123,622.69</u>	<u>\$ 58,578.20</u>

Ref. A A-27 A-27 A-27 A

TOWNSHIP OF CHATHAM

A-29

CURRENT FUND  
SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS

	<u>Balance</u> Dec. 31, 2013	<u>2014 Budget</u> <u>Appropriations</u>	<u>Paid or</u> <u>Charged</u>	<u>Canceled</u>	<u>Balance</u> Dec. 31, 2014
Clean Communities	\$ -	\$ 18,508.06	\$ 18,508.06	\$ -	\$ -
Drunk Driving Enforcement Fund	2,916.24		2,640.00		276.24
Investor's Tree Grant	465.00				465.00
Municipal Alliance on Alcoholism and Drug Abuse					
- State	-	31,671.00	29,490.17	2,180.83	-
- Township Match	-	7,250.00	6,186.27	1,063.73	-
Body Armor Replacement Fund	8,447.88	2,897.47	4,240.00		7,105.35
Recycling Tonnage Grant	85,672.25	14,927.93	12,350.00		88,250.18
Transportation Trust - Shunpike Sidewalks	3,580.18		1,871.98		1,708.20
Transportation Trust - Shunpike Sidewalks	-	100,000.00	100,000.00		-
Donations-Skate Park Repair and Resurfacing	30.29	-	-	-	30.29
	<u>\$ 101,111.84</u>	<u>\$ 175,254.46</u>	<u>\$ 175,286.48</u>	<u>\$ 3,244.56</u>	<u>\$ 97,835.26</u>
Ref. A		A-27		A-27	A
Disbursed		<u>Ref.</u>	\$ 74,356.48		
Encumbered		A-27	<u>100,930.00</u>		
		A-31	<u>\$ 175,286.48</u>		

CURRENT FUND  
SCHEDULE OF UNAPPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS

	<u>Ref.</u>	<u>Total</u>	<u>Body Armor Grant</u>	<u>Recycling Tonnage Grant</u>
Balance December 31, 2013	A	\$17,825.40	\$2,897.47	\$14,927.93
Increased by:				
Received in Current Fund	A-27	<u>17,073.58</u>	<u>2,271.38</u>	<u>14,802.20</u>
		34,898.98	5,168.85	29,730.13
Decreased by:				
Utilized as 2014 Budget Revenue	A-27	<u>17,825.40</u>	<u>2,897.47</u>	<u>14,927.93</u>
		<u>17,825.40</u>	<u>2,897.47</u>	<u>14,927.93</u>
Balance December 31, 2014	A	<u>\$17,073.58</u>	<u>\$2,271.38</u>	<u>\$14,802.20</u>

## TOWNSHIP OF CHATHAM

## CURRENT FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES FOR FEDERAL AND STATE GRANTS

	<u>Ref.</u>	
Balance December 31, 2013	A	\$ 12,797.64
Increased by :		
Accrued in 2014	A-29	<u>\$ 100,930.00</u>
		113,727.64
Decreased by :		
Paid in 2014	A-27	<u>12,797.64</u>
Balance December 31, 2014	A	<u>\$ 100,930.00</u>

Analysis of Balance at December 31, 2014:

Body Armor Grant	\$ 1,380.00
N.J. Transportation Trust-River Rd.	<u>99,550.00</u>
	<u>\$ 100,930.00</u>

TOWNSHIP OF CHATHAM  
 TRUST FUND  
SCHEDULE OF CASH - TREASURER

	Ref.	Animal Control	Other Funds
Balance December 31, 2013	B	<u>\$ 28,101.99</u>	<u>\$ 1,466,001.21</u>
Increased by :			
Animal Control Clerk	B-2	8,790.00	
Interfund Accounts Payable	B-7	-	584,717.55
Amount Due to State of New Jersey	B-8		24,835.00
Reserve for Special Funds	B-9	-	1,112,192.77
		<u>8,790.00</u>	<u>1,721,745.32</u>
		<u>36,891.99</u>	<u>3,187,746.53</u>
Decreased by Disbursements :			
Amount Due to State of New Jersey	B-5,8	545.40	24,835.00
Interfund Accounts Payable	B-7	9,460.19	584,684.71
Reserve for Special Funds	B-9	-	1,508,293.21
		<u>10,005.59</u>	<u>2,117,812.92</u>
Balance December 31, 2014	B	<u>\$ 26,886.40</u>	<u>\$ 1,069,933.61</u>

TOWNSHIP OF CHATHAM

B-2

TRUST FUND  
SCHEDULE OF CASH - ANIMAL CONTROL CLERK

	<u>Ref.</u>	
Balance December 31, 2013	B	\$ 2,220.00
Increased by :		
Late Fees	B-4	\$ 295.00
Cat Licenses	B-4	164.00
Dog License Fees -		
Township	B-4	5,702.40
State	B-5	288.00
Animal Population Control	B-5	63.00
Pilot Clinic	B-5	<u>57.60</u>
		<u>6,570.00</u>
		8,790.00
Decreased by :		
Paid to Treasurer	B-1	<u>8,790.00</u>
Balance December 31, 2014	B	<u>\$ -</u>

TOWNSHIP OF CHATHAM  
 TRUST FUND  
SCHEDULE OF INTERFUND ACCOUNTS RECEIVABLE

	<u>Ref.</u>	<u>Total</u>	<u>Current Fund</u>
Balance December 31, 2013	B	\$ 172,800.00	\$ 172,800.00
Increased by:			
Accrued in 2014	B-9	<u>136,900.00</u>	<u>136,900.00</u>
		309,700.00	309,700.00
Decreased by:			
Applied in 2014	B-9	<u>7,100.00</u>	<u>7,100.00</u>
Balance December 31, 2014	B	<u>\$ 302,600.00</u>	<u>\$ 302,600.00</u>

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>Ref.</u>		
Balance December 31, 2013	B		\$ 18,641.80
Increased by:			
2014 Animal Control Fees:			
Collected in 2014	B-2	\$ 5,702.40	
Late Fees	B-2	295.00	
Cat Licenses	B-2	164.00	
Collected in 2013	B-6	<u>2,083.20</u>	
			<u>8,244.60</u>
			26,886.40
Decreased by:			
Amount Due to Current Fund- Statutory Excess	B-7		<u>9,110.80</u>
Balance December 31, 2014	B		<u>\$ 17,775.60</u>

License Fees Collected

<u>Year</u>	<u>Amount</u>
2012	\$ 9,144.80
2013	<u>8,630.80</u>
	<u>\$ 17,775.60</u>

TOWNSHIP OF CHATHAM  
 TRUST FUND  
SCHEDULE OF AMOUNT DUE TO STATE OF NEW JERSEY -  
ANIMAL CONTROL FUND

	<u>Ref.</u>	
Balance December 31, 2013	B	\$ 136.80
Increased by :		
State Fees	B-2	\$ 288.00
Animal Population Control Fees	B-2	63.00
Pilot Clinic Fees	B-2	<u>57.60</u>
		<u>408.60</u>
		545.40
Decreased by :		
Paid in 2014	B-1	<u>545.40</u>
Balance December 31, 2014	B	<u>\$ -</u>

B-6

SCHEDULE OF PREPAID LICENSES  
ANIMAL CONTROL FUND

	<u>Ref.</u>	
Balance December 31, 2013	B	\$ 2,083.20
Decreased by:		
Applied in 2014	B-4	<u>2,083.20</u>
Balance December 31, 2014	B	<u>\$ -</u>

TOWNSHIP OF CHATHAM

B-7

TRUST FUND  
SCHEDULE OF INTERFUND ACCOUNTS PAYABLE

Ref.	Total	Animal Control Fund	Invested Escrow Funds	Registrar	Current Fund				
					Construction Code Official	Recreation	Off-Duty Police	Misc. Other	
Balance December 31, 2013	\$ 9,460.19	\$ 9,460.19	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Increased by:									
Received in 2014									
Interest Earned	699.55		428.51	0.28	26.35	214.31	29.74	0.36	
Other	584,018.00		-	2,277.00	581,741.00				
Amount Due to	9,110.80	9,110.80	-	-	-	-	-	-	-
Current Fund-Statutory Excess	603,288.54	18,570.99	428.51	2,277.28	581,767.35	214.31	29.74	0.36	
Decreased by:									
Paid in 2014	666.71		395.67	0.28	26.35	214.31	29.74	0.36	
Interest Paid	584,018.00			2,277.00	581,741.00				
Revenue Paid	9,460.19	9,460.19	-	-	-	-	-	-	-
Statutory Excess	594,144.90	9,460.19	395.67	2,277.28	581,767.35	214.31	29.74	0.36	
Balance December 31, 2014	\$ 9,143.64	\$ 9,110.80	\$ 32.84	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

TOWNSHIP OF CHATHAM  
TRUST FUND  
SCHEDULE OF AMOUNT DUE TO STATE OF NEW JERSEY

	<u>Ref.</u>	<u>Construction Code Fees</u>
Increased by : Received in 2014	B-1	<u>24,835.00</u>
Decreased by : Paid in 2014	B-1	<u>24,835.00</u>

TOWNSHIP OF CHATHAM

B-9

TRUST FUND  
SCHEDULE OF RESERVE FOR SPECIAL DEPOSITS

Ref.	Total	Invested Escrow Funds	Unemployment Compensation Insurance	Recreation Expenditures	Recycling	Forfeited Assets	Parking Offenses Adjudication Act	Municipal Alliance	Open Space Trust	Off-Duty Police	Tax Sale Premiums	Fire Penalty	Public Defender
B	\$ 1,638,801.21	\$ 603,827.32	\$ 133,238.88	\$ 218,798.02	\$ 10,050.28	\$ 6,445.51	\$ 2,830.98	\$ 35,553.57	\$ 433,262.10	\$ 21,412.24	\$ 172,800.00	\$ 196.52	\$ 385.79
B-1	1,112,192.77	276,510.58	6,916.58	30,584.31	7,691.44	5.92	30.77	39,416.86	553,975.98	197,059.74	136,900.00	0.23	0.36
B-3	136,900.00	-	-	-	-	-	-	-	-	-	-	-	-
	1,249,092.77	276,510.58	6,916.58	30,584.31	7,691.44	5.92	30.77	39,416.86	553,975.98	197,059.74	136,900.00	0.23	0.36
	2,887,893.98	880,337.90	140,155.46	249,382.33	17,741.72	6,451.43	2,861.75	74,970.43	987,238.08	218,471.98	309,700.00	196.75	386.15
B-1	1,508,293.21	346,701.50	3,037.00	38,880.24	1,582.69	1,613.76	2.77	28,497.63	895,547.52	192,429.74	7,100.00	-	0.36
B-3	7,100.00	-	-	-	-	-	-	-	-	-	-	-	-
	1,515,393.21	346,701.50	3,037.00	38,880.24	1,582.69	1,613.76	2.77	28,497.63	895,547.52	192,429.74	7,100.00	-	0.36
B	\$ 1,372,500.77	\$ 533,636.40	\$ 137,118.46	\$ 210,502.09	\$ 16,159.03	\$ 4,837.67	\$ 2,858.98	\$ 46,472.80	\$ 91,690.56	\$ 26,042.24	\$ 302,600.00	\$ 196.75	\$ 385.79

Increased by :  
 Received in 2014  
 Interfund Accounts Receivable

Decreased by :  
 Paid in 2014  
 Interfund Accounts Receivable

Balance December 31, 2014

TOWNSHIP OF CHATHAM

C-2

GENERAL CAPITAL FUND  
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>		
Balance December 31, 2013	C		\$ 1,441,116.72
Increased by Receipts:			
Premium on Sale of Bonds	C-1	\$ 28,889.96	
Capital Improvement Fund	C-10	30,000.00	
Interfund Accounts Payable	C-11	1,153.88	
Bond Anticipation Notes	C-12	<u>3,841,750.00</u>	
			<u>3,901,793.84</u>
			5,342,910.56
Decreased by Disbursements :			
Improvement Authorizations	C-8	481,217.57	
Reserve for Encumbrances	C-9	525,508.75	
Interfund Accounts Payable	C-11	1,153.88	
Bond Anticipation Notes	C-12	<u>3,134,000.00</u>	
			<u>4,141,880.20</u>
Balance December 31, 2014	C		<u>\$ 1,201,030.36</u>

TOWNSHIP OF CHATHAM  
GENERAL CAPITAL FUND  
ANALYSIS OF CASH

	Balance or (Deficit) Dec. 31, 2013	Receipts			Disbursements			Transfers From	Balance or (Deficit) Dec. 31, 2014
		Bonds And Notes	Budget Appropriation	Miscellaneous	Improvement Authorizations	Bond Anticipation Notes	Miscellaneous		
Improvement Authorizations :									
12-09 Various Improvements of 2009:									
Purchase of Equipment-DPW	\$ -	\$ 107,400.00	\$ -	\$ -	\$ 107,400.00	\$ -	\$ -	\$ -	\$ -
Municipal Building Improvements		20,150.00			20,150.00				
Road Improvements		40,600.00			40,600.00				
Recreation Improvements	89,980.79			27,866.64					62,114.15
Purchase of Fire Equipment		36,800.00			36,800.00				
Underground Storage Tank Remediation	6,541.08	76,900.00		6,541.08	76,900.00				
Purchase of Police Equipment		67,400.00			67,400.00				
10-10 Various Improvements of 2010:									
Purchase of Equipment-DPW		139,200.00			139,200.00				
Road Improvements	32,985.09	261,000.00		24,828.57	261,000.00		7,800.00		356.52
Municipal Building Improvements		43,500.00			43,500.00				
Purchase of Fire Equipment	6,736.62	43,500.00			43,500.00				6,736.62
Colony Pool Improvements	27,240.54	130,300.00		1,710.00	130,300.00				18,793.92
Purchase of Communications Equipment	10,634.94	315,000.00			315,000.00				10,634.94
10-11 Various Improvements of 2011:									
Road Improvements	12,379.78	572,350.00		12,379.78	572,350.00				
Purchase of Equipment-DPW		22,850.00			22,850.00				
Municipal Building Improvements	4,611.02	45,800.00		3,422.15	45,800.00				1,188.87
6-12 Various Improvements of 2012:									
Purchase of Equipment-DPW	350.00	190,000.00			190,000.00				350.00
Road Improvements		332,500.00			332,500.00				
Municipal Building Improvements	7,193.34	23,750.00			23,750.00				7,193.34
Purchase of Fire Equipment	50,000.00	47,500.00			47,500.00		6,430.47		43,569.53
Shunpike Field Improvements	759.00								759.00
12-12 Various Improvements of 2013:									
Purchase of Equipment-DPW	7,923.00	95,000.00			95,000.00				7,923.00
Road Improvements	110,300.00	332,500.00		20,790.11	332,500.00				1,800.63
Municipal Building Improvements	334.95	142,500.00		334.95	142,500.00				
Purchase of Fire Equipment	50,000.00	47,500.00			47,500.00				
10-14 Various Improvements of 2014:									
Purchase of Equipment-DPW		19,000.00		300.00			16,031.91		3,668.09
Purchase of Police Equipment		47,500.00		50,000.00					
Road Improvements		475,000.00		312,965.81			59,615.69		127,418.50
Municipal Building Improvements		95,000.00		12,596.00			37,024.00		50,380.00
Purchase of Fire Equipment		47,500.00							50,000.00
Underground Storage Tank Remediation		23,750.00		7,482.48					17,517.52
Drainage Improvements at Nash Field							70,000.00		67,270.00
Accounts Receivable - Contributions in Aid of Construction	557,005.79					525,508.75			(70,000.00)
Reserve for Encumbrances	30,000.00								255,574.99
Reserve for Senior Center									30,000.00
Interfund Accounts Payable	88,812.64		30,000.00	1,153.88		1,153.88			
Capital Improvement Fund	347,328.14			28,889.96					
Fund Balance									
	\$ 1,441,116.72	\$ 3,841,750.00	\$ 30,000.00	\$ 481,217.57	\$ 3,134,000.00	\$ 526,662.63	\$ 331,327.95	\$ 331,327.95	\$ 1,201,030.36

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

	<u>Ref.</u>	
Balance December 31, 2013	C	\$ 7,010,000.00
Decreased by:		
Serial Bonds Paid:		
2014 Budget Appropriation	C-13	<u>575,000.00</u>
Balance December 31, 2014	C	<u>\$ 6,435,000.00</u>

TOWNSHIP OF CHATHAM

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

Improvement Description	Ordinance Number	Balance Dec. 31, 2013	2014 Authorizations	Notes Paid by Budget Appropriation	Balance Dec. 31, 2014	Bond Anticipation Notes	Analysis of Balance December 31, 2014	
							Expenditures	Unexpended Balance
Various Improvements of 2009:	12-09	\$ 113,400.00	\$ -	\$ 6,000.00	\$ 107,400.00	\$ 107,400.00	\$ -	\$ -
Purchase of Equipment-DPW		21,350.00		1,200.00	20,150.00	20,150.00		
Municipal Building Improvements		42,900.00		2,300.00	40,600.00	40,600.00		
Road Improvements		41,000.00		4,200.00	36,800.00	36,800.00		
Purchase of Fire Equipment		82,600.00		5,700.00	76,900.00	76,900.00		
Underground Storage Tank Remediation		73,000.00		5,600.00	67,400.00	67,400.00		
Purchase of Police Equipment		145,600.00		6,400.00	139,200.00	139,200.00		
Various Improvements of 2010:	10-10	273,000.00		12,000.00	261,000.00	261,000.00		
Purchase of Equipment-DPW		45,500.00		2,000.00	43,500.00	43,500.00		
Road Improvements		45,500.00		2,000.00	43,500.00	43,500.00		
Municipal Building Improvements		136,400.00		6,100.00	130,300.00	130,300.00		
Purchase of Fire Equipment		332,500.00		17,500.00	315,000.00	315,000.00		
Underground Storage Tank Remediation		593,750.00		21,400.00	572,350.00	572,350.00		
Various Improvements of 2011:	18-10	23,750.00		900.00	22,850.00	22,850.00		
Purchase of Equipment-DPW		47,500.00		1,700.00	45,800.00	45,800.00		
Road Improvements		190,000.00			190,000.00	190,000.00		
Municipal Building Improvements		332,500.00			332,500.00	332,500.00		
Various Improvements of 2012:	06-12	23,750.00			23,750.00	23,750.00		
Purchase of Equipment-DPW		47,500.00			47,500.00	47,500.00		
Road Improvements		95,000.00			95,000.00	95,000.00		
Municipal Building Improvements		332,500.00			332,500.00	332,500.00		
Various Improvements of 2013:	10-13	142,500.00			142,500.00	142,500.00		
Purchase of Fire Equipment		47,500.00			47,500.00	47,500.00		
Purchase of Equipment-DPW		19,000.00	19,000.00		19,000.00	19,000.00		
Road Improvements		47,500.00	47,500.00		47,500.00	47,500.00		
Municipal Building Improvements		475,000.00	475,000.00		475,000.00	475,000.00		
Various Improvements of 2014:	10-14	95,000.00	95,000.00		95,000.00	95,000.00		
Purchase of Equipment-DPW		332,500.00	332,500.00		332,500.00	332,500.00		
Purchase of Police Equipment		142,500.00	142,500.00		142,500.00	142,500.00		
Underground Storage Tank Remediation		47,500.00	47,500.00		47,500.00	47,500.00		
		\$ 3,229,000.00	\$ 707,750.00	\$ 95,000.00	\$ 3,841,750.00	\$ 3,841,750.00	\$ -	\$ -

Improvement Authorizations - Unfunded  
 Less: Unexpended Proceeds of Notes Issued

Ordinance No. 10-10	(25,887.06)
Ordinance No. 18-10	(10,634.94)
Ordinance No. 10-11	(1,188.87)
Ordinance No. 06-12	(51,112.87)
Ordinance No. 10-13	(57,223.63)
Ordinance No. 10-14	(246,484.11)
	<u>\$392,531.48</u>

\$ -

TOWNSHIP OF CHATHAM

C-6

GENERAL CAPITAL FUND  
SCHEDULE OF ACCOUNTS RECEIVABLE

	<u>Ref.</u>	
Increased by :		
Contributions in Aid of Construction	C-8	<u>\$ 70,000.00</u>
Balance December 31, 2014	C	<u>\$ 70,000.00</u>

TOWNSHIP OF CHATHAM

C-7

GENERAL CAPITAL FUND  
SCHEDULE OF RESERVE FOR SENIOR CENTER

	<u>Ref.</u>	
Balance December 31, 2013	C	<u>\$ 30,000.00</u>
Balance December 31, 2014	C	<u>\$ 30,000.00</u>



TOWNSHIP OF CHATHAM

C-9

GENERAL CAPITAL FUND  
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>
Balance December 31, 2013	C \$ 557,005.79
Increased by :	
Charges to Improvement Authorizations	C-8 <u>224,077.95</u>
	781,083.74
Decreased by :	
Paid in 2014	C-2 <u>525,508.75</u>
Balance December 31, 2014	C \$ <u>255,574.99</u>

TOWNSHIP OF CHATHAM

C-10

GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2013	C	\$ 88,812.64
Increased by :		
2014 Budget Appropriation	C-2	<u>30,000.00</u>
		118,812.64
Decreased by :		
Appropriated to Finance		
Improvement Authorizations	C-8	<u>37,250.00</u>
Balance December 31, 2014	C	<u>\$ 81,562.64</u>

TOWNSHIP OF CHATHAM

C-11

GENERAL CAPITAL FUND  
SCHEDULE OF INTERFUND ACCOUNTS PAYABLE

	<u>Ref.</u>	<u>Total</u>	<u>Current Fund</u>
Increased by :			
Interest Earned on Investments	C-2	<u>\$ 1,153.88</u>	<u>\$ 1,153.88</u>
Decreased by :			
Paid in 2014	C-2	<u>\$ 1,153.88</u>	<u>\$ 1,153.88</u>

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									
12-09	Various Improvements - 2009	7/24/2009	493,500.00	7/19/2013 7/18/2014	7/18/2014 7/17/2015	1.25% 1.00%	\$ 374,250.00	\$ 349,250.00	\$ 374,250.00	\$ -	\$ 349,250.00	
10-10	Various Improvements - 2010	7/23/2010	674,500.00	7/19/2013 7/18/2014	7/18/2014 7/17/2015	1.25% 1.00%	646,000.00	617,500.00	646,000.00	-	617,500.00	
18-10	Purchase of Communication Equipment	7/22/2011	332,500.00	7/19/2013 7/18/2014	7/18/2014 7/17/2015	1.25% 1.00%	332,500.00	315,000.00	332,500.00	-	315,000.00	
10-11	Various Improvements - 2011	7/22/2011	665,000.00	7/19/2013 7/18/2014	7/18/2014 7/17/2015	1.25% 1.00%	665,000.00	641,000.00	665,000.00	-	641,000.00	
06-12	Various Improvements - 2012	7/20/2012	593,750.00	7/19/2013 7/18/2014	7/18/2014 7/17/2015	1.25% 1.00%	593,750.00	593,750.00	593,750.00	-	593,750.00	
10-13	Various Improvements - 2013	7/19/2013	617,500.00	7/19/2013 7/18/2014	7/18/2014 7/17/2015	1.25% 1.00%	617,500.00	617,500.00	617,500.00	-	617,500.00	
10-13	Various Improvements - 2013	7/19/2013	617,500.00	7/19/2013	7/18/2014	1.25%	-	707,750.00	-	-	707,750.00	
								<u>\$3,229,000.00</u>	<u>\$3,841,750.00</u>	<u>\$3,229,000.00</u>	<u>\$3,841,750.00</u>	
								Ref.	C		C	
Cash								Ref.	C-2	\$3,841,750.00	\$3,134,000.00	
Paid by Budget Appropriation									C-5	-	95,000.00	
								<u>\$3,841,750.00</u>	<u>\$3,229,000.00</u>	<u>\$3,229,000.00</u>	<u>\$3,229,000.00</u>	



TOWNSHIP OF CHATHAM

C-14

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

<u>Improvement Description</u>	<u>Ordinance Number</u>	<u>Balance Dec. 31, 2013</u>	<u>2014 Authorizations</u>	<u>Notes Issued</u>	<u>Balance Dec. 31, 2014</u>
Various Improvements - 2014	10-14	\$ -	\$ 707,750.00	\$ 707,750.00	\$ -

## TOWNSHIP OF CHATHAM

D-6

SEWER UTILITY NO. 1 FUND  
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Operating</u>	<u>Assessment</u>	<u>Capital</u>
Balance December 31, 2013	D	<u>\$ 1,220,109.86</u>	<u>\$ 264,416.97</u>	<u>\$ 248,065.00</u>
Increased by :				
Premium on Notes Issued	D-3			6,813.12
Miscellaneous Revenue	D-4	25,316.08		
Sewer Assessment Fund Balance	D-4	130,000.00		
Sewer Collector	D-8	2,217,479.73	-	
Interfund Accounts Receivable	D-10	17,605.43	-	
Assessments Receivable	D-12		70,897.13	
Wastewater Loan Receivable	D-17			3,445,282.00
Interfund Accounts Payable - Sewer Assessment Fund	D-24		14,792.27	
Interfund Accounts Payable	D-30			461.83
Bond Anticipation Notes	D-31	-	-	906,000.00
		<u>2,390,401.24</u>	<u>85,689.40</u>	<u>4,358,556.95</u>
		<u>3,610,511.10</u>	<u>350,106.37</u>	<u>4,606,621.95</u>
Decreased by Disbursements :				
Revenue Sewer Operating Fund	D-2		130,000.00	-
2014 Budget Appropriations	D-5	1,884,240.09		
2013 Appropriation Reserves	D-18	45,882.96		
Reserve for Encumbrances	D-19	85,653.03		
Accrued Interest on Bonds	D-21	119,277.50		
Accrued Interest on Loans	D-22	28,675.02		
Accrued Interest on Notes	D-23	9,504.75		
Interfund Accounts Payable - Sewer Assessment Fund	D-24		17,143.60	
Improvement Authorizations	D-27			3,013,873.23
Interfund Accounts Payable	D-30			461.83
Bond Anticipation Notes	D-31	-	-	906,000.00
		<u>2,173,233.35</u>	<u>147,143.60</u>	<u>3,920,335.06</u>
Balance December 31, 2014	D	<u>\$ 1,437,277.75</u>	<u>\$ 202,962.77</u>	<u>\$ 686,286.89</u>

TOWNSHIP OF CHATHAM

D-7

SEWER UTILITY NO. 1 FUND  
ANALYSIS OF SEWER CAPITAL CASH

	Balance or (Deficit) Dec. 31, 2013	Receipts		Disbursements			Transfers From	Balance or (Deficit) Dec. 31, 2014
		Bonds And Notes	Miscellaneous	Improvement Authorizations	Bonds And Notes	Miscellaneous		
Fund Balance	\$ 126,303.72	\$ -	\$ 6,813.12	\$ -	\$ -	\$ -	\$ -	\$ 133,116.84
Capital Improvement Fund	121,761.28	-	461.83	-	461.83	-	-	121,761.28
Interfund Accounts Payable	-	3,445,282.00	-	-	-	-	5,467,401.00	-
Wastewater Treatment Loans Receivable	-	-	-	-	-	-	-	(2,022,119.00)
Improvement Authorizations:								
Ord. No.								
15-04 Engineering Work for Sewer Plant Upgrade	-	245,000.00	-	245,000.00	-	-	-	-
19-06 Engineering Work Regarding WPC Plant #1	-	252,000.00	-	252,000.00	-	-	-	-
16-08 Various Improvements Regarding WPC Plant #1	-	409,000.00	-	409,000.00	-	-	-	-
	<u>\$ 248,065.00</u>	<u>\$ 906,000.00</u>	<u>\$ 3,452,556.95</u>	<u>\$ 906,000.00</u>	<u>\$ 461.83</u>	<u>\$ 5,467,401.00</u>	<u>\$ 5,467,401.00</u>	<u>\$ 686,286.89</u>

TOWNSHIP OF CHATHAM

D-8

SEWER UTILITY NO. 1 FUND  
SCHEDULE OF CASH - SEWER COLLECTOR

	<u>Ref.</u>		
Increased by :			
Consumers' Accounts Receivable	D-11	\$ 2,212,776.05	
Prepaid Sewer Charges	D-20	<u>4,703.68</u>	
			<u>\$ 2,217,479.73</u>
Decreased by Disbursements :			
Amount Paid to Treasurer:			
Sewer Operating Fund	D-6	<u>2,217,479.73</u>	
			<u>\$ 2,217,479.73</u>

TOWNSHIP OF CHATHAM

D-9

SEWER UTILITY NO. 1 FUND  
ANALYSIS OF SEWER UTILITY NO. 1 ASSESSMENT CASH

	<u>Receipts</u>		<u>Disbursements</u>		<u>Transfers</u>		<u>Balance Dec. 31, 2014</u>
	<u>Assessments Receivable</u>	<u>Other Receipts</u>	<u>Misc</u>	<u>To</u>	<u>From</u>		
Fund Balance	\$ 70,897.13	\$ -	\$ 130,000.00	\$ -	\$ -	\$ 188,458.07	
Amount Due to Sewer Operating Fund	-	14,792.27	17,143.60	-	-	14,504.70	
	<u>\$ 70,897.13</u>	<u>\$ 14,792.27</u>	<u>\$ 147,143.60</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 202,962.77</u>	

SEWER UTILITY NO. 1 FUND  
 SCHEDULE OF INTERFUND ACCOUNTS RECEIVABLE -  
SEWER OPERATING FUND

	Ref.	<u>Total</u>	<u>Sewer Assessment Fund</u>	<u>Sewer Capital Fund</u>
Balance December 31, 2013	D	<u>\$ 16,856.03</u>	<u>\$ 16,856.03</u>	<u>\$ -</u>
Increased by:				
Interest on Investments	D-4	749.40	287.57	461.83
Interest on Collections	D-4	<u>14,504.70</u>	<u>14,504.70</u>	<u>-</u>
		<u>15,254.10</u>	<u>14,792.27</u>	<u>461.83</u>
		<u>32,110.13</u>	<u>31,648.30</u>	<u>461.83</u>
Decreased by:				
Received in 2014	D-6	<u>17,605.43</u>	<u>17,143.60</u>	<u>461.83</u>
Balance December 31, 2014	D	<u>\$ 14,504.70</u>	<u>\$ 14,504.70</u>	<u>\$ -</u>

SEWER UTILITY NO. 1 FUND  
SCHEDULE OF SEWER UTILITY CONSUMERS' ACCOUNTS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2013	D	\$ 286,625.93
Increased by :		
2014 Charges		<u>2,172,931.05</u>
		2,459,556.98
Decreased by :		
Received in 2014	D-4,8	\$ 2,212,776.05
Prepaid Sewer Charges Applied in 2014	D-4,20	<u>1,780.85</u>
		<u>2,214,556.90</u>
Balance December 31, 2014	D	<u>\$ 245,000.08</u>

TOWNSHIP OF CHATHAM

D-12

SEWER UTILITY NO. 1 FUND  
SCHEDULE OF ASSESSMENTS RECEIVABLE

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Confirmation</u>	<u>Annual Installments</u>	<u>Due Date</u>	<u>Balance Dec. 31, 2013</u>	<u>Collected</u>	<u>Balance Dec. 31, 2014</u>	<u>Balance Pledged to Reserve</u>
2002-150	Ormont & River Road Areas Sanitary Sewer Project	7/25/2002	15	9/23/02-17	\$ 67,919.67	\$ 21,185.45	\$ 46,734.22	\$ 46,734.22
2008-140	River Rd, Fairmount Ave, Johnson Dr, Mountain & Candace Ln. Sanitary Sewer Project	7/17/2008	15	9/15/08-23	446,239.19	49,711.68	396,527.51	396,527.51
					<u>\$ 514,158.86</u>	<u>\$ 70,897.13</u>	<u>\$ 443,261.73</u>	<u>\$ 443,261.73</u>

Ref D D-6 D

TOWNSHIP OF CHATHAM

SEWER UTILITY NO. 1 FUND  
SCHEDULE OF SEWER ASSESSMENT LIENS

Ord. No.	Improvement Description	Balance Dec. 31, 2013	Balance Dec. 31, 2014	Balance Pledged to Reserve
3-66	Sanitary Sewers - River and Club Roads	\$ 3,900.00	\$ 3,900.00	\$ 3,900.00
4-66	Lateral Sewers - First Stage	<u>1,970.00</u>	<u>1,970.00</u>	<u>1,970.00</u>
		<u>\$ 5,870.00</u>	<u>\$ 5,870.00</u>	<u>\$ 5,870.00</u>
	Ref.	D	D	

SCHEDULE OF SEWER ASSESSMENT LIEN INTEREST AND COSTS

	Ref.	
Balance December 31, 2013	D	<u>\$ 1,411.28</u>
Balance December 31, 2014	D	<u>\$ 1,411.28</u>

TOWNSHIP OF CHATHAM  
SEWER UTILITY NO. 1 FUND  
SCHEDULE OF FIXED CAPITAL

	<u>Ref.</u>	
Balance December 31, 2013	D	\$ 18,028,592.65
Increased by:		
Budget Additions in 2014	D-29	<u>6,705.00</u>
Balance December 31, 2014	D	<u>\$ 18,035,297.65</u>

TOWNSHIP OF CHATHAM

D-16

SEWER UTILITY NO. 1 FUND  
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>Improvement Description</u>	<u>Ordinance</u>		<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
	<u>Number</u>	<u>Date</u> <u>Amount</u>		
General Improvements:				
Various Improvements Regarding				
WPC Plant #1	16-08	09/25/08 \$ 475,000.00	\$ 475,000.00	\$ 475,000.00
Chatham Glen/Tanglewood Modifications				
WPC Plant #1	15-13	08/15/13 7,000,000.00	7,000,000.00	7,000,000.00
			<u>\$ 7,475,000.00</u>	<u>\$ 7,475,000.00</u>
			D	D
			Ref.	

TOWNSHIP OF CHATHAM  
SEWER UTILITY NO. 1 FUND  
SCHEDULE OF WASTEWATER LOANS RECEIVABLE

	<u>Ref.</u>	
Increased by :		
Awarded in 2014	D-33	<u>5,467,401.00</u>
		5,467,401.00
Decreased by :		
Received in 2014	D-6	<u>3,445,282.00</u>
Balance December 31, 2014	D	<u>\$ 2,022,119.00</u>

SEWER UTILITY NO. 1 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	\$ 54,050.25	\$ -	\$ 54,050.25
Other Expenses	233,796.59	45,882.96	187,913.63
Capital Improvement:			
Capital Outlay	64,388.22	-	64,388.22
Statutory Expenditures:			
Contribution to:			
Public Employees' Retirement System	1,000.00	-	1,000.00
Social Security System (O.A.S.I.)	<u>12,419.89</u>	<u>-</u>	<u>12,419.89</u>
	<u>\$ 365,654.95</u>	<u>\$ 45,882.96</u>	<u>\$ 319,771.99</u>
Ref.	D	D-6	D-1

TOWNSHIP OF CHATHAM

D-19

SEWER UTILITY NO. 1 FUND  
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance December 31, 2013	D	\$ 85,653.03
Increased by :		
Charges to 2014 Budget Appropriations	D-5	<u>80,072.04</u>
		165,725.07
Decreased by :		
Paid in 2014	D-6	<u>85,653.03</u>
Balance December 31, 2014	D	<u>\$ 80,072.04</u>

## TOWNSHIP OF CHATHAM

SEWER UTILITY NO. 1 FUND  
SCHEDULE OF PREPAID SEWER UTILITY CHARGES

	<u>Ref.</u>	
Balance December 31, 2013	D	\$ 1,780.85
Increased by :		
Received in 2014	D-8	<u>4,703.68</u>
		6,484.53
Decreased by :		
Applied in 2014	D-11	<u>1,780.85</u>
Balance December 31, 2014	D	<u>\$ 4,703.68</u>

SCHEDULE OF ACCRUED INTEREST ON BONDS

	<u>Ref.</u>	
Balance December 31, 2013	D	\$ 19,775.00
Increased by :		
Budgeted in 2014	D-5	<u>116,433.75</u>
		136,208.75
Decreased by :		
Paid in 2014	D-6	<u>119,277.50</u>
Balance December 31, 2014	D	<u>\$ 16,931.25</u>

SCHEDULE OF ACCRUED INTEREST ON LOANS

	<u>Ref.</u>	
Balance December 31, 2013	D	\$ 11,010.43
Increased by :		
Budgeted in 2014	D-5	<u>27,737.52</u>
		38,747.95
Decreased by :		
Paid in 2014	D-6	<u>28,675.02</u>
Balance December 31, 2014	D	<u>\$ 10,072.93</u>

TOWNSHIP OF CHATHAM  
SEWER UTILITY NO. 1 FUND  
SCHEDULE OF ACCRUED INTEREST ON NOTES

	<u>Ref.</u>	
Balance December 31, 2013	D	\$ 7,710.07
Increased by :		
2014 Budget Appropriation -		
Interest on Notes	D-5	<u>9,050.00</u>
		16,760.07
Decreased by :		
Interest Paid	D-6	<u>9,504.75</u>
Balance December 31, 2014	D	<u>\$ 7,255.32</u>

SCHEDULE OF INTERFUND ACCOUNTS PAYABLE -  
SEWER ASSESSMENT FUND

	<u>Ref.</u>		<u>Sewer No. 1 Operating Fund</u>
Balance December 31, 2013	D		\$ 16,856.03
Increased by:			
Interest on Investments	D-6	\$ 287.57	
Interest on Collections	D-6	<u>14,504.70</u>	
			<u>14,792.27</u>
			31,648.30
Decreased by :			
Paid in 2014	D-6		<u>17,143.60</u>
Balance December 31, 2014	D		<u>\$ 14,504.70</u>

TOWNSHIP OF CHATHAM  
 SEWER UTILITY NO. 1 FUND  
SCHEDULE OF RESERVE FOR SEWER ASSESSMENTS AND LIENS

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2013</u>	<u>Collections</u>	<u>Balance Dec. 31, 2014</u>
Assessment Liens:				
3-66	Sanitary Sewers - River and Club Roads	\$ 3,900.00	\$ -	\$ 3,900.00
4-66	Lateral Sewers - First Stage	1,970.00	-	1,970.00
Assessment Receivable:				
02-150	Ormont Rd & River Rd Areas- Sanitary Sewer Project	67,919.67	21,185.45	46,734.22
08-140	River Rd, Fairmount Ave, Johnson Dr, Mountain & Candace Ln. Sanitary Sewer Project	<u>446,239.19</u>	<u>49,711.68</u>	<u>396,527.51</u>
		<u>\$ 520,028.86</u>	<u>\$ 70,897.13</u>	<u>\$ 449,131.73</u>
	Ref.	D	D-2	D

SCHEDULE OF RESERVE FOR ASSESSMENT LIEN  
 INTEREST AND COSTS

	<u>Ref.</u>	
Balance December 31, 2013	D	<u>\$ 1,411.28</u>
Balance December 31, 2014	D	<u>\$ 1,411.28</u>

TOWNSHIP OF CHATHAM

D-27

SEWER UTILITY NO. 1 FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Improvement Description	Number	Ordinance Date	Amount	Balance Dec. 31, 2013		Expended	Balance Dec. 31, 2014	
				Funded	Unfunded		Funded	Unfunded
General Improvements: Chatham Glen/Tanglewood Modifications WPC Plant #1	15-13	08/15/13	\$ 7,000,000.00	\$ -	\$ 7,000,000.00	\$ 3,013,873.23	\$ 2,453,527.77	\$ 1,532,599.00
			\$ -	\$ -	\$ 7,000,000.00	\$ 3,013,873.23	\$ 2,453,527.77	\$ 1,532,599.00

Ref. D D D D-6 D D

TOWNSHIP OF CHATHAM  
SEWER UTILITY NO. 1 FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2013	D	\$ <u>121,761.28</u>
Balance December 31, 2014	D	\$ <u>121,761.28</u>

SCHEDULE OF RESERVE FOR AMORTIZATION

	Ref.	
Balance December 31, 2013	D	\$ 14,296,902.60
Increased by :		
Serial Bonds Paid by Operating Budget	D-32	\$ 325,000.00
Loans Paid by Operating Budget	D-33	89,803.59
BAN's paid by Operating Budget	D-31	37,000.00
Additions to Fixed Capital	D-15	<u>6,705.00</u>
		<u>458,508.59</u>
Balance December 31, 2014	D	\$ <u>14,755,411.19</u>

SEWER UTILITY NO. 1 FUND  
SCHEDULE OF INTERFUND ACCOUNTS PAYABLE -  
SEWER CAPITAL FUND

	<u>Ref.</u>	Sewer No. 1 Operating <u>Fund</u>
Increased by:		
Interest Received in 2014	D-6	\$ <u>461.83</u>
Decreased by:		
Paid in 2014	D-6	\$ <u>461.83</u>



TOWNSHIP OF CHATHAM

D-32

SEWER UTILITY NO. 1 FUND  
SCHEDULE OF BONDS PAYABLE

<u>Purpose</u>	<u>Original Issue</u>		<u>Annual Maturity of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2013</u>	<u>Paid</u>	<u>Balance Dec. 31, 2014</u>
	<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>				
Improvement to Sewer System	11/1/00	\$ 5,500,000.00	11/1/15	\$325,000.00	5.125%	\$ 2,260,000.00	\$325,000.00	\$ 1,935,000.00
			11/1/16	325,000.00	5.250%			
			11/1/17	325,000.00	5.250%			
			11/1/18	320,000.00	5.400%			
			11/1/19	320,000.00	5.400%			
			11/1/20	320,000.00	5.400%			
						-	-	-
						<u>\$ 2,260,000.00</u>	<u>\$ 325,000.00</u>	<u>\$ 1,935,000.00</u>

Ref. D D-29 D

TOWNSHIP OF CHATHAM

D-33

SEWER UTILITY NO. 1 FUND  
SCHEDULE OF WASTEWATER LOANS PAYABLE

	<u>Ref.</u>	
Balance December 31, 2013	D	\$ 1,003,690.05
Increased by :		
Awarded in 2014	D-17	<u>5,467,401.00</u>
		6,471,091.05
Decreased by :		
Paid in 2014	D-29	<u>89,803.59</u>
Balance December 31, 2014	D	<u>\$ 6,381,287.46</u>

TOWNSHIP OF CHATHAM

D-34

SEWER UTILITY NO. 1 FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Ord. No.</u>	<u>Description</u>	<u>Balance Dec. 31, 2013</u>	<u>Loan Issued</u>	<u>Balance Dec. 31, 2014</u>
15-13	Chatham Glen/Tanglewood Modifications WPC Plant #1	<u>\$ 7,000,000.00</u>	<u>\$ 5,467,401.00</u>	<u>\$ 1,532,599.00</u>
		<u>\$ 7,000,000.00</u>	<u>\$ 5,467,401.00</u>	<u>\$ 1,532,599.00</u>

TOWNSHIP OF CHATHAM

E-5

SEWER UTILITY NO. 2 FUND  
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Operating Fund</u>	<u>Capital Fund</u>
Balance December 31, 2013	E	<u>\$ 431,339.56</u>	<u>\$ 309,745.86</u>
Increased by :			
Premium on Note Sale	E-2		564.00
Miscellaneous Revenues	E-3	3,411.12	
Consumers' Accounts Receivable	E-7	519,173.41	
Prepaid Sewer Charges	E-12	494.12	
Bond Anticipation Notes	E-20	-	75,000.00
		<u>523,078.65</u>	<u>75,564.00</u>
		<u>954,418.21</u>	<u>385,309.86</u>
Decreased by Disbursements :			
2014 Budget Appropriations	E-4	361,651.21	
2013 Appropriation Reserves	E-8	7,876.71	
Reserve for Encumbrances - Operating Fund	E-9	14,866.77	
Reserve for Accrued Interest on Bonds	E-10	12,595.00	
Reserve for Accrued Interest on Notes	E-11	934.90	
Improvement Authorizations	E-15		183,539.36
Reserve for Encumbrances - Improvement Authorizations	E-16		13,261.88
Bond Anticipation Notes	E-20	-	75,000.00
		<u>397,924.59</u>	<u>271,801.24</u>
Balance December 31, 2014	E	<u>\$ 556,493.62</u>	<u>\$ 113,508.62</u>

## TOWNSHIP OF CHATHAM

SEWER UTILITY NO. 2 FUND  
ANALYSIS OF CAPITAL CASH

	Balance	<u>Receipts</u>	<u>Disbursed</u>	Transfer		Balance
	or (Deficit)			To	From	or (Deficit)
	<u>Dec. 31, 2013</u>					<u>Dec. 31, 2014</u>
Fund Balance	\$ 30,992.69	\$ 564.00	\$ -	\$ -	\$ -	\$ 31,556.69
Reserve for Encumbrances	13,261.88		13,261.88	30,955.83		30,955.83
Capital Improvement Fund	16,500.00					16,500.00
Improvement of Sanitary Sewer System	248,991.29		183,539.36		30,955.83	34,496.10
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$309,745.86</u>	<u>\$ 564.00</u>	<u>\$196,801.24</u>	<u>\$30,955.83</u>	<u>\$30,955.83</u>	<u>\$113,508.62</u>

TOWNSHIP OF CHATHAM  
 SEWER UTILITY NO. 2 FUND  
SCHEDULE OF CONSUMERS' ACCOUNTS RECEIVABLE

	<u>Ref.</u>		
Balance December 31, 2013	E		\$ 41,199.55
Increased by :			
2014 Charges			<u>510,585.69</u>
			551,785.24
Decreased by:			
Collected in 2014	E-3,5	\$ 519,173.41	
Prepaid Sewer Charges Applied	E-3,12	<u>258.26</u>	
			<u>519,431.67</u>
Balance December 31, 2014	E		<u>\$ 32,353.57</u>

TOWNSHIP OF CHATHAM

E-8

SEWER UTILITY NO. 2 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	\$ 4,304.07	\$ -	\$ 4,304.07
Other Expenses	<u>155,604.38</u>	<u>7,876.71</u>	<u>147,727.67</u>
Total Operating	<u>159,908.45</u>	<u>7,876.71</u>	<u>152,031.74</u>
Capital Improvements :			
Capital Outlay	<u>25,000.00</u>	<u>-</u>	<u>25,000.00</u>
Total Capital Improvements	<u>25,000.00</u>	<u>-</u>	<u>25,000.00</u>
Statutory Expenditures:			
Contribution to:			
Social Security (O.A.S.I.)	<u>1,149.27</u>	<u>-</u>	<u>1,149.27</u>
	<u>1,149.27</u>	<u>-</u>	<u>1,149.27</u>
	<u>\$ 186,057.72</u>	<u>\$ 7,876.71</u>	<u>\$ 178,181.01</u>
Ref.	E	E-5	E-1

## TOWNSHIP OF CHATHAM

SEWER UTILITY NO. 2 FUND  
SCHEDULE OF RESERVE FOR ENCUMBRANCES - OPERATING FUND

	<u>Ref.</u>	
Balance December 31, 2013	E	\$ 14,866.77
Increased by :		
Charges to 2014 Budget Appropriations	E-4	<u>10,228.87</u>
		25,095.64
Decreased by :		
Paid in 2014	E-5	<u>\$ 14,866.77</u>
		<u>14,866.77</u>
Balance December 31, 2014	E	<u>\$ 10,228.87</u>

E-10

SCHEDULE OF RESERVE FOR INTEREST ON BONDS

	<u>Ref.</u>	
Balance December 31, 2013	E	\$ 11,265.62
Increased by :		
Charges to 2014 Budget Appropriations	E-4	<u>9,113.75</u>
		20,379.37
Decreased by:		
Paid in 2014	E-5	<u>12,595.00</u>
Balance December 31, 2014	E	<u>\$ 7,784.37</u>

TOWNSHIP OF CHATHAM  
SEWER UTILITY NO. 2 FUND  
SCHEDULE OF RESERVE FOR INTEREST ON NOTES

	<u>Ref.</u>	
Balance December 31, 2013	E	\$ 578.13
Increased by :		
Charges to 2014 Budget Appropriations	E-4	<u>785.00</u>
		1,363.13
Decreased by :		
Paid in 2014	E-5	<u>934.90</u>
Balance December 31, 2014	E	<u>\$ 428.23</u>

SCHEDULE OF PREPAID SEWER CHARGES

	<u>Ref.</u>	
Balance December 31, 2013	E	\$ 258.26
Increased by :		
Received in 2014	E-5	<u>494.12</u>
		752.38
Decreased by :		
Applied to Consumers' Accounts Receivable	E-7	<u>258.26</u>
Balance December 31, 2014	E	<u>\$ 494.12</u>

TOWNSHIP OF CHATHAM  
SEWER UTILITY NO. 2 FUND  
SCHEDULE OF FIXED CAPITAL

	<u>Ref.</u>	
Balance December 31, 2013	E	<u>\$ 561,827.81</u>
Balance December 31, 2014	E	<u>\$ 561,827.81</u>

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>Ord. No</u>	<u>Description</u>	<u>Date</u>	<u>Ordinance Amount</u>	<u>Balance Dec. 31, 2013</u>	<u>Balance Dec. 31, 2014</u>
02-07	Construction of New Clarifier	4/25/2002	\$ 825,000.00	<u>\$ 855,000.00</u>	<u>\$ 855,000.00</u>
				<u>\$ 855,000.00</u>	<u>\$ 855,000.00</u>
				E	E

TOWNSHIP OF CHATHAM

E-15

SEWER UTILITY NO. 2 FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No	Description	Date	Ordinance Amount	Balance Dec. 31, 2013		Paid or Charged	Reserve For Encumbrances	Balance Dec. 31, 2014	
				Funded	Unfunded			Funded	Unfunded
02-07	Improvement of Sanitary Sewer System	4/25/2002	\$ 825,000.00	\$ 248,991.29	\$ -	\$ 183,539.36	\$ 30,955.83	\$ 34,496.10	\$ -
			Ref.	E	E	E-5	E-16	E	E

TOWNSHIP OF CHATHAM  
SEWER UTILITY NO. 2 FUND  
SCHEDULE OF RESERVE FOR ENCUMBRANCES - IMPROVEMENT AUTHORIZATIONS

	<u>Ref</u>	
Balance December 31, 2013	E	\$ 13,261.88
Increased by:		
Charges to 2014 Improvement Authorizations	E-15	<u>30,955.83</u>
		44,217.71
Decreased by:		
Paid in 2014	E-5	<u>13,261.88</u>
Balance December 31, 2014	E	<u>\$ 30,955.83</u>

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2013	E	<u>\$ 16,500.00</u>
Balance December 31, 2014	E	<u>\$ 16,500.00</u>

TOWNSHIP OF CHATHAM  
SEWER UTILITY NO. 2 FUND  
SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>Ref.</u>	
Balance December 31, 2013	E	\$ 812,436.38
Increased by:		
Bonds Paid by Budget Appropriation	E-21	<u>105,000.00</u>
Balance December 31, 2014	E	<u>\$ 917,436.38</u>

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

	<u>Ref.</u>	
Balance December 31, 2013	E	<u>\$ 164,391.43</u>
Balance December 31, 2014	E	<u>\$ 164,391.43</u>



TOWNSHIP OF CHATHAM

E-21

SEWER UTILITY NO. 2 FUND  
SCHEDULE OF SERIAL BONDS PAYABLE

<u>Purpose</u>	<u>Original Issue</u>		<u>Date</u>	<u>Annual Maturity of Bonds Outstanding Dec. 31, 2014</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance</u>	
	<u>Date</u>	<u>Amount</u>					<u>Dec. 31, 2013</u>	<u>Dec. 31, 2014</u>
Improvement to Sewer System	11/1/2000	\$115,000.00	11/1/2015	\$ 5,000.00	5.125%	\$ 50,000.00	\$ 5,000.00	\$ 45,000.00
			11/1/2016	5,000.00	5.250%			
			11/1/2017	5,000.00	5.250%			
			11/1/2018	10,000.00	5.400%			
Improvements of 2006			11/1/2019	10,000.00	5.400%			
			11/1/2020	10,000.00	5.400%			
	2/1/2006	900,000.00	2/1/2015	105,000.00	3.750%	315,000.00	100,000.00	215,000.00
			2/1/2016	110,000.00	3.750%	-	-	-
							<u>\$ 365,000.00</u>	<u>\$ 260,000.00</u>

Ref. E E-18 E

TOWNSHIP OF CHATHAM  
PAYROLL ACCOUNT  
SCHEDULE OF CASH RECONCILIATION DECEMBER 31, 2014

Balance on Deposit Per Statement of TD Bank	\$ 16,270.86
Add: Deposit in Transit	-
Less: Outstanding Checks	<u>(15,604.22)</u>
	<u>\$ 666.64</u> (1)

(1) Analysis of Balance on file with client.



# VM ASSOCIATES, INC.

Vincent M. Montanino, RMA, PSA  
Michael S. Zambito, CPA, RMA  
Antonia Russo, Associate

INDEPENDENT AUDITOR'S 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"

The Honorable Mayor and  
Members of the Township Committee  
Township of Chatham  
County of Morris, New Jersey

We have audited the financial statements of the Township of Chatham as of and for the years ended December 31, 2014 and December 31, 2013, and have issued our report thereon dated June 29, 2015. In our report our opinion was qualified because the Township of Chatham prepares its financial statements using the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. 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**

In planning and performing our audit, we considered the Township of Chatham's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township of Chatham's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township 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 in internal control over compliance is a deficiency, or 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 would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Township 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 entity’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 Township’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Vincent M. Montanino  
Registered Municipal Accountant  
License No. CR000375



Michael S. Zambito  
Certified Public Accountant  
License No. 20CC00789500

June 29, 2015

**TOWNSHIP OF CHATHAM**

**PART II**

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**GENERAL COMMENTS AND RECOMMENDATIONS  
YEAR ENDED DECEMBER 31, 2014**

## GENERAL COMMENTS

### CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED FOR BIDS

Effective April 17, 2000 N.J.S.A. 40A: 11 (Local Public Contracts Law) is 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 July 1, 2010 the bid threshold in accordance with N.J.S.A. 40A: 11-3 (as amended) is \$26,000.00 however effective January 1, 2011 the bid threshold for entities without a qualified purchasing agent was rolled back to \$17,500.00.

It is pointed out that the governing body of the Township of Chatham 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 Township 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 of 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 provision 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 Attorney, Auditor, Engineers, Bond Counsel, Labor Counsel, Municipal Prosecutor, Fixed Asset Appraiser and Risk Management Consultant.

The minutes indicate that bids were requested by public advertising for the following items: WPC1 Effluent Pump Station Project, Construction of Chatham Glen Pump Station and Force Mains, 2014 Crack Sealing Project and Shunpike Road Sidewalk Improvements.

The system of records is not required to provide and therefore did not provide for an accumulation of purchases for which the Township used contracts entered in to 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. Our examination did reveal the following purchases made through the use of State contracts – Programmable Sampler, Police Cars and Equipment.

Ordinance 93-17 adopted November 11, 1993, authorized the Township to enter into cooperative purchasing program with the County of Morris. The following items were purchased this year:

Rock Salt, Road and Parking Lot Resurfacing, Gasoline, Diesel Fuel, Police Vehicles, Sand Media and Chemicals.

Our examination of expenditures did not reveal any individual payments, contract or agreements in excess of the statutory limit for the performance of any work or the furnishing or hiring of any materials or supplies, other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S.A. 40A: 11-6.

COLLECTION OF INTEREST ON DELINQUENT TAXES

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

The governing body on January 3, 2014, adopted the following resolution authorizing interest to be charged on delinquent taxes:

BE IT RESOLVED, by the Township Committee of the Township of Chatham, Morris County, New Jersey, that

1. The rate of interest to be charged by the Tax Collector on delinquent taxes on the first \$1,500.00 is hereby fixed at the rate of eight (8) per cent per annum, to remain in full force until January 1, 2015.
2. The rate of interest to be charged by the Tax Collector on delinquent taxes in excess of \$1,500.00 is hereby fixed at the rate of eighteen (18) per cent per annum, to remain in force until January 1, 2015.
3. Notwithstanding the provisions of this resolution, no interest shall be charged if payment of any installment is made within the tenth calendar day following the date upon which the same became payable.
4. A certified copy of this resolution shall be forwarded to the Tax Collector for his information and guidance.

The governing body on January 3, 2014 adopted the following resolution authorizing interest to be charged on delinquent utility charges:

BE IT RESOLVED, by the Township Committee of the Township of Chatham, Morris County, New Jersey, that

1. The rate of interest to be charged by the Tax Collector on delinquent sewer service charges on the first \$1,500.00 is hereby fixed at the rate of eight (8) per cent per annum, to remain in full force until January 1, 2015.
2. The rate of interest to be charged by the Tax Collector on delinquent sewer charges in excess of \$1,500.00 is hereby fixed at the rate of eighteen (18) per cent per annum, to remain in force until January 1, 2015.

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

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DELINQUENT TAXES AND TAX TITLE LIENS

The delinquent taxes at December 31, 2014 include taxes for 2014 and 2013 which were not assessed until 2014.

The last tax sale was held December 3, 2014 and was complete.

Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit.

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

<u>Year</u>	<u>Number of Liens</u>		
	<u>Tax</u>	<u>Sewer</u>	<u>Assessment</u>
2014	6	0	4
2013	6	0	4
2012	7	0	4
2011	7	0	4
2010	6	0	4

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a tax-paying basis.

VERIFICATION OF DELINQUENT 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 2014 Taxes	25
Prepayments of 2015 Taxes	25
Delinquent Taxes	25
Payments of Sewer Utility No. 1 Charges	25
Delinquent Payments of Sewer Utility No. 1 Charges	25
Payments of Sewer Utility No. 2 Charges	25
Delinquent Payments of Sewer Utility No. 2 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 Township’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.

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OTHER COMMENTS

OTHER POST-EMPLOYMENT BENEFITS

GASB 45 requires state and local governments that participate in single-employer or agent multiple-employer defined benefit OPEB plans to measure and disclose an amount for annual OPEB cost and a liability for the amount of future costs on the accrual basis of accounting. The Township reports on an other comprehensive basis of accounting and therefore does not have to report OPEB liabilities on its balance sheet or appropriate a minimum contribution in its budget, but is required to provide information on its OPEB practices and costs in their Notes to the Financial Statements. The Township has complied with this requirement and the full report is available for review in the Township Clerk's Office

EXAMINATION OF CLAIMS

Claims paid during the period under review were examined for clerical accuracy and proper approvals.

The review and inquiry indicate good scrutiny on the part of the Township and Township Officials regarding expenditures.

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. Maintenance of an 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 Township has complied with all three directives for 2014.

CHANGE ORDERS IN EXCESS OF 20%

The Township Clerk has certified that no change orders were issued that would cause an originally awarded contract price to be exceeded by more than 20 percent (N.J.A.C. 5:30-11.1 et seq.).

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RECOMMENDATIONS

NONE

Status of Prior Years' Audit Findings/Recommendations

Not Applicable

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

APPRECIATION

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



Vincent M. Montanino  
Registered Municipal Accountant  
License No. CR000375



Michael S. Zambito  
Certified Public Accountant  
License No. 20CC00789500

June 29, 2015