

SYNOPSIS OF AUDIT REPORT FOR PUBLICATION

Synopsis of 2009 Audit Report of the Township of Chatham as required by  
N.J.S.A. 40A:5-7.

COMBINED COMPARATIVE BALANCE SHEET

	<u>December 31,</u> 2009	<u>December 31,</u> 2008
<u>Assets</u>		
Cash and Investments	\$ 11,889,086.00	\$ 12,660,499.12
Taxes, Liens, and Utility Charges Receivable	1,920,830.19	2,181,360.60
Property Acquired for Taxes- Assessed Value	599,650.00	6,450.00
Accounts Receivable	578,538.47	558,625.50
Fixed Capital Authorized and Uncompleted - Utility	1,255,000.00	2,657,749.38
Fixed Capital - Utility	18,551,264.22	17,091,841.56
Deferred Charges to Future Taxation - General Capital	10,484,750.00	10,053,750.00
Deferred Charges to Revenue of Succeeding Year	8,400.00	16,800.00
General Fixed Assets	<u>61,106,484.56</u>	<u>60,247,991.56</u>
Total Assets	<u>\$ 106,394,003.44</u>	<u>\$ 105,475,067.72</u>
<u>Liabilities, Reserves and Fund Balance</u>		
Loans and Notes Payable	\$ 16,437,703.65	\$ 16,434,420.14
Improvements Authorizations	3,037,541.52	3,747,317.00
Other Liabilities and Special Funds	5,606,488.33	5,202,820.06
Amortization of Debt for Fixed Capital Acquired or Authorized	12,973,462.23	12,575,815.46
Reserve for Certain Assets Receivable	2,580,598.74	2,267,709.23
Fund Balance	4,651,724.41	4,998,994.27
Investment in General Fixed Assets	<u>61,106,484.56</u>	<u>60,247,991.56</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 106,394,003.44</u>	<u>\$ 105,475,067.72</u>

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

	<u>Year 2009 Amount</u>	<u>Year 2008 Amount</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 1,844,140.00	\$ 2,040,000.00
Miscellaneous-From Other than		
Local Property Tax Levies	2,670,364.12	3,000,512.46
Collection of Delinquent Taxes and Tax Title Liens	452,384.94	453,754.13
Collection of Current Tax Levy	<u>45,863,650.03</u>	<u>44,771,903.27</u>
Total Income	<u>50,830,539.09</u>	<u>50,266,169.86</u>
 <u>Expenditures</u>		
Budget Expenditures:		
Municipal Purposes	12,049,601.41	11,997,707.91
County Taxes	7,514,568.84	7,811,172.20
Regional District School Taxes	29,437,895.97	27,912,429.75
Other Expenditures	370,957.96	748,345.48
Total Expenditures	<u>49,373,024.18</u>	<u>48,469,655.34</u>
Excess in Revenue	1,457,514.91	1,796,514.52
Fund Balance January 1	<u>3,191,121.14</u>	<u>3,434,606.62</u>
	4,648,636.05	5,231,121.14
Less:		
Utilization as Anticipated Revenue	<u>1,844,140.00</u>	<u>2,040,000.00</u>
Fund Balance December 31	<u>\$ 2,804,496.05</u>	<u>\$ 3,191,121.14</u>

COMPARATIVE STATEMENT OF OPERATIONS AND  
CHANGE IN FUND BALANCE -SEWER UTILITY No. 1 FUND

	<u>Year 2009</u>	<u>Year 2008</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 275,000.00	\$ 375,000.00
Collection of Sewer Rents	1,949,170.94	1,909,535.32
Miscellaneous-From Other than		
Sewer Rents	243,505.77	185,224.84
Other Income	<u>101,295.52</u>	<u>6,327.39</u>
Total Income	<u>2,568,972.23</u>	<u>2,476,087.55</u>
 <u>Expenditures</u>		
Budget Expenditures:		
Operating	1,570,000.00	1,500,000.00
Capital Improvements	30,000.00	75,000.00
Debt Service	620,172.18	601,070.68
Statutory Expenditures and Deferred Charges	<u>43,000.00</u>	<u>41,000.00</u>
Total Expenditures	<u>2,263,172.18</u>	<u>2,217,070.68</u>
Excess in Revenue	305,800.05	259,016.87
Fund Balance January 1	<u>345,200.68</u>	<u>461,183.81</u>
	651,000.73	720,200.68
Less:		
Utilization as Anticipated Revenue	<u>275,000.00</u>	<u>375,000.00</u>
Fund Balance December 31	<u>\$ 376,000.73</u>	<u>\$ 345,200.68</u>

COMPARATIVE STATEMENT OF OPERATIONS AND  
CHANGE IN FUND BALANCE - SEWER UTILITY No. 2 FUND

	<u>Year 2009</u>	<u>Year 2008</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 160,000.00	\$ 160,000.00
Collection of Sewer Rents	483,642.87	481,488.81
Miscellaneous-From Other than		
Sewer Rents	5,151.30	20,331.73
Other Income	<u>86,543.87</u>	<u>69,546.58</u>
Total Income	<u>735,338.04</u>	<u>731,367.12</u>
<u>Expenditures</u>		
Budget Expenditures:		
Operating	390,000.00	385,000.00
Capital Improvements	40,000.00	45,000.00
Statutory Expenditures	7,650.00	7,650.00
Debt Service	<u>111,966.25</u>	<u>112,000.00</u>
Total Expenditures	<u>549,616.25</u>	<u>549,650.00</u>
Excess in Revenue	185,721.79	181,717.12
Fund Balance January 1	<u>273,554.43</u>	<u>251,837.31</u>
	459,276.22	433,554.43
Less:		
Utilization as		
Anticipated Revenue	<u>160,000.00</u>	<u>160,000.00</u>
Fund Balance December 31	<u>\$ 299,276.22</u>	<u>\$ 273,554.43</u>

## RECOMMENDATIONS

The Township should obtain an actuarial valuation of its Other Post-Employment Benefit obligations to meet the disclosure requirements in its Notes to Financial Statements promulgated by GASB Statement No. 45.

### Status of Prior Years' Audit Findings/Recommendations

A review was performed on the prior years' recommendation and corrective action was not taken on the following:

The Township should obtain an actuarial valuation of its Other Post-Employment Benefit obligations to meet the disclosure requirements in its Notes to Financial Statements promulgated by GASB Statement No. 45.

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

The above synopsis was prepared from the report of audit of the Township of Chatham, County of Morris for the calendar year 2009. This report of audit, submitted by Vincent M. Montanino, Registered Municipal Accountant and Michael S. Zambito, Certified Public Accountant of VM Associates, Inc., is on file at the Township Clerk's Office and may be inspected by any interested person.

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Township Clerk