BOROUGH OF CHATHAM

COUNTY OF MORRIS

REPORT OF AUDIT

2024

NISIVOCCIA LLP
CERTIFIED PUBLIC ACCOUNTANTS

BOROUGH OF CHATHAM
COUNTY OF MORRIS
REPORT OF AUDIT
2024

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BOROUGH OF CHATHAM

PART I

FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2024

NISIVOCCIA
ASSURANCE · TAX · ADVISORY

Mount Arlington, NJ
Newton, NJ
Bridgewater, NJ

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Independent Member
BKR International

Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements – *regulatory basis* – of the various funds and account group of the Borough of Chatham in the County of Morris (the "Borough") as of, and for the years ended December 31, 2024 and 2023, and the related notes to financial statements, as listed in the table of contents.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the each fund and account group of the Borough as of December 31, 2024 and 2023, and the results of operations and changes in fund balance, where applicable, of such funds and account group, thereof for the years then ended in accordance with the accounting practices prescribed or permitted, as described in Note 1, by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division").

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the accompanying financial statements referred to above, do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund and account group of the Borough as of December 31, 2024 and 2023, and the changes in financial position or, where applicable, cash flows thereof for the years then ended.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS), audit requirements prescribed by the Division and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Borough, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 1, the financial statements are prepared by the Borough on the basis of the financial reporting provisions prescribed or permitted by the Division, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Division's regulatory basis of accounting and the budget laws of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Emphasis of Matter

As discussed in Note 21 to the financial statements, the Borough implemented GASB Statement No. 101, *Compensated Absences*, during the year ended December 31, 2024. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws 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 misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Division will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Division, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements of the various funds and account group that collectively comprise the Borough's financial statements. The supplementary data schedules listed in the table of contents and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the various fund and account group financial statements. The information has been subjected to the auditing procedures applied in the audit of the various fund financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the various fund and account group financial statements or to the various fund and account group financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary data schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the various fund and account group financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 21, 2025 on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Borough's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough's internal control over financial reporting and compliance.

Mount Arlington, New Jersey
April 21, 2025

NISIVOCCIA LLP

Francis Jones of Nisivoccia LLP

Francis Jones
Registered Municipal Accountant No. 442
Certified Public Accountant

BOROUGH OF CHATHAM
COUNTY OF MORRIS
2024
CURRENT FUND

BOROUGH OF CHATHAM
CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31, 2024	December 31, 2023
ASSETS			
Regular Fund:			
Cash and Cash Equivalents	A-4	$ 5,869,879.44	$ 4,652,853.17
Change Fund		300.00	300.00
		5,870,179.44	4,653,153.17
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-7	241,953.98	267,097.62
Tax Title Liens Receivable	A-8	15,069.86	13,115.54
Property Acquired for Taxes at Assessed Valuation		32,200.00	32,200.00
Revenue Accounts Receivable	A-9	9,020.98	12,807.98
Sewer Fees Receivable	A-10	84,269.07	84,166.04
Due from Water Utility Operating Fund	D		2,123.39
Total Receivables and Other Assets with Full Reserves		382,513.89	411,510.57
Deferred Charges:			
Special Emergency Appropriation		305,000.00	285,000.00
Total Regular Fund		6,557,693.33	5,349,663.74
Federal and State Grant Fund:			
Cash and Cash Equivalents	A-6	78,533.93	96,916.43
Grants Receivable	A-13	266,783.48	397,855.08
Due from Current Fund	A	437,021.88	212,052.57
Total Federal and State Grant Fund		782,339.29	706,824.08
TOTAL ASSETS		$ 7,340,032.62	$ 6,056,487.82

BOROUGH OF CHATHAM
CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
(Continued)

	Ref.	December 31, 2024	December 31, 2023
LIABILITIES, RESERVES AND FUND BALANCE			
Regular Fund:			
Appropriation Reserves:			
Encumbered	A-3;A-11	$ 212,309.09	$ 258,292.64
Unencumbered	A-3;A-11	538,581.03	524,324.49
		750,890.12	782,617.13
Due State of New Jersey:			
Senior Citizens' and Veterans' Deductions		33,851.80	33,851.80
Due to State of New Jersey - Lead Paint Inspection Fees		20.00	
Due to State of New Jersey - Marriage License		75.00	125.00
County Added and Omitted Taxes Payable		4,780.82	9,464.79
Payment in Lieu of Taxes on Exempt Property - Due County		27,240.14	
Prepaid Taxes		335,178.48	149,999.86
Prepaid Payment in Lieu of Taxes on Exempt Property		295,874.00	
Tax Overpayments		22,486.58	214,007.67
Due to Federal and State Grant Fund	A	437,021.88	212,052.57
Due to Other Trust Funds	B	231,949.23	11,751.66
Due to Water Utility Operating Fund	D	2,964.35	
Due to Solid Waste Utility Operating Fund	E	369.17	
Reserve for:			
Master Plan		930.00	930.00
Revaluation		97,730.01	97,730.01
Rent Security		86,836.70	86,836.70
Sewer Connection Fees		300,000.00	300,000.00
Municipal Relief Fund			59,434.18
		2,628,198.28	1,958,801.37
Special Emergency Notes Payable		120,000.00	180,000.00
Reserve for Receivables and Other Assets	A	382,513.89	411,510.57
Fund Balance	A-1	3,426,981.16	2,799,351.80
Total Regular Fund		6,557,693.33	5,349,663.74
Federal and State Grant Fund:			
Appropriated Reserves	A-15	780,094.12	704,980.33
Unappropriated Reserves	A-14	2,245.17	1,843.75
Total Federal and State Grant Fund		782,339.29	706,824.08
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		$ 7,340,032.62	$ 6,056,487.82

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

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

Revenue and Other Income Realized	Ref.	Year Ended December 31, 2024	2023
Fund Balance Utilized		$ 2,375,000.00	$ 2,375,000.00
Miscellaneous Revenue Anticipated		4,488,816.83	4,265,353.28
Receipts from:			
Delinquent Taxes		267,140.85	569,359.35
Current Taxes		49,795,852.61	47,866,177.07
Nonbudget Revenue		692,897.26	173,005.09
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		337,692.16	218,751.77
Tax Overpayments Cancelled		78,595.52	241.50
Federal and State Grant Fund - Appropriated Reserves Cancelled		4,872.88	
Interfunds and Other Receivables Returned		2,123.39	4,083.76
Total Income		58,042,991.50	55,471,971.82
Expenditures			
Budget and Emergency Appropriations:			
Municipal Purposes		15,569,534.84	15,145,715.13
County Taxes		7,781,062.79	7,372,535.02
Regional School District Taxes		31,579,649.00	30,365,543.00
Borough Open Space Tax			96,369.79
Prior Year Senior Citizens Deductions' Disallowed			250.00
Reserve for Accumulated Absences		125,000.00	
Reserve for Storm Recovery		125,000.00	
Refund of Prior Year Revenue		500.00	
Refund of Prior Year Taxes		4,416.09	4,609.58
Prior Year Taxes Applied to Prepaid Taxes		285.94	
Federal and State Grant Fund - Grants Receivable Cancelled		4,913.48	
Interfunds and Other Receivables Advanced			2,123.39
Total Expenditures		55,190,362.14	52,987,145.91
Excess in Revenue		2,852,629.36	2,484,825.91
Adjustments Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year		150,000.00	
Statutory Excess to Fund Balance		3,002,629.36	2,484,825.91
Fund Balance			
Balance January 1		2,799,351.80	2,689,525.89
		5,801,981.16	5,174,351.80
Decreased by:			
Utilized as Anticipated Revenue		2,375,000.00	2,375,000.00
Balance December 31	A	$ 3,426,981.16	$ 2,799,351.80

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CHATHAM
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

	Budget	Added by NJSA 40A:4-87	Realized	Excess or Deficit *
Fund Balance Anticipated	$ 2,375,000.00		$ 2,375,000.00	
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	11,700.00		14,000.00	$ 2,300.00
Fees and Permits	55,373.00		97,762.05	42,389.05
Fines and Costs:				
Municipal Court	60,000.00		92,855.59	32,855.59
Interest and Costs on Taxes	69,000.00		90,303.66	21,303.66
Interest on Investments and Deposits	45,000.00		325,853.67	280,853.67
Parking Meters	435,000.00		484,573.23	49,573.23
Sewer User Fees	1,340,000.00		1,396,156.45	56,156.45
Energy Receipts Tax	576,591.00		576,590.84	0.16 *
Watershed Moratorium Offset Aid	2,303.00		2,303.00	
Municipal Relief Fund	59,434.18		59,434.18	
Uniform Construction Code Fees	46,000.00		33,850.23	12,149.77 *
Shared Service - Joint Recreation Director's Services	20,000.00		20,000.00	
Farmer's Market Fees	12,000.00		5,688.00	6,312.00 *
Reserve for Body Armor Replacement Fund	1,843.75		1,843.75	
Municipal Alliance on Alcoholism and Drug Abuse:				
State Share		$ 7,273.00	7,273.00	
Supplemental		4,000.00	4,000.00	
EMAA Grant - Emergency Management		10,000.00	10,000.00	
Community Energy Plan Grant		10,000.00	10,000.00	
Recycling Tonnage Grant	14,964.14		14,964.14	
Clean Communities Act		21,394.72	21,394.72	
Chatham River Road Urban Renewal - Contribution for Solar	125,000.00		125,000.00	
Federal Bulletproof Vest Grant	2,818.80		2,818.80	
Utility Operating Surplus of Prior Year	215,000.00		215,000.00	
Lease of Municipal Property	645,000.00		724,950.61	79,950.61
Cable TV Franchise Fee	103,000.00		113,175.65	10,175.65
Reserve for Debt Service	39,025.26		39,025.26	
Total Miscellaneous Revenue	3,879,053.13	52,667.72	4,488,816.83	557,095.98
Receipts from Delinquent Taxes	225,000.00		267,140.85	42,140.85
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	9,645,552.71		11,190,053.44	1,544,500.73
Minimum Library Tax	1,055,087.38		1,055,087.38	
	10,700,640.09		12,245,140.82	1,544,500.73
Budget Totals	17,179,693.22	52,667.72	19,376,098.50	2,143,737.56
Nonbudget Revenue			692,897.26	692,897.26
	$ 17,179,693.22	$ 52,667.72	$ 20,068,995.76	$ 2,836,634.82

BOROUGH OF CHATHAM
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024
(Continued)

Allocation of Current Tax Collections:		
Collections		$ 49,795,852.61
Allocated to:		
School, County and Open Space Taxes		39,360,711.79
		10,435,140.82
Add: Appropriation "Reserve for Uncollected Taxes"		1,810,000.00
Amount for Support of Municipal Budget		$ 12,245,140.82
Analysis of Fees and Permits:		
Planning, Assessment and Zoning Board		$ 42,760.25
Health Officer		16,147.00
Gun Permits		4,125.00
Taxi/Limo		120.00
Alarm permit		1,425.00
Street Vacation		1,700.00
Fire Safety Permits		21,677.80
Lead Paint Inspection Fees		3,980.00
Building Inspector		5,597.00
Other		230.00
		$ 97,762.05
Analysis of Interest on Deposits		
Cash Received		$ 316,022.15
Due from Other Trust Fund		9,831.52
		$ 325,853.67
Analysis of Nonbudget Revenue:		
Treasurer:		
Pool Badges	$ 72,121.98	
Prior Year Refunds	27,031.96	
State of New Jersey - UFS (Life Hazard User Fees)	14,476.80	
State of New Jersey - Senior Citizens and Veterans Deductions Administrative Fee	405.00	
Sale of Municipal Property	29,992.00	
Payment in Lieu of Taxes on Exempt Property	528,458.62	
Other Miscellaneous	20,410.90	
		$ 692,897.26

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CHATHAM
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS":					
GENERAL GOVERNMENT:					
General Administration:					
Salaries and Wages:	$ 226,805.00	$ 226,805.00	$ 225,427.54	$ 1,377.46	
Other Expenses:	159,750.00	179,750.00	179,523.84	226.16	
Community Services:					
Salaries and Wages	184,765.00	134,765.00	133,763.31	1,001.69	
Other Expenses	30,487.93	30,487.93	28,128.37	2,359.56	
Human Services:					
Salaries and Wages	29,720.00	29,720.00	23,623.47	6,096.53	
Other Expenses	8,000.00	8,000.00	7,952.00	48.00	
Mayor and Council:					
Other Expenses	2,500.00	2,500.00	2,200.00	300.00	
Borough Clerk:					
Salaries and Wages	164,470.00	164,470.00	164,470.00		
Other Expenses	39,000.00	49,000.00	42,380.06	6,619.94	
Financial Administration:					
Salaries and Wages	243,595.00	243,595.00	243,595.00		
Other Expenses	106,000.00	116,000.00	109,278.57	6,721.43	
Audit Services:					
Other Expenses	36,000.00	36,000.00	36,000.00		
Tax Collection:					
Salaries and Wages	68,000.00	88,000.00	87,641.44	358.56	
Other Expenses	6,600.00	6,600.00	5,410.85	1,189.15	
Tax Assessment:					
Salaries and Wages	24,090.00	24,090.00	24,082.56	7.44	
Other Expenses	50,800.00	40,800.00	37,408.20	3,391.80	

BOROUGH OF CHATHAM
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024
(Continued)

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
GENERAL GOVERNMENT (Continued):					
Legal Services and Costs:					
Other Expenses	$ 100,000.00	$ 100,000.00	$ 99,956.28	$ 43.72	
Celebration of Public Events - Farmer's Market:					
Other Expenses	12,390.00	12,390.00	10,540.25	1,849.75	
Municipal Court - Joint Court:					
Other Expenses	178,600.00	158,600.00	143,438.17	15,161.83	
Engineering Services and Costs:					
Other Expenses	50,000.00	70,000.00	62,668.42	7,331.58	
Historical Preservation Commission:					
Other Expenses	1,000.00	1,000.00	200.00	800.00	
LAND USE ADMINISTRATION:					
Municipal Land Use Law (NJSA 40:55D-1):					
Planning Board:					
Salaries and Wages	8,970.00	8,970.00	8,965.68	4.32	
Special Emergency - Master Plan (N.J.S.A. 40A:4-53 +$150,000.00)		150,000.00	-	150,000.00	
Other Expenses	23,500.00	23,500.00	19,924.94	3,575.06	
Board of Adjustment:					
Salaries and Wages	51,000.00	51,000.00	50,989.68	10.32	
Other Expenses	9,800.00	9,800.00	9,694.44	105.56	
PUBLIC SAFETY:					
Police:					
Salaries and Wages	3,602,025.00	3,696,025.00	3,674,431.41	21,593.59	
Other Expenses	173,200.00	173,200.00	154,871.38	18,328.62	
Police Dispatching:					
Other Expenses	221,000.00	221,000.00	221,000.00		
Project Pride:					
Other Expenses	31,875.00	31,875.00	31,855.50	19.50	

BOROUGH OF CHATHAM
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024
(Continued)

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
PUBLIC SAFETY (Continued):					
Parking:					
Salaries and Wages	$ 122,450.00	$ 54,450.00	$ 54,040.56	$ 409.44	
Other Expenses	19,500.00	19,500.00	9,482.08	10,017.92	
Emergency Management Services:					
Salaries and Wages	9,120.00	9,120.00	9,108.72	11.28	
Other Expenses	2,250.00	2,250.00	1,176.30	1,073.70	
Emergency Squad:					
Other Expenses	15,000.00	15,000.00	14,909.00	91.00	
Fire:					
Salaries and Wages	52,000.00	52,000.00	52,000.00		
Other Expenses	98,455.00	78,455.00	66,654.04	11,800.96	
Fire Safety Official:					
Salaries and Wages	64,390.00	64,390.00	48,828.55	15,561.45	
Other Expenses	6,000.00	6,000.00	2,399.10	3,600.90	
PUBLIC WORKS FUNCTIONS:					
Road Repair and Maintenance:					
Salaries and Wages	1,074,330.00	1,074,330.00	1,058,494.46	15,835.54	
Other Expenses	192,450.00	177,450.00	167,751.48	9,698.52	
Shade Tree:					
Other Expenses	29,000.00	29,000.00	21,667.99	7,332.01	
Public Buildings and Grounds:					
Other Expenses	77,500.00	92,500.00	86,909.21	5,590.79	
Vehicle Maintenance:					
Salaries and Wages	115,380.00	115,380.00	112,214.50	3,165.50	
Other Expenses	90,250.00	95,250.00	95,077.63	172.37	

BOROUGH OF CHATHAM
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024
(Continued)

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
PUBLIC WORKS FUNCTIONS (Continued):					
Community Service - Condo Costs:					
Other Expenses	$ 2,000.00	$ 2,000.00		$ 2,000.00	
HEALTH AND HUMAN SERVICE FUNCTIONS:					
Board of Health:					
Salaries and Wages	15,640.00	15,640.00	$ 15,634.08	5.92	
Other Expenses	117,916.00	117,916.00	104,376.44	13,539.56	
Environmental Commission:					
Salaries and Wages	8,970.00	8,970.00	8,966.16	3.84	
Other Expenses	18,000.00	3,000.00	901.99	2,098.01	
Animal Control:					
Other Expenses	2,000.00	2,000.00	2,000.00		
PARK AND RECREATION FUNCTIONS:					
Recreation Services and Programs:					
Salaries and Wages	119,370.00	119,370.00	119,158.46	211.54	
Other Expenses	39,200.00	39,200.00	33,231.86	5,968.14	
Senior Citizen Center Transportation:					
Other Expenses	25,000.00	25,000.00	25,000.00		
Parks and Playgrounds:					
Other Expenses	77,900.00	107,900.00	92,081.18	15,818.82	
OTHER COMMON OPERATING FUNCTIONS:					
Accumulated Leave Compensation	15,000.00	15,000.00	15,000.00		
Celebration of Public Events:					
Other Expenses	17,900.00	17,900.00	17,900.00		
UTILITY EXPENSES AND BULK PURCHASES:					
Utilities:					
Other Expenses	509,590.00	514,590.00	444,367.85	70,222.15	

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BOROUGH OF CHATHAM
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024
(Continued)

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
INSURANCE:					
General Liability	$ 167,653.00	$ 167,653.00	$ 161,757.00	$ 5,896.00	
Worker's Compensation Insurance	138,635.00	122,635.00	122,581.00	54.00	
Employee Group Health	644,154.00	619,154.00	564,358.96	54,795.04	
Health Benefits Waiver	55,000.00	55,000.00	54,960.79	39.21	
Unemployment Compensation Insurance	17,500.00	17,500.00	17,427.87	72.13	
Total Operations Within "CAPS"	9,803,445.93	9,943,445.93	9,439,838.62	503,607.31	
Contingent	4,000.00	4,000.00		4,000.00	
Total Operations Including Contingent Within "CAPS"	9,807,445.93	9,947,445.93	9,439,838.62	507,607.31	
Detail:					
Salaries and Wages	6,200,090.00	6,196,090.00	6,130,435.58	65,654.42	
Other Expenses	3,607,355.93	3,751,355.93	3,309,403.04	441,952.89	
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS":					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System of NJ	300,716.00	300,716.00	300,716.00		
Police and Fireman's Retirement System of NJ	950,048.00	950,048.00	950,048.00		
Defined Contribution Retirement Program	7,500.00	17,500.00	9,548.71	7,951.29	
Social Security System (O.A.S.I.)	261,000.00	261,000.00	258,331.82	2,668.18	

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BOROUGH OF CHATHAM
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024
(Continued)

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	$ 1,519,264.00	$ 1,529,264.00	$ 1,518,644.53	$ 10,619.47	
Total General Appropriations for Municipal Purposes Within "CAPS"	11,326,709.93	11,476,709.93	10,958,483.15	518,226.78	
Operations Excluded from "CAPS":					
Length of Service Award Program - EMS (N.J.S.A. 40A:4453jj)	20,000.00	20,000.00		20,000.00	
Maintenance of Free Public Library (C.82, P.L. 1985)	1,159,377.60	1,159,377.60	1,159,377.60		
Madison - Chatham Joint Meeting					
Sewer Service Charge - Contractual	890,950.00	890,950.00	890,595.75	354.25	
Insurance: Employee Group Insurance	21,046.00	21,046.00	21,046.00		
Insurance: Workers' Compensation	811.00	811.00	811.00		
Insurance: General Liability	38,222.00	38,222.00	38,222.00		
Shared Service - Joint Recreation Director's Services	20,000.00	20,000.00	20,000.00		
Celebration of Public Events:					
Farmer's Market	12,000.00	12,000.00	12,000.00		
Public and Private Programs Offset by Revenues:					
Municipal Alliance on Alcoholism and Drug Abuse:					
State Share (N.J.S.A. 40A-87 + $7,273.00)		7,273.00	7,273.00		
Supplemental Grant (N.J.S.A. 40A-87 + $4,000.00)		4,000.00	4,000.00		
Local Share	3,750.00	3,750.00	3,750.00		
Reserve for Body Armor Replacement Fund	1,843.75	1,843.75	1,843.75		
EMAA Grant - Emergency Management (N.J.S.A. 40A-87 + $10,000.00)		10,000.00	10,000.00		
Community Energy Plan Grant (N.J.S.A. 40A-87 + $10,000.00)		10,000.00	10,000.00		
Federal Bulletproof Vest Grant	2,818.80	2,818.80	2,818.80		
Recycling Tonnage Grant	14,964.14	14,964.14	14,964.14		
Clean Communities Act (NJSA 40A:4-87 +$21,394.72)		21,394.72	21,394.72		
Chatham River Road Urban Renewal - Contribution for Solar	125,000.00	125,000.00	125,000.00		

BOROUGH OF CHATHAM
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024
(Continued)

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Excluded from "CAPS" (Continued):					
Total Operations Excluded from "CAPS"	$ 2,310,783.29	$ 2,363,451.01	$ 2,343,096.76	$ 20,354.25	
Detail:					
Salaries and Wages	20,000.00	20,000.00	20,000.00		
Other Expenses	2,290,783.29	2,343,451.01	2,323,096.76	20,354.25	
Capital Improvements-Excluded from "CAPS":					
Capital Improvement Fund	280,000.00	280,000.00	280,000.00		
Total Capital Improvements Excluded from "CAPS"	280,000.00	280,000.00	280,000.00		
Municipal Debt Service Excluded from "CAPS":					
Payment of Bond Principal	455,000.00	455,000.00	455,000.00		
Payment of Bond Anticipation Notes	350,000.00	350,000.00	350,000.00		
Interest on Bonds	63,000.00	63,000.00	62,993.76		6.24
Interest on Notes	185,100.00	185,100.00	185,033.85		66.15
New Jersey Wastewater Treatment Financing Program Principal & Interest on Loans	269,100.00	269,100.00	266,346.29		2,753.71
Total Municipal Debt Service Excluded from "CAPS"	1,322,200.00	1,322,200.00	1,319,373.90		2,826.10

BOROUGH OF CHATHAM
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024
(Continued)

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Deferred Charges - Municipal - Excluded from "CAPS":					
Special Emergency Authorizations	$ 70,000.00	$ 70,000.00	$ 70,000.00		
Special Emergency COVID	60,000.00	60,000.00	60,000.00		
Total Deferred Charges - Municipal - Excluded from "CAPS"	130,000.00	130,000.00	130,000.00		
Total General Appropriations Excluded from "CAPS"	4,042,983.29	4,095,651.01	4,072,470.66	$ 20,354.25	$ 2,826.10
Subtotal General Appropriations	15,369,693.22	15,572,360.94	15,030,953.81	538,581.03	2,826.10
Reserve for Uncollected Taxes	1,810,000.00	1,810,000.00	1,810,000.00		
Total General Appropriations	$ 17,179,693.22	$ 17,382,360.94	$ 16,840,953.81	$ 538,581.03	$ 2,826.10
Ref.				A	

BOROUGH OF CHATHAM
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024
(Continued)

	Ref.	Analysis of Budget After Modification	Analysis of Paid or Charged
Adopted Budget		$ 17,179,693.22	
Appropriation by NJSA 40A:4-87		52,667.72	
Special Emergency Appropriation		150,000.00	
		$ 17,382,360.94	
Cash Disbursed			$ 14,995,612.24
Reserve for Encumbrances	A		212,309.09
Due Federal and State Grant Fund - Appropriated Reserves			201,044.41
Reserve for Uncollected Taxes			1,810,000.00
Deferred Charges:			
Special Emergency Authorizations (N.J.S.A. 40A:4-53)			130,000.00
			17,348,965.74
Less: Appropriation Refunds			508,011.93
			$ 16,840,953.81

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CHATHAM
COUNTY OF MORRIS
2024
TRUST FUNDS

BOROUGH OF CHATHAM
TRUST FUNDS
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31, 2024	December 31, 2023
ASSETS			
Animal Control Fund:			
Cash and Cash Equivalents	B-1	$ 656.54	$ 2,170.91
		656.54	2,170.91
Other Trust Funds:			
Cash and Cash Equivalents	B-1	2,384,164.42	2,398,232.60
Due from Current Fund	A	231,949.23	11,751.66
Due from General Capital Fund	C	50.00	50.00
		2,616,163.65	2,410,034.26
TOTAL ASSETS		$ 2,616,820.19	$ 2,412,205.17

BOROUGH OF CHATHAM
TRUST FUNDS
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
(Continued)

	Ref.	December 31, 2024	December 31, 2023
LIABILITIES AND RESERVES			
Animal Control Fund:			
Reserve for Animal Control Expenditures	B-2	$ 656.54	$ 2,170.91
		656.54	2,170.91
Other Trust Funds:			
Reserve For:			
Recreation Trust Fund - Fee Programs		130,422.60	212,744.72
Disposal of Forfeited Property		32,535.50	31,960.52
Developers Fees - Housing Trust Funds		762,193.14	571,484.41
Open Space Trust		13,117.32	12,889.85
Outside Employment of Off-Duty Municipal Police Officer		303,124.62	413,605.05
Unemployment Trust		16,737.73	16,605.90
Developer's Escrow Fund		472,191.18	432,080.33
Parking Offenses Adjudication Act		19,073.73	19,462.63
Recycling Program		33,059.59	31,964.59
Uniform Fire Safety Act Penalty Moneys		4,029.31	4,029.31
Tax Sale Premium		97,100.00	101,100.00
Accumulated Absences		282,868.01	125,946.75
Donations - Arts Council		5,895.20	5,895.20
Donations - Chatham Spring Clean		3,975.85	5,046.75
Donations - Environmental Commission		40.05	40.05
Donations - Kevin Coughlin Estate		24,552.60	24,552.60
Acceptance of Bequests/Gifts - John M. Kruski Estate		19,375.83	25,486.12
Donations - Bee Garden Trust		1,177.63	954.19
Donations - Shade Tree		15,725.00	12,975.00
Storm Recovery Trust Fund		181,136.84	130,633.52
Donations - Community Garden Trust		15,613.38	11,024.28
Donations - Bringing Back the White Lights Campaign 2013		1,757.22	1,757.22
Donations - Monuments and Memorials		6,858.43	6,858.43
Donations - Fishawack Annual Street Festival		8,671.21	1,074.56
Donations - Public Safety Materials & Equipment		20,514.62	30,441.95
Donations - Stanley Congregational Church Property		143,366.88	154,552.49
Stanley Property Concert Donation		180.18	180.18
Municipal Alliance		870.00	643.00
Third Party Lien			24,044.66
		2,616,163.65	2,410,034.26
TOTAL LIABILITIES AND RESERVES		$ 2,616,820.19	$ 2,412,205.17

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CHATHAM
COUNTY OF MORRIS
2024
GENERAL CAPITAL FUND

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

	Ref.	December 31, 2024	December 31, 2023
ASSETS			
Cash and Cash Equivalents	C-2	$ 584,712.82	$ 362,010.58
Grants Receivable:			
NJ Department of Transportation		470,607.41	349,397.41
Library Aid		22,750.00	22,750.00
Due from Water Utility Capital Fund	D	103,621.95	
Deferred Charges to Future Taxation:			
Funded		6,282,726.43	6,923,062.10
Unfunded	C-4	14,250,495.00	12,033,850.00
TOTAL ASSETS		$ 21,714,913.61	$ 19,691,070.09
LIABILITIES AND FUND BALANCE			
Serial Bonds Payable	C-8	$ 2,500,000.00	$ 2,955,000.00
New Jersey Environmental Infrastructure Loans Payable	C-9	3,782,726.43	3,968,062.10
Bond Anticipation Notes Payable	C-7	5,694,375.00	3,944,330.00
Improvement Authorizations:			
Funded	C-5	428,534.92	581,172.27
Unfunded	C-5	9,130,824.70	8,101,152.25
Due to Other Trust Funds	B	50.00	50.00
Capital Improvement Fund	C-6	27,133.37	8,024.37
Reserve for Payment of Debt Service		42,523.35	34,804.62
Reserve for Sustainable Energy Grant		20,000.00	20,000.00
Fund Balance	C-1	88,745.84	78,474.48
TOTAL LIABILITIES AND FUND BALANCE		$ 21,714,913.61	$ 19,691,070.09

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

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

	Ref.	
Balance December 31, 2023	C	$ 78,474.48
Increased by:		
Premium on Bond Anticipation Notes		41,676.74
Funded Improvement Authorizations Cancelled		7,619.88
		127,771.10
Decreased by:		
Fund Balance Anticipated in Current Fund		39,025.26
Balance December 31, 2024	C	$ 88,745.84

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CHATHAM
COUNTY OF MORRIS
2024
WATER UTILITY FUND

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

	Ref.	December 31, 2024	December 31, 2023
ASSETS			
Operating Fund:			
Cash and Cash Equivalents	D-4	$ 780,256.13	$ 770,957.48
Due from Current Fund	A	2,964.35	
Due from Water Utility Capital Fund	D	12,885.73	3,442.78
Due from Solid Waste Utility Operating Fund	E	3,123.00	
		799,229.21	774,400.26
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-6	144,630.37	139,292.72
Total Receivables with Full Reserves		144,630.37	139,292.72
Total Operating Fund		943,859.58	913,692.98
Capital Fund:			
Cash and Cash Equivalents	D-4	6,127.98	542,743.85
Fixed Capital	D-7	8,516,275.70	7,709,943.64
Fixed Capital Authorized and Uncompleted	D-8	5,503,293.38	2,949,365.15
Total Capital Fund		14,025,697.06	11,202,052.64
TOTAL ASSETS		$ 14,969,556.64	$ 12,115,745.62

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

	Ref.	December 31, 2024	December 31, 2023
LIABILITIES, RESERVES AND FUND BALANCE			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	D-3;D-9	$ 124,118.59	$ 107,496.28
Encumbered	D-3;D-9	24,408.62	43,853.34
		148,527.21	151,349.62
Due to Current Fund	A		2,123.39
Water Rent Overpayments		8,313.80	2,526.35
Accrued Interest on Bonds		3,079.84	3,541.36
Accrued Interest on Notes		29,757.66	16,466.63
		189,678.51	176,007.35
Reserve for Receivables	D	144,630.37	139,292.72
Fund Balance	D-1	609,550.70	598,392.91
Total Operating Fund		943,859.58	913,692.98
Capital Fund:			
Bond Anticipation Notes Payable	D-13	1,133,625.00	627,300.00
Serial Bonds Payable	D-14	615,000.00	755,000.00
Due to General Capital Fund	C	103,621.95	
Due to Water Utility Operating Fund	D	12,885.73	3,442.78
Improvement Authorizations:			
Funded	D-10	162,754.30	381,407.35
Unfunded	D-10	2,902,764.65	714,857.08
Capital Improvement Fund	D-11	73,918.79	56,687.02
Reserve for Amortization	D-12	7,933,190.85	7,422,223.79
Deferred Reserve for Amortization	D-12A	1,064,893.23	1,218,460.00
Fund Balance	D-1A	23,042.56	22,674.62
Total Capital Fund		14,025,697.06	11,202,052.64
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		$ 14,969,556.64	$ 12,115,745.62

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

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

	Ref.	Year Ended December 31, 2024	2023
Revenue and Other Income Realized			
Fund Balance Utilized		$ 127,150.00	$ 138,500.00
Water Rents		1,947,556.05	1,907,078.49
Miscellaneous Revenue Not Anticipated		120,076.32	46,373.43
Other Credits to Income:			
Overpayments Cancelled		1.03	18.00
Unexpended Balance of Appropriation Reserves		100,950.24	15,819.03
Total Income		2,295,733.64	2,107,788.95
Expenditures			
Budget Expenditures:			
Operating		1,329,000.00	1,291,680.00
Capital Improvements		105,000.00	106,325.00
Debt Service		324,925.85	322,054.26
Deferred Charges and Statutory Expenditures		183,500.00	182,000.00
Total Expenditures		1,942,425.85	1,902,059.26
Excess in Revenue		353,307.79	205,729.69
Fund Balance			
Balance January 1		598,392.91	746,163.22
		951,700.70	951,892.91
Decreased by:			
Utilization as Anticipated Revenue:			
Water Utility Operating Budget		127,150.00	138,500.00
Current Fund Budget		215,000.00	215,000.00
Balance December 31	D	$ 609,550.70	$ 598,392.91

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CHATHAM
WATER UTILITY CAPITAL FUND
STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS

	Ref.	
Balance December 31, 2023	D	$ 22,674.62
Increased by:		
Cancellation of Improvement Authorization Balances		367.94
Balance December 31, 2024	D	$ 23,042.56

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CHATHAM
WATER UTILITY OPERATING FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

	Anticipated	Realized	Excess or Deficit *
Operating Surplus Anticipated	$ 127,150.00	$ 127,150.00	
Water Rents	1,824,500.00	1,947,556.05	$ 123,056.05
	1,951,650.00	2,074,706.05	123,056.05
Miscellaneous Revenue Not Anticipated		120,076.32	120,076.32
Budget Totals	$ 1,951,650.00	$ 2,194,782.37	$ 243,132.37

Analysis of Water Rents

Consumer Accounts Receivable	$ 1,941,605.80
Water Rent Overpayments Applied	5,950.25
	$ 1,947,556.05

Analysis of Miscellaneous Revenue Not Anticipated:

Treasurer:	
Bulk Water	$ 3,089.51
Water Tap and Meters	68,665.42
Interest on Investments	38,878.44
	110,633.37
Interest on Investments - Due from Water Utility Capital Fund	9,442.95
	$ 120,076.32

BOROUGH OF CHATHAM
WATER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER, 31 2024

	Appropriations		Expended by		
	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Canceled
Operating:					
Salaries and Wages	$ 688,500.00	$ 658,500.00	$ 569,361.13	$ 89,138.87	
Other Expenses	640,500.00	670,500.00	638,155.98	32,344.02	
Capital Improvements:					
Capital Improvement Fund	75,000.00	75,000.00	75,000.00		
Capital Outlay	30,000.00	30,000.00	30,000.00		
Debt Service:					
Payment of Bond Principal	140,000.00	140,000.00	140,000.00		
Payment of Bond Anticipation Notes	130,000.00	130,000.00	130,000.00		
Interest on Bonds	16,000.00	16,000.00	14,549.23		$ 1,450.77
Interest on Notes	48,150.00	48,150.00	40,376.62		7,773.38
Deferred Charges and Statutory Expenditures:					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	130,000.00	130,000.00	130,000.00		
Social Security System (O.A.S.I.)	50,500.00	50,500.00	47,961.56	2,538.44	
Unemployment Compensation Insurance	3,000.00	3,000.00	2,902.74	97.26	
	$ 1,951,650.00	$ 1,951,650.00	$ 1,818,307.26	$ 124,118.59	$ 9,224.15
Ref.				D	

Ref.		
	Cash Disbursed	$ 1,738,972.79
	Accrued Interest on Bonds	14,549.23
	Accrued Interest on Notes	40,376.62
D	Encumbrances	24,408.62
		$ 1,818,307.26

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CHATHAM
COUNTY OF MORRIS
2024
SOLID WASTE UTILITY FUND

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

	Ref.	December 31, 2024	December 31, 2023
ASSETS			
Operating Fund:			
Cash and Cash Equivalents	E-4	$ 438,676.36	$ 378,477.85
Due from Current Fund	A	369.17	
Due from Solid Waste Utility Capital Fund	E	9,450.00	
		448,495.53	378,477.85
Receivables with Full Reserves:			
Consumer Accounts Receivable	E-6	41,664.26	33,620.19
Total Receivables with Full Reserves		41,664.26	33,620.19
Total Operating Fund		490,159.79	412,098.04
Capital Fund:			
Cash and Cash Equivalents	E-4	88,721.70	113,228.00
Fixed Capital	E-7	90,000.00	90,000.00
Fixed Capital Authorized and Uncompleted	E-8	510,000.00	470,000.00
Total Capital Fund		688,721.70	673,228.00
TOTAL ASSETS		$ 1,178,881.49	$ 1,085,326.04

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

	Ref.	December 31, 2024	December 31, 2023
LIABILITIES, RESERVES AND FUND BALANCE			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	E-3;E-9	$ 231,783.40	$ 95,074.24
Encumbered	E-3;E-9	34,013.38	50,802.06
		265,796.78	145,876.30
Due to Water Utility Operating Fund	D	3,123.00	
Solid Waste User Overpayments		548.84	1,200.68
Accrued Interest on Notes		9,450.00	
		278,918.62	147,076.98
Reserve for Receivables	E	41,664.26	33,620.19
Fund Balance	E-1	169,576.91	231,400.87
Total Operating Fund		490,159.79	412,098.04
Capital Fund:			
Bond Anticipation Notes Payable	E-14	360,000.00	
Due to Solid Waste Utility Operating Fund	E	9,450.00	
Improvement Authorizations:			
Funded	E-10	40,000.00	106,228.00
Unfunded	E-10	32,271.70	360,000.00
Capital Improvement Fund	E-11	7,000.00	7,000.00
Reserve for Amortization	E-12	90,000.00	90,000.00
Deferred Reserve for Amortization	E-13	150,000.00	110,000.00
Total Capital Fund		688,721.70	673,228.00
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		$ 1,178,881.49	$ 1,085,326.04

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CHATHAM
SOLID WASTE UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE - REGULATORY BASIS

	Ref.	Year Ended December 31, 2024	2023
Revenue and Other Income Realized			
Fund Balance Utilized		$ 150,000.00	$ 100,000.00
Solid Waste User Fees		1,073,553.08	906,759.26
Rents Rate Increase		140,814.74	136,380.00
Miscellaneous Revenue Not Anticipated		26,768.29	8,426.25
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		34,116.93	43,263.24
Total Income		1,425,253.04	1,194,828.75
Expenditures			
Budget Expenditures:			
Operating and Emergency Appropriations		1,269,687.00	1,004,588.00
Capital Improvements		40,000.00	53,000.00
Deferred Charges and Statutory Expenditures		24,267.00	23,792.00
Refund of Prior Year Rents		3,123.00	
Total Expenditures		1,337,077.00	1,081,380.00
Excess/(Deficit) in Revenue		88,176.04	113,448.75
Fund Balance			
Balance January 1		231,400.87	217,952.12
		319,576.91	331,400.87
Decreased by:			
Utilization as Anticipated Revenue:			
Solid Waste Utility Operating Budget		150,000.00	100,000.00
Balance December 31	E	$ 169,576.91	$ 231,400.87

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CHATHAM
SOLID WASTE UTILITY CAPITAL FUND
STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

NOT APPLICABLE

BOROUGH OF CHATHAM
SOLID WASTE UTILITY OPERATING FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

	Anticipated	Realized	Excess or Deficit *
Operating Surplus Anticipated	$ 150,000.00	$ 150,000.00	
Solid Waste User Fees	1,043,139.26	1,073,553.08	$ 30,413.82
Rents - Rate Increase	140,814.74	140,814.74	
	1,333,954.00	1,364,367.82	30,413.82
Miscellaneous Revenue Not Anticipated		26,768.29	26,768.29
Budget Totals	$ 1,333,954.00	$ 1,391,136.11	$ 57,182.11

Analysis of Solid Waste User Fees/ Rate Increase

Collections	$ 1,210,796.50
Overpayments Applied	3,571.32
	$ 1,214,367.82

Analysis of Miscellaneous Revenue Not Anticipated:

Treasurer:	
Miscellaneous	$ 1,734.00
Interest on Investments	25,034.29
	$ 26,768.29

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CHATHAM
SOLID WASTE UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER, 31 2024

	Appropriations		Expended by	
	Budget	Budget After Modification	Paid or Charged	Reserved
Operating:				
Salaries and Wages	$ 123,287.00	$ 123,287.00	$ 120,700.83	$ 2,586.17
Other Expenses	1,146,400.00	1,146,400.00	917,482.77	228,917.23
Capital Improvements:				
Capital Improvement Fund	40,000.00	40,000.00	40,000.00	
Deferred Charges and Statutory Expenditures:				
Statutory Expenditures:				
Contribution to:				
Public Employees' Retirement System	14,280.00	14,280.00	14,000.00	280.00
Social Security System (O.A.S.I.)	8,947.00	8,947.00	8,947.00	
Unemployment Compensation Insurance	1,040.00	1,040.00	1,040.00	
	$ 1,333,954.00	$ 1,333,954.00	$ 1,102,170.60	$ 231,783.40
Ref.				E
		Cash Disbursed	$ 1,068,157.22	
E		Encumbrances	34,013.38	
			$ 1,102,170.60	

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CHATHAM
COUNTY OF MORRIS
2024
GENERAL FIXED ASSETS ACCOUNT GROUP

BOROUGH OF CHATHAM
GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	December 31, 2024	December 31, 2023
ASSETS		
Land	$ 32,596,600.00	$ 32,596,600.00
Buildings and Improvements	29,454,900.00	29,454,900.00
Equipment	8,501,293.00	7,459,003.00
TOTAL ASSETS	$ 70,552,793.00	$ 69,510,503.00
LIABILITIES, RESERVES AND FUND BALANCE		
Reserve for Fixed Assets	$ 70,552,793.00	$ 69,510,503.00

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CHATHAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

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

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. As the financial reporting entity was established in accordance with New Jersey statutes, the requirements of GASB Codification Section 2100 were not followed and, accordingly, the reporting entity could be different from accounting principles generally accepted in the United States of America.

B. Description of Funds

The accounting policies of the Borough of Chatham conform to the accounting practices applicable to municipalities which have been prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Such practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough of Chatham accounts for its financial transactions through the following separate funds:

BOROUGH OF CHATHAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

B. Description of Funds (Cont'd)

Current Fund - Resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

Trust Funds - Receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

General Capital Fund - Receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund.

Water Utility Operating and Capital Funds - Account for the operations and acquisition of capital facilities of the municipally owned water utility.

Solid Waste Utility Operating and Capital Funds - Account for the operations and acquisition of capital facilities of the municipally owned solid waste utility.

General Fixed Assets Account Group - These accounts were established with estimated values of land, buildings and certain fixed assets of the Borough as discussed in Note 1E.

C. Basis of Accounting

Basis of accounting refers to when revenue and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The following is a summary of the significant accounting policies.

Revenue is recorded when received in cash except for certain amounts which may be due from the State of New Jersey. Federal and state grants are generally recognized on the cash basis, except for certain assistance which is not realized until anticipated in the Borough's budget. The amounts recorded as property taxes receivable and consumer accounts receivable have not been included in revenue. Amounts that are due to the municipality, which are susceptible of accrual, are recorded as receivables with offsetting reserves in the Current Fund.

Expenditures are generally charged to operations based on budgeted amounts. Exceptions to this general rule include:

1. Accumulated unpaid vacation, sick pay and other employee benefit amounts are not accrued.

2. Prepaid expenses, such as insurance premiums applicable to subsequent periods, are charged to current budget appropriations in total.

3. Principal and interest on long-term debt are recognized when due.

BOROUGH OF CHATHAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

C. Basis of Accounting (Cont'd)

Expenditures, if any, in excess of appropriations, appropriation reserves or ordinances become deferred charges which must be raised by future taxes. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the statutory appropriation reserve balance.

Appropriation reserves covering unexpended appropriation balances are automatically created at December 31 of each year and recorded as liabilities, except for amounts which may be cancelled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as income.

The cash basis of accounting is followed in the Trust and Capital Funds.

Had the Borough of Chatham's financial statements been prepared under accounting principles generally accepted in the United States of America, encumbrances would not be considered as expenditures; appropriation reserves would not be recorded; revenue susceptible to accrual would have been reflected without offsetting reserves; Federal and State grants and assistance would be recognized when earned, not when budgeted or awarded and inventories would not be reflected as expenditures at the time of purchase, investments would generally be stated at fair value, lease assets and payable as well as the related expense would be recorded for leases for which the Borough is a lessee, lease receivables and deferred lease resources as well as the related revenue would be recorded for leases for which the Borough is a lessor, a financed purchases payable would be recorded for financed purchases agreements under which the Borough acquires and owns a fixed asset and the Borough's net OPEB liability and net pension liability and related deferred inflows and outflows, where applicable, would be recorded.

D. Deferred Charges to Future Taxation – The General Capital Fund balance sheet includes both funded and unfunded deferred charges. Funded means that bonds have been issued and are being paid off on a serial basis. Unfunded means the debt has been authorized but not permanently financed. A municipality can eliminate an unfunded deferred charge by raising it in the budget, by collecting a grant, by selling bonds, by issuing loans or through financed purchases agreements.

BOROUGH OF CHATHAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

E. Other significant accounting policies include:

Management Estimates – The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents – Amounts include petty cash, change funds, amounts on deposit, and short-term investments with original maturities of three months or less.

Investments – Investments are stated at cost,

Grants Receivable – Grants receivable represent total grant awards less amounts collected to date. Because the amount of grants funds to be collected are dependent on the total costs eligible for reimbursement, the actual amount collected may be less than the total amount awarded.

Allowance for Uncollectible Accounts – No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

Compensated Absences – Expenditures relating to unused vested accumulated vacation and sick pay are not recorded until paid.

Foreclosed Property – Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved.

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

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.

General Fixed Assets Account Group – In accordance with the New Jersey Administrative Code accounting requirements, as promulgated by the Division of Local Government Services, the Borough has developed a fixed assets accounting and reporting system based on the following:

General fixed assets are recorded at historical cost or estimated historical cost as estimated by an independent appraisal company. Fixed asset purchases are valued at historical cost. Infrastructure assets are not included in general fixed assets, as per state directive.

BOROUGH OF CHATHAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

E. Other significant accounting policies include: (Cont'd)

General Fixed Assets Account Group (Cont'd)
Major renewals and betterments are charged to the asset accounts; maintenance and minor repairs and replacements, which do not improve or extend the lives of the respective assets, are expensed currently. Donated fixed assets are valued at their fair market value on the date donated. The total value recorded for general fixed assets is offset by a "Reserve for Fixed Assets." When properties are retired or otherwise disposed of, the asset and the reserve are adjusted accordingly. Assets recorded in the General Fixed Assets Account Group may also be recorded in the Current Fund, General Capital Fund, Water Utility Fund and Solid Waste Utility Fund. The values recorded in the General Fixed Assets Account Group and the Current, General Capital, Water Utility and Solid Waste Utility Funds may not always agree due to differences in valuation methods, timing of recognition of assets, and the recognition of infrastructures. Fixed assets are reviewed for impairment.

Property and equipment purchased by the Water Utility and Solid Waste Utility Funds are recorded in the capital account at cost and are not adjusted for dispositions and abandonments. 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 cost of acquisitions of property, equipment and improvements. The utilities do not record depreciation on fixed assets.

F. Budget/Budgetary Control – Annual appropriated budgets are usually prepared in the first quarter for the Current, Water Utility Operating, Solid Waste Utility Operating and Open Space Trust Funds. The budgets are submitted to the governing body and the Division of Local Government Services. Budgets are prepared using the cash basis of accounting. The legal level of budgetary control is established at the line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the flexible chart of accounts referenced in N.J.S.A. 40A. All budget amendments/transfers must be approved by the Borough during the year.

BOROUGH OF CHATHAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024
(Continued)

Note 2: Long-Term Debt

The Local Bond Law governs the issuance of bonds to finance general Borough capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness. All bonds issued by the Borough are general obligation bonds. The Borough's full faith and credit taxing power has been pledged to the payment of the general obligation debt principal and interest.

Summary of Municipal Debt

	December 31,		
	2024	2023	2022
Issued:			
General:			
Bonds, Loans and Notes	$ 11,977,101.43	$ 10,867,392.10	$ 12,290,638.09
Water Utility:			
Bonds and Notes	1,748,625.00	1,382,300.00	1,664,800.00
Solid Waste Utility:			
Notes	360,000.00		
Total Issued	14,085,726.43	12,249,692.10	13,955,438.09
Authorized but not Issued:			
General:			
Bonds and Notes	8,556,120.00	8,089,520.00	7,174,520.00
Water Utility:			
Bonds and Notes	3,272,860.00	636,325.00	231,325.00
Solid Waste Utility:			
Bonds and Notes		360,000.00	
Total Authorized but not Issued	11,828,980.00	9,085,845.00	7,405,845.00
Less:			
Funds Temporarily Held to Pay Bonds, Notes and Loans:			
Reserve for Payment of Debt Service	34,804.62	34,804.62	34,804.62
Net Bonds, Notes and Loans Issued and Authorized but not Issued	$ 25,879,901.81	$ 21,300,732.48	$ 21,326,478.47

BOROUGH OF CHATHAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024
(Continued)

Note 2: Long-Term Debt (Cont'd)

Summary of Municipal Debt Issued and Outstanding - Current and Prior Years

	Balance 12/31/2023	Additions	Retirements	Balance 12/31/2024
Serial Bonds:				
General Capital Fund	$ 2,955,000.00		$ 455,000.00	$ 2,500,000.00
Water Utility	755,000.00		140,000.00	615,000.00
Bond Anticipation / Emergency Notes:				
General Capital Fund	3,944,330.00	$ 5,694,375.00	3,944,330.00	5,694,375.00
Water Utility	627,300.00	1,133,625.00	627,300.00	1,133,625.00
Solid Waste Utility		360,000.00		360,000.00
Current Fund	180,000.00	120,000.00	180,000.00	120,000.00
NJ Environmental Infrastructure Loan:				
General Capital	3,968,062.10		185,335.67	3,782,726.43
Total	$ 12,429,692.10	$ 7,308,000.00	$ 5,531,965.67	$ 14,205,726.43

	Balance 12/31/2022	Additions	Retirements	Balance 12/31/2023
Serial Bonds:				
General Capital Fund	$ 4,154,000.00		$ 1,199,000.00	$ 2,955,000.00
Water Utility	996,000.00		241,000.00	755,000.00
Bond Anticipation Notes/ Emergency Notes:				
General Capital Fund	3,937,430.00	$ 3,944,330.00	3,937,430.00	3,944,330.00
Water Utility	668,800.00	627,300.00	668,800.00	627,300.00
Current Fund	240,000.00	180,000.00	240,000.00	180,000.00
NJ Environmental Infrastructure Loan:				
General Capital	4,199,208.09		231,145.99	3,968,062.10
Total	$ 14,195,438.09	$ 4,751,630.00	$ 6,517,375.99	$ 12,429,692.10

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 0.649%.

	Gross Debt	Deductions	Net Debt
Regional School District Debt	$ 27,305,000.00	$ 27,305,000.00	
Utility Debt	5,381,485.00	5,381,485.00	
General Debt	20,533,221.43	34,804.62	$ 20,498,416.81
	$ 53,219,706.43	$ 32,721,289.62	$ 20,498,416.81

BOROUGH OF CHATHAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024
(Continued)

Note 2: Long-Term Debt (Cont'd)

Summary of Statutory Debt Condition - Annual Debt Statement (Cont'd)

Net Debt: $20,498,416.81 divided by Average Equalized Valuations of $3,158,872,416.67 of Real Property = 0.649%.

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

3-1/2% Average Equalized Valuation of Real Property		$ 110,560,534.58
Net Debt		20,498,416.81
Remaining Borrowing Power		$ 90,062,117.77

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

Cash Receipts from Fees, Rents or Other Charges for Year		$ 2,194,782.37
Deductions:		
Operating and Maintenance Cost	$ 1,512,500.00	
Debt Service	324,925.85	
Total Deductions		1,837,425.85
Excess in Revenue		$ 357,356.52

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

Cash Receipts from Fees, Rents or Other Charges for Year		$ 1,391,136.11
Deductions:		
Operating and Maintenance Cost	$ 1,293,954.00	
Total Deductions		1,293,954.00
Excess in Revenue		$ 97,182.11

Footnote: If there is an "excess in revenue", all such utility debt is deductible. If there is a "deficit", then utility debt is not deductible to the extent of 20 times such deficit amount, or the total amount of debt service for that fund, whichever is less.

The foregoing information is in agreement with the Annual Debt Statement as filed by the Chief Financial Officer.

BOROUGH OF CHATHAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024
(Continued)

Note 2: Long-Term Debt (Cont'd)

Analysis of Debt Issued and Outstanding at December 31, 2024

General Capital Serial Bonds

Description	Final Maturity	Rate	Amount
General Improvement Bonds of 2017	04/01/29	1.50-2.00%	$ 2,500,000.00

Water Utility Capital Serial Bonds

Description	Final Maturity	Rate	Amount
Water Bonds Refunding Series 2016	12/15/26	1.37%	$ 105,000.00
Water Bonds of 2017	04/01/29	2.00-3.00%	510,000.00
			$ 615,000.00

General Capital - Bond Anticipation Notes Payable

Purpose	Final Maturity	Rate	Amount
Various Improvements and Acquisition of Equipment	5/16/2025	4.50%	$ 494,500.00
Various Improvements and Acquisition of Equipment	5/16/2025	4.50%	935,500.00
Replacing Equipment and Machinery	5/16/2025	4.50%	1,050,000.00
Various Improvements and Acquisition of Equipment	5/16/2025	4.50%	835,430.00
Resurfacing of Hillside Avenue	5/16/2025	4.50%	97,000.00
Various Improvements and Acquisition of Equipment	5/16/2025	4.50%	181,900.00
Various Improvements and Acquisition of Equipment	5/16/2025	4.50%	1,004,050.00
Various Improvements and Acquisition of Equipment	5/16/2025	4.50%	1,095,995.00
			$ 5,694,375.00

Water Utility - Bond Anticipation Notes Payable

Purpose	Final Maturity	Rate	Amount
Various Improvements	5/16/2025	4.50%	$ 136,000.00
Various Purchases and Improvements	5/16/2025	4.50%	120,000.00
Various Improvements	5/16/2025	4.50%	241,300.00
Various Improvements and Acquisitions	5/16/2025	4.50%	231,325.00
Various Improvements and Acquisitions	5/16/2025	4.50%	405,000.00
			$ 1,133,625.00

Solid Waste Utility - Bond Anticipation Notes Payable

Purpose	Final Maturity	Rate	Amount
Various Improvements	5/16/2025	4.50%	$ 360,000.00

BOROUGH OF CHATHAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024
(Continued)

Note 2: Long-Term Debt (Cont'd)

Analysis of Debt Issued and Outstanding at December 31, 2024 (Cont'd)

Current Fund - Special Emergency Note Payable

Purpose	Final Maturity	Rate	Amount
Special Emergency	2/7/2025	5.00%	$ 120,000.00

General Capital - New Jersey Infrastructure Trust Loans Payable

Purpose	Final Maturity	Rate	Amount
Sanitary Sewer Lining and Pipe Replacing	8/1/2029	3.50-4.00%	$ 115,000.00
Rehabilitation of Madison-Chatham Joint Meeting	8/1/2034	4.00-5.00%	564,745.82
Rehabilitation of Madison-Chatham Joint Meeting	8/1/2029	3.50-4.00%	151,602.01
Madison-Chatham Joint Meeting			
Molitor Pollution Control Facility	8/1/2051	1.91-5.00%	2,951,378.60
			$ 3,782,726.43

N.J Environmental Infrastructure Loans

The Borough of Chatham/Madison-Chatham Joint Meeting entered into seven loan agreements with the State of New Jersey, acting by and through the NJ Department of Environmental Protection Fund (the "Fund"), and the NJ Environmental Infrastructure Trust (the "Trust") which are recorded in the General Capital Fund. The loan agreements were obtained to finance a portion of the cost of improvements to the Madison-Chatham Joint Meeting's Molitor Water Pollution Control Facility. A portion of the Fund loan portion of Fund Loan 1 was funded through the American Recovery and Reinvestment Act. Even though the Borough is responsible for the repayment of the loans, the Borough did not receive or expend any of the loan funds. The Madison-Chatham Joint Meeting is responsible for the draw downs and expenditures of loan funds.

At December 31, 2017, the Madison-Chatham Joint Meeting had borrowed or "drawn down" all of the $2,677,906 Loan funds necessary to complete the improvements to the Madison-Chatham Joint Meeting's Molitor Water Pollution Control Facility partially funded with the Loan funds. Principal payments to the Fund for the loan will continue on a semiannual basis until August 1, 2034 at zero interest. Principal payments to the Trust for the loan will continue on an annual basis until August 1, 2034. Also, an annual administrative fee of fifteen one hundredths of one percent (.15%) of the initial principal amount of the loan or such lesser amount, if any, as the Trust may approve from time to time is payable on these loans.

At December 31, 2022, the Madison-Chatham Joint Meeting had borrowed or "drawn down" all of the $3,159,591.72 Loan funds necessary to complete the improvements to the Madison-Chatham Joint Meeting's Molitor Water Pollution Control Facility partially funded with the Loan funds. Principal payments to the Fund for the loan will continue on a semiannual basis until August 1, 2051 at zero interest. Principal payments to the Direct and to the Trust for the loan will continue on an annual basis until August 1, 2051. Also, an annual administrative fee of fifteen one hundredths of one percent (.15%) of the initial principal amount of the loan or such lesser amount, if any, as the Trust may approve from time to time is payable on these loans.

BOROUGH OF CHATHAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024
(Continued)

Note 2: Long-Term Debt (Cont'd)

Schedule of Annual Debt Service For Principal and Interest for the Next Five Years and Thereafter for Bonded Debt and Loans Issued and Outstanding

Calendar	General		Water Utility		Totals	
Year	Principal	Interest	Principal	Interest	Principal	Interest
2025	$ 659,667.26	$ 124,271.48	$ 140,000.00	$ 12,557.26	$ 799,667.26	$ 136,828.74
2026	675,025.44	111,200.17	145,000.00	9,944.38	820,025.44	121,144.55
2027	700,401.94	97,185.56	110,000.00	7,012.50	810,401.94	104,198.06
2028	720,801.44	82,257.29	110,000.00	4,537.50	830,801.44	86,794.79
2029	736,237.28	64,718.02	110,000.00	1,650.00	846,237.28	66,368.02
2030-2034	772,341.44	242,831.90			772,341.44	242,831.90
2035-2039	523,244.01	190,225.16			523,244.01	190,225.16
2040-2044	577,644.69	141,218.22			577,644.69	141,218.22
2045-2049	638,049.87	78,600.50			638,049.87	78,600.50
2050-2051	279,313.06	10,187.38			279,313.06	10,187.38
	$ 6,282,726.43	$ 1,142,695.68	$ 615,000.00	$ 35,701.64	$ 6,897,726.43	$ 1,178,397.32

Note 3: Fund Balances Appropriated

Fund Balances at December 31, 2024, which are appropriated and included in the Current, Water Utility Operating and Solid Waste Utility Operating introduced budgets for the year ending December 31, 2025, are as follows:

Current Fund	$ 2,480,000.00
Water Utility Operating Fund	116,375.00
Solid Waste Utility Operating Fund	142,725.00

Note 4: Regional School District Taxes

Regulations provide for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district.

The Borough of Chatham has elected not to defer school taxes.

Note 5: Pension Plans

Borough employees participate in one of the two contributory, defined benefit public employee retirement systems: the State of New Jersey Public Employee's Retirement System (PERS) or the State of New Jersey Police and Firemen's Retirement System (PFRS); or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

Plan Description
The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division).

BOROUGH OF CHATHAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024
(Continued)

Note 5: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS)

Plan Description (Cont'd)

For additional information about the PERS, please refer to the Division's annual financial statements which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service.

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a members retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 50 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid.

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

BOROUGH OF CHATHAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024
(Continued)

Note 5: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Contributions (Cont'd)

Borough contributions to PERS amounted to $444,716 for 2024. During the fiscal year ended June 30, 2023, the State of New Jersey contributed $15,013 to the PERS for normal pension benefits on behalf of the Borough.

The employee contribution rate was 7.50% effective July 1, 2018.

Special Funding Situation

Under N.J.SA. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under the legislation is considered to be special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under the legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statement of the local participating employers related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entity's total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must disclose pension expense associated with the employers in an amount equal to the nonemployer contributing entity's total proportionate share of the collective pension expense associated with the local participating employer.

Pension Liabilities and Pension Expense

At June 30, 2023, the Borough's liability was $4,814,100 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2023, the Borough's proportion was 0.0332%, which was a decrease of 0.0023% from its proportion measured as of June 30, 2022. The Borough has rolled forward net pension liability as of June 30, 2023 with no adjustments. The State of New Jersey Public Employees' Retirement System (PERS) valuation cycle is July 1 instead of December 31. The roll forward methodology puts them a year in arrears in terms of valuation. The Division of Local Government Services, Department of Community Affairs, State of New Jersey is permitting municipalities to include the June 30, 2023 pension information in the Notes to the Financial Statements as the June 30, 2024 pension information has not been released as of the date of this audit.

There was no state proportionate share of net pension liability attributable to the Borough as of June 30, 2023.

For the year ended December 31, 2024, the Borough recognized actual pension benefit in the amount of $444,716.

BOROUGH OF CHATHAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024
(Continued)

Note 5: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Actuarial Assumptions

The collective total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75 – 6.55% based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and a 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2023 are summarized in the table on the following page.

BOROUGH OF CHATHAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024
(Continued)

Note 5: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Long Term Expected Rate of Return (Cont'd)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Market Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based upon 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of the Borough's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Borough's proportionate share of the collective net pension liability as of June 30, 2023 calculated using the discount rate as disclosed below, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2023		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
Borough's proportionate share of the Net Pension Liability	$ 6,266,934	$ 4,814,100	$ 3,577,546

Note 5: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

B. Police and Firemen's Retirement System (PFRS)

Plan Description

The State of New Jersey Police and Firemen's Retirement System (PFRS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about the PFRS, please refer to the Division's annual financial statements which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:16A. The PFRS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for disability benefits, which vest after 4 years of service.

The following represents the membership tiers for PFRS:

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

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

Contributions

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate, which includes the normal costs and unfunded accrued liability. For fiscal year 2023, the State contributed an amount more than the actuarially determined amount.

The Local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability.

Note 5: Pension Plans (Cont'd)

B. Police and Firemen's Retirement System (PFRS) (Cont'd)

Contributions (Cont'd)

The actuaries will determine the unfunded liability by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual amounts over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of the assets.

Special Funding Situation

Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation are considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specified financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associate with the local participating employer.

Borough contributions to PFRS amounted to $950,048 for the year ended December 31, 2024. During the fiscal year ended June 30, 2023, the State of New Jersey contributed $166,162 to the PFRS for normal pension benefits on behalf of the Borough, which is more than the contractually required contribution of $165,270.

The employee contributions for PFRS are 10.00% of employees' annual compensation, as defined.

Pension Liabilities and Pension Expense

At June 30, 2023, the Borough's liability for its proportionate share of the net pension liability was $7,885,266. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2023, the Borough's proportion was 0.0714%, which was an increase of 0.0034% from its proportion measured as of June 30, 2022. The Borough has rolled forward the net pension liability as of June 30, 2023 with no adjustments. The State of New Jersey Police and Firemen's Retirement System (PFRS)' valuation cycle is July 1 instead of December 31. The roll forward methodology puts them a year in arrears in terms of valuation.

BOROUGH OF CHATHAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024
(Continued)

Note 5: Pension Plans (Cont'd)

B. Police and Firemen's Retirement System (PFRS) (Cont'd)

Pension Liabilities and Pension Expense (Cont'd)

The Division of Local Government Services, Department of Community Affairs, State of New Jersey is permitting municipalities and counties to include the June 30, 2023 information in the Notes to the Financial Statements as the June 30, 2024 information has not been released as of the date of this audit.

Additionally, the State's proportionate share of the net pension liability attributable to the Borough is $1,452,952 as of June 30, 2023. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. The State's proportionate share of the net pension liability associated with the Borough was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2023, the State's proportion was 0.0714%, which was an increase of 0.0034% from its proportion measured as of June 30, 2022 which is the same proportion as the Borough's.

Borough's Proportionate Share of the Net Pension Liability	$	7,885,266
State's Proportionate Share of the Net Pension Liability Associated with the Borough		1,452,952
Total Net Pension Liability	$	9,338,218

For the year ended December 31, 2024, the Borough recognized total pension expense of $950,048.

Actuarial Assumptions

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions:

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through all future years	3.25 – 16.25% based on years of service
Thereafter	Not Applicable
Investment Rate of Return	7.00%

Employee mortality rates were based on the PubS-2010 amount-weighted mortality table with a 105.6% adjustment for males and 102.5% adjustment for females. For healthy annuitants, mortality rates were based on the PubS-2010 amount-weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females.

BOROUGH OF CHATHAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024
(Continued)

Note 5: Pension Plans (Cont'd)

B. Police and Firemen's Retirement System (PFRS) (Cont'd)

Pension Liabilities and Pension Expense (Cont'd)

Disability rates were based on the PubS-2010 amount-weighted mortality table with a 152.0% adjustment for males and 109.3% adjustment for females. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2023 is summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Market Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

BOROUGH OF CHATHAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024
(Continued)

Note 5: Pension Plans (Cont'd)

B. Police and Firemen's Retirement System (PFRS) (Cont'd)

Discount Rate – PFRS

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based upon 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the Total Net Pension Liability (including the State's proportionate share of the net pension liability attributable to the Borough) to Changes in the Discount Rate

The following presents the total net pension liability (including the State's proportionate share of the net pension liability attributable to the Borough) as of June 30, 2023 calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2023		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
Borough's proportionate share of the NPL and the State's proportionate share of the Net Pension Liability associated with the Borough	$ 13,011,171	$ 9,338,218	$ 6,279,525

Pension Plan Fiduciary Net Position - PFRS

Detailed information about the PFRS's fiduciary net position is available in the separately issued PFRS financial statements.

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or PFRS, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

BOROUGH OF CHATHAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024
(Continued)

Note 5: Pension Plans (Cont'd)

C. Defined Contribution Retirement Program (DCRP) (Cont'd)

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial 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, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the Borough recognized pension expense of $9,548.71 for the year ended December 31, 2024. Employee contributions to DCRP amounted to $13,456.21 for the year ended December 31, 2024.

Note 6: Accrued Sick and Vacation Benefits

The Borough has permitted employees to accrue unused sick pay and, with prior approval, unused vacation pay. Police shall be entitled to convert one (1) accumulated sick day into a personal day of each three (3) month period during which no sick leave is taken. A maximum of 60 sick days may be taken as time off or paid upon retirement at the employee's current rate. At December 31, 2024, it was estimated that the current cost of such unpaid compensation would approximate $659,770.24. These amounts were not reported either as an expenditure or liability. However, it is expected that the cost of such unpaid compensation would be included in the Borough's budget operating expenditures in the year in which it is used. The Borough has established a $282,868.01 Reserve for Accumulated Absences in the Other Trust Fund as of December 31, 2024.

Balance at December 31, 2023 (Restated)	$ 717,695.98
Net Change	(57,925.74)
Balance at December 31, 2024	$ 659,770.24
Amount Due within One Year	$ 9,521.40

Note 7: Deferred Compensation Plan

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

BOROUGH OF CHATHAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024
(Continued)

Note 8: Selected Tax Information

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges. A 6% penalty may be assessed for any unpaid taxes and other municipal charges in excess of $10,000 at December 31 of the current year.

Unpaid taxes of the prior year may be placed in lien at a tax sale held after January 1 and through December 31. Unpaid taxes of the current year may be placed in lien at a tax sale held after December 10.

	2024	2023	2022
Tax Rate	$ 1.619	$ 1.554	$ 2.183
Apportionment of Tax Rate			
Municipal:			
Amount to be Raised:			
Local	0.311	0.303	0.421
Library	0.034	0.030	0.042
Open Space		0.004	0.004
County - Regular	0.246	0.232	0.323
County - Open Space	0.007	0.006	0.009
Regional School	1.021	0.979	1.384
Assessed Valuations			
2024	$ 3,092,109,300		
2023		$ 3,103,569,950 *	
2022			$ 2,128,657,481

* - A revaluation was effective in this year.

Comparison of Tax Levies and Collections 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 possible increase in future tax levies.

		Currently	
Year	Tax Levy	Cash Collections	Percentage of Collection
2024	$ 50,091,845.69	$ 49,795,850.58	99.40%
2023	48,291,275.89	47,866,177.07	99.11%
2022	46,605,330.78	46,001,904.09	98.70%

BOROUGH OF CHATHAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024
(Continued)

Note 8: Selected Tax Information (Cont'd)

Also, increases in future tax levies can also be warranted if revenue sources outside of those directly generated by the municipality, such as federal or state aid, should decline without corresponding decreases in budgeted expenditures.

Note 9: Cash and Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds, amounts in deposits, money market accounts, and short-term investments with original maturities of three months of less.

Investments are stated at cost. The Borough classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB requires disclosure of the level of custodial credit risk assumed by the Borough in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk – In accordance with its cash management plan, the Borough ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk – The Borough limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed below.

Custodial Credit Risk – The Borough's policy with respect to custodial credit risk requires that the Borough ensures that Borough funds are only deposited in financial institutions in which New Jersey municipalities are permitted to invest their funds.

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), or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed insurance limits as follows:

The market value of the collateral must equal 5% of the average daily balance of public funds; and in addition

If the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than $25,000,000.

BOROUGH OF CHATHAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024
(Continued)

Note 9: Cash and Cash Equivalents and Investments (Cont'd)

Investments:

New Jersey statutes permit the Borough to purchase the following types of securities:

(1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;

(2) Government money market mutual funds;

(3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;

(4) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located;

(5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law" P.L. 1983, c. 313 (C.40A:5A-1 et seq.) Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Local Government Services in the Department of Community Affairs 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. or are bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983 c.313 (C.40A:5A-1 et seq.);

(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.

BOROUGH OF CHATHAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024
(Continued)

Note 9: Cash and Cash Equivalents and Investments (Cont'd)

As of December 31, 2024, cash and cash equivalents of the Borough of Chatham consisted of the following:

Fund	Cash on Hand	Checking and Savings Accounts	Total
Current	$ 300.00	$ 5,869,879.44	$ 5,870,179.44
Federal and State Grant		78,533.93	78,533.93
Animal Control		656.54	656.54
Other Trust		2,384,164.42	2,384,164.42
General Capital		584,712.82	584,712.82
Water Utility Operating		780,256.13	780,256.13
Water Utility Capital		6,127.98	6,127.98
Solid Waste Utility Operating		438,676.36	438,676.36
Solid Waste Utility Capital		88,721.70	88,721.70
	$ 300.00	$ 10,231,729.32	$ 10,232,029.32

During the period ended December 31, 2024, the Borough did not hold any investments. The carrying amount of the Borough's cash and cash equivalents at December 31, 2024, was $10,232,029.32 and the bank balance was $10,257,672.24.

Note 10: Risk Management

The Borough 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. Health benefits are provided through the New Jersey State Health Benefits Program.

Property, Liability and Workers' Compensation

The Borough is a member of the Morris County Municipal Joint Insurance Fund (the "Fund"). The Fund is both an insured and self-administered group of municipalities established for the purpose of providing certain low-cost insurance coverage for member municipalities in order to keep local property taxes at a minimum.

The following coverages are offered by these funds 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
e.) Environmental

BOROUGH OF CHATHAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024
(Continued)

Note 10: Risk Management (Cont'd)

As a member of the Fund, the Borough could be subject to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would become responsible for their respective shares of the Fund's liabilities.

The Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. The members may either receive payment or offset their subsequent year's assessments with their respective share of the distribution.

The December 31, 2024 audit report for the Fund is not available as of the date of this report. Selected summarized financial information for the Fund as of December 31, 2023 is as follows:

	Morris County Municipal Joint Insurance Fund
Total Assets	$ 38,605,475
Net Position	$ 14,033,264
Total Revenue	$ 25,319,250
Total Expenses	$ 21,461,784
Change in Net Position	$ 3,533,220
Members Dividends	$ 324,246

Financial statements for the Fund are available at the office of the Fund's Executive Director:

PERMA Risk Management Services
9 Campus Drive, Suite 216
Parsippany, NJ 07054
(201) 881-7632

New Jersey Unemployment Compensation Insurance

The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Borough is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Borough is billed quarterly for amounts due to the State.

The following is a summary of employee contributions, interest earned, reimbursements to the State for benefits paid and the ending balance of the Borough's expendable trust fund for the current and previous year.

Year	Employee Contributions	Interest Earnings	Amount Reimbursed	Ending Balance
2024	$ -0-	$ 131.83	$ -0-	$ 16,737.73
2023	-0-	101.03	1,674.20	16,605.90
2022	-0-	35.99	-0-	18,179.07

BOROUGH OF CHATHAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024
(Continued)

Note 11: Interfund Receivables and Payables

The following interfund balances remained on the balance sheets at December 31, 2024:

Fund	Interfund Receivable	Interfund Payable
Current Fund		$ 672,304.63
Federal and State Grant Fund	$ 437,021.88	
Other Trust Fund	231,999.23	
General Capital Fund	103,621.95	50.00
Water Utility Operating Fund	18,973.08	
Water Utility Capital Fund		116,507.68
Solid Waste Utility Operating	9,819.17	3,123.00
Solid Waste Utility Capital		9,450.00
	$ 801,435.31	$ 801,435.31

The interfund receivable in the Federal and State Grant Fund is for the receipt of grant funds directly deposited into the Current Fund; net of Federal and State Grant Fund expenditures paid by the Current Fund. The interfund receivable in the Other Trust Fund represents an interfund advanced due from the Current Fund and appropriation reserve balances due from the Current Fund to the Reserve for Storm Recovery and the Reserve for Accumulated Absences and a prior year interfund due from the General Capital Fund; offset by a prior year interfund due to the Current Fund and current year interest earned due to Current Fund. The interfund receivable in the General Capital Fund is for an interfund advanced due from the Water Utility Capital Fund and cash disbursed by the General Capital Fund on behalf of the Water Utility Capital Fund. The interfund receivable in the Water Utility Operating Fund is for receipts collected by the Current Fund due to the Water Utility Operating Fund, prior and current year interest earned by the Water Utility Capital Fund due to the Water Utility Operating Fund and cash disbursed by the Water Utility Operating Fund on behalf of the Solid Waste Utility Operating Fund. The interfund receivable in the Solid Waste Utility Operating Fund is for cash disbursed by the Solid Waste Utility Operating Fund on behalf of the Current Fund and the Solid Waste Utility Capital Fund.

Note 12: Economic Dependency

The Borough receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the Borough's programs and activities.

Note 13: Open Space Trust Fund

The Borough created an Open Space Trust Fund with a tax levy of $.005 per $100 of assessed valuation during the year ended December 31, 2001. The funds collected are used to acquire and maintain open space property in the Borough. In 2024, the Borough stopped assessing open space taxes as outstanding debt related to open space was paid off December 31, 2023. The balance in the Open Space Trust Fund at December 31, 2024 was $13,117.32.

BOROUGH OF CHATHAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024
(Continued)

Note 14: Contingent Liabilities

The Borough is periodically involved in various lawsuits arising in the normal course of business, including claims for property damage, personal injury, and various contract disputes. The Borough vigorously contests these lawsuits and believes the ultimate resolution will not have a material adverse effect on their financial position.

Amounts received or receivable from grantors, principally the federal and state governments are subject to regulatory requirements and adjustments by the agencies. Any disallowed claims, including amounts previously recognized by the Borough as revenue would constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantors cannot be determined at this time, although Borough officials expect such amounts, if any, to be immaterial.

Note 15: Deferred Charges to be Raised in Succeeding Years

Certain expenditures are required to be deferred to budgets of the succeeding years. At December 31, 2024, the Borough had the following deferred charges

	Balance at Dec. 31 2024	To Be Raised in 2025 Budget	Balance to Succeeding Years Budgets
Current Fund:			
Special Emergency Authorization- Loss of Revenues due to COVID-19	$ 120,000.00	$ 60,000.00	$ 60,000.00
Special Emergency Appropriations - N.J.S.A. 40A:4-53	185,000.00	65,000.00	120,000.00
Total Deferred Charges	$ 305,000.00	$ 125,000.00	$ 180,000.00

The appropriation in the 2025 budget is not less than that required by statute.

Note 16: Fixed Assets

The following schedule is a summarization of general fixed assets for the years ended December 31, 2024 and 2023:

	Balance Dec. 31, 2023	Additions	Adjustments/ Deletions	Balance Dec. 31, 2024
Land	$ 32,596,600.00			$ 32,596,600.00
Buildings and Improvements	29,454,900.00			29,454,900.00
Equipment	7,459,003.00	$ 1,042,290.00		8,501,293.00
	$ 69,510,503.00	$ 1,042,290.00	$ - 0 -	$ 70,552,793.00

	Balance Dec. 31, 2022	Additions	Adjustments/ Deletions	Balance Dec. 31, 2023
Land	$ 32,596,600.00			$ 32,596,600.00
Buildings and Improvements	29,454,900.00			29,454,900.00
Equipment	6,987,978.00	$ 504,488.00	$ 33,463.00	7,459,003.00
	$ 69,039,478.00	$ 504,488.00	$ 33,463.00	$ 69,510,503.00

Note 17: Postemployment Benefits Other Than Pensions (OPEB)

State Health Benefit Local Government Retired Employees Plan

General Information about the OPEB Plan

Plan Description

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost sharing multiple employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits'(the Division) annual financial statements, which can be found at https://www.state.nj.us./treasury/pensions/financial-reports.shtml.

Benefits Provided

The Plan provides medical and prescription drug coverage to retirees and their dependents of the employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A. 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

Note 17: Postemployment Benefits Other Than Pensions (OPEB) (Cont'd)

State Health Benefit Local Government Retired Employees Plan (Cont'd)

Contributions

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Special Funding Situation

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. For New Jersey local governments who report under the regulatory basis of accounting, the net OPEB liability and related deferred inflows are not recorded in the financial statements and there is only note disclosure of this information. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources, or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net OPEB liability that is associated with the local participating employer.

Allocation Methodology

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB (benefit)/expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit)/expense are based on separately calculated total OPEB liabilities. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit)/expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2022 through June 30, 2023. Employer and nonemployer allocation percentages were rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer and nonemployer may result in immaterial differences.

Note 17: Postemployment Benefits Other Than Pensions (OPEB) (Cont'd)

State Health Benefit Local Government Retired Employees Plan (Cont'd)

OPEB Expense

The Borough has rolled forward the net OPEB liability as of June 30, 2023 with no adjustments. The Division of Local Government Services, Department of Community Affairs, State of New Jersey, is permitting municipalities and counties to include the June 30, 2023 OPEB information in the Notes to the Financial Statements as the June 30, 2024 information has not been released as of the date of this report.

The total OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023.

The State's proportionate share of the net OPEB liability attributable to the Borough at June 30, 2023 was $6,025,455. At June 30, 2023, the State's proportion related to the Borough was 0.172694%. This is the percentage of the total State Share of the net OPEB liability of the Plan. During the year ended June 30, 2023, the State of New Jersey's OPEB benefit related to the Borough was $1,092,533.

Actuarial Assumptions and Other Inputs

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Salary Increases*:
Public Employees' Retirement System (PERS)
Rate for all future years 2.75% to 6.55% based on years of service

Police and Firemen's Retirement System (PFRS)
Rate for all future years 3.25% to 16.25% based on years of service

* - Salary increases are based on years of service within the respective plan.

Mortality:

PERS Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021

PFRS Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021

Note 17: Postemployment Benefits Other Than Pensions (OPEB) (Cont'd)

State Health Benefit Local Government Retired Employees Plan (Cont'd)

Actuarial Assumptions and Other Inputs (Cont'd)

Actuarial assumptions used in the July 1, 2022 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021.

100% of active members are considered to participate in the Plan upon retirement.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.50% for fiscal year 2023 and decreases to a 4.50% long term trend rate after nine years. For post-65 medical benefits PPO, the trend rate is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO, the trend rate is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate for June 30, 2023 was 3.65%. This represents the municipal bond rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Note 18: Leases

The Borough entered into a lease agreement with New Cingular Wireless for the lease of a wireless antenna on the municipal building's rooftop for the development of the premises as a wireless communications facility including the structure, equipment and related facilities. The initial term of the lease shall be 10 years commencing on May 1, 2002. The lessee extended the lease for one renewal term of 10 years, which included three amendments. The lessee extended the lease for a second renewal term of 15 years. The annual lease payment is $75,437.30 for the first five years in the second renewal term.

The lease payment for the next five years will decrease by 2% each year. The lease payment for the eleventh year will increase 10% and remain as such through year fifteen. The total lease payment in 2024 was $75,437.30.

BOROUGH OF CHATHAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024
(Continued)

Note 18: Leases (Cont'd)

The Borough entered into a lease agreement with ECLC of New Jersey for the lease of Lum Avenue School, together with the fixtures and equipment therein and the adjacent athletic fields north and south of the building. The initial term of the lease shall be 5 years commencing on July 1, 2012. The lessee can extend the lease for two renewal terms of five years each. The rent is $47,128.77 monthly which increases based on the consumer price index annually, each July 1. The total lease payment in 2024 was $592,705.52.

The Borough entered into a lease agreement with Community Personnel Services for the lease of 2,256 square feet of space located within the municipal building, including 8 reserved parking spaces and the shared use of a conference room, council meeting room, bathrooms and kitchen facilities. The initial term of the lease shall be 24 months commencing on July 1, 2018. The lessee can extend the lease for renewal terms of one year each. The initial annual lease payment was $3,820.16 monthly (or $45,841.92 annually) and the annual lease payment for the remaining years in the initial term and any renewal term will be increased by the lessor of 3% or the consumer price index increase. The lessee is also responsible for the payment of utilities which is calculated to be 7% as per the percentage of space that the lessee occupies. The total lease payment in 2024 was $56,807.71.

Note 19: Tax Abatement

As of December 31, 2024, the Borough provides a tax abatement to Chatham River Road Urban Renewal LLC (CRRUR), a residential apartment complex together with parking and other appurtenant facilities in the Borough, pursuant to N.J.S.A. 15A:1-1 (the "Law") and an ordinance of the governing body dated February 22, 2021 and an agreement dated December 11, 2023. In consideration of the full abatement of taxes, the entity is required to make payments in lieu of taxes to the Borough in the aggregate initial 2024 annual amount of $910,773, which shall be increased by 3% each year thereafter. In addition, the entity is also required to pay to the Borough an annual service charge of 2%. The annual amount represents 10% of CRRUR's projected gross revenue in rental income. If the actual gross revenue in rental income is less than the projected amount, the payments in lieu of taxes to the Borough will be adjusted accordingly. The tax abatement provided under the agreement shall remain in full force and effect for a period of thirty years, commencing on February 1, 2024 and concluding on January 31, 2054.

As per statute, the County will receive 5% of the PILOT.

The Borough recognized revenue in the amount of $528,458.62 from this annual service charge or payment in lieu of taxes which is recorded as a miscellaneous revenue in the Current Fund. The taxes which would have been paid on this property for 2024 without the abatement would have been $1,472,407.65 of which $313,761.98 would have been for the local municipal tax and minimum library tax.

Note 20: Subsequent Events

On March 10, 2025, the Borough approved the new collective bargaining agreement with the Policemen's Benevolent Association (PBA) Local #226 which expired December 31, 2023. Police officers will receive 2 percent raises both in 2024, retroactively, and 2025.

BOROUGH OF CHATHAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024
(Continued)

Note 21: Prior Period Adjustment

GASB Statement No. 101, *Compensated Absences,* was implemented during the year ended December 31, 2024. As required under the standard, the Borough made a restatement to the amount reported as compensated absences in the Notes to the Financial Statements at December 31, 2023.

	Balance at December 31, 2023 as Previously Reported	Change in Accounting Principle	Balance at December 31, 2023 as Restated
Compensated Absences	$ 644,473.71	$ 73,222.27	$ 717,695.98

SUPPLEMENTARY DATA

Schedule 1

BOROUGH OF CHATHAM
ROSTER OF OFFICIALS
YEAR ENDED DECEMBER 31, 2024

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

Name	Title	Amount of Bond
Carolyn Dempsey	Mayor	
Jocelyn Mathiasen	Council President	
Irene Treloar	Councilwoman	
Justin Strickland	Councilman	
Karen Koronkiewicz	Councilwoman	
Brian Hargrove	Councilman	
Katherine Hay	Councilwoman	
Stephen Williams	Borough Administrator	**
Vanessa Nienhouse	Borough Clerk	**
Karen Fornaro	Chief Financial Officer	**
Tyrina Cittrich	Assistant Financial Officer	**
Madeline L. Polidor-LeBouef (to 6/28/24)	Collector of Taxes	**
Lydia Blide (from 6/28/24)	Collector of Taxes	**
Madeline L. Polidor-LeBouef (to 6/28/24)	Tax Search Officer	**
Lydia Blide (from 6/28/24)	Tax Search Officer	**
Therese DePierro	Tax Assessor	**
Cheri Morris	Utilities Clerk	**

** Employee dishonesty coverage in the amount of $1,000,000.00 is provided through the Morris County Municipa Joint Insurance Fund and Municipal Excess Liability Joint Insurance Fund ($1,000,000) for all employees including the Chief Financial Officer and Tax Collector.

BOROUGH OF CHATHAM
COUNTY OF MORRIS
2024
CURRENT FUND

BOROUGH OF CHATHAM
CURRENT FUND
SCHEDULE OF CASH

	Ref.		
Balance December 31, 2023	A		$ 4,652,853.17
Increased by Receipts:			
Tax Collector		$ 50,390,805.71	
Revenue Accounts Receivable		2,419,774.46	
Sewer Fees Receivable		1,396,156.45	
Miscellaneous Revenue Not Anticipated		692,897.26	
Interest on Investments and Deposits		316,022.15	
Due Federal and State Grant Fund:			
Unappropriated Grant Funds		2,245.17	
Grants Receivable		321,608.78	
Due Other Trust Funds:			
Interfund Advanced		12.00	
Interfund Returned		4,316.88	
Due Water Operating Utility Fund:			
Interfund Returned		2,123.39	
Sewer Fees		2,964.35	
Due Solid Waste Utility Operating Fund:			
Interfund Advanced		369.17	
Due State of New Jersey:			
Senior Citizens' and Veterans' Deductions		20,250.00	
Marriage Licenses		600.00	
Lead Inspection Fees		20.00	
Prepaid Payment in Lieu of Taxes on Exempt Property:			
Chatham River Road Urban Renewal, LLC		295,874.00	
Payment in Lieu of Taxes on Exempt Property:			
Due County		27,240.14	
Appropriation Refunds		508,011.93	
			56,401,291.84
			61,054,145.01

BOROUGH OF CHATHAM
CURRENT FUND
SCHEDULE OF CASH
(Continued)

	Ref.		
Decreased by Disbursements:			
2024 Appropriation Expenditures		$ 14,995,612.24	
2023 Appropriation Reserve Expenditures		444,924.97	
Special Emergency Notes Payable		60,000.00	
Regional School District Taxes		31,579,649.00	
County Taxes		7,785,746.76	
Due Federal and State Grant Fund:			
Appropriated Reserve Expenditures		102,675.24	
Due Other Trust Funds:			
Interfund Returned		24,299.79	
Due State of New Jersey - Marriage Licenses		650.00	
Refund of:			
Prior Year Revenue		500.00	
Tax Overpayments		185,791.48	
Prior Year Taxes		4,416.09	
			$ 55,184,265.57
Balance December 31, 2024	A		$ 5,869,879.44

BOROUGH OF CHATHAM
CURRENT FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2024

Increased by Receipts:		
Taxes Receivable	$ 49,892,542.15	
2025 Prepaid Taxes	335,178.48	
Interest and Costs on Taxes	90,303.66	
Tax Overpayments	72,781.42	
		$ 50,390,805.71
Decreased by:		
Payments to Municipal Treasurer		$ 50,390,805.71

BOROUGH OF CHATHAM
CURRENT FUND
SCHEDULE OF CASH - FEDERAL AND STATE GRANT FUND

Balance December 31, 2023	A	$ 96,916.43
Decreased by Disbursements:		
Appropriated Reserve Expenditures		18,382.50
Balance December 31, 2024	A	$ 78,533.93

BOROUGH OF CHATHAM
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance Dec. 31, 2023	2024 Levy	Collections 2023	Collections 2024	Over-payments Applied	State of NJ Veterans' and Senior Citizens' Deductions	Canceled	Transferred to Tax Title Liens	Balance Dec. 31, 2024
2023	$ 267,097.62			$ 267,140.85			$ (43.23)		
	267,097.62			267,140.85			(43.23)		
2024		$ 50,091,845.69	$ 149,999.86	49,625,401.30	$ 201.45	$ 20,250.00	53,342.93	$ 696.17	$ 241,953.98
	$ 267,097.62	$ 50,091,845.69	$ 149,999.86	$ 49,892,542.15	$ 201.45	$ 20,250.00	$ 53,299.70	$ 696.17	$ 241,953.98
Ref.	A								A

Analysis of 2024 Property Tax Levy

Tax Yield:			
	General Purpose Tax	$ 50,061,250.93	
	Added and Omitted Taxes	30,594.76	
			$ 50,091,845.69
Tax Levy:			
	Regional School District Taxes		$ 31,579,649.00
	County Open Space Taxes	$ 197,935.22	
	County Taxes	7,578,346.75	
	Due County for Added and Omitted Taxes	4,780.82	
			7,781,062.79
	Local Tax for Municipal Purposes Levied	9,645,552.71	
	Minimum Library Tax Levied	1,055,087.38	
	Add: Additional Tax Levied	30,493.81	
			10,731,133.90
			$ 50,091,845.69

BOROUGH OF CHATHAM
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS

	Ref.		
Balance December 31, 2023	A		$ 13,115.54
Increased by:			
Transfer from Taxes Receivable		$ 696.17	
Interest and Costs Accrued at Tax Sale		1,258.15	
			1,954.32
Balance December 31, 2024	A		$ 15,069.86

BOROUGH OF CHATHAM
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2024

	Balance Dec. 31, 2023	Accrued In 2024	Collected By Treasurer	Balance Dec. 31, 2024
Licenses:				
Alcoholic Beverages - Clerk		$ 14,000.00	$ 14,000.00	
Fees and Permits		97,762.05	97,762.05	
Municipal Court - Fines and Fees	$ 12,807.98	89,068.59	92,855.59	$ 9,020.98
Parking Meters		484,573.23	484,573.23	
Energy Receipts Tax		576,590.84	576,590.84	
Watershed Moratorium Offset Aid		2,303.00	2,303.00	
Uniform Construction Code Fees		33,850.23	33,850.23	
Shared Services with Chatham Township				
Joint Recreation		20,000.00	20,000.00	
Farmers Market Fees		5,688.00	5,688.00	
Utility Operating Surplus of Prior Year:				
Water Utility Operating Fund		215,000.00	215,000.00	
Lease of Municipal Premises		724,950.61	724,950.61	
Cable TV Franchise Fee		113,175.65	113,175.65	
Reserve for Debt Service		39,025.26	39,025.26	
	$ 12,807.98	$ 2,415,987.46	$ 2,419,774.46	$ 9,020.98
Ref.	A			A

BOROUGH OF CHATHAM
CURRENT FUND
SCHEDULE OF SEWER FEES RECEIVABLE

	Ref.	
Balance December 31, 2023	A	$ 84,166.04
Increased by:		
Billings		1,396,259.48
		1,480,425.52
Decreased by:		
Collections		1,396,156.45
Balance December 31, 2024	A	$ 84,269.07

BOROUGH OF CHATHAM
CURRENT FUND
SCHEDULE OF 2023 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2024

	Balance Dec. 31, 2023	Balance After Modification	Paid or Charged	Balance Lapsed
GENERAL GOVERNMENT:				
General Administration:				
Salaries and Wages:	$ 28,081.97	$ 28,081.97	$ 28,081.97	
Other Expenses:	55,030.17	55,030.17	54,519.91	$ 510.26
Community Service:				
Salaries and Wages	38,026.42	38,026.42	12,472.05	25,554.37
Other Expenses	11,504.10	11,504.10	7,834.58	3,669.52
Human Services:				
Salaries and Wages	9,445.98	9,445.98	9,445.98	
Other Expenses	5,075.09	5,075.09	4,838.30	236.79
Mayor and Council:				
Other Expenses	2,090.00	2,090.00	1,120.02	969.98
Borough Clerk:				
Other Expenses	6,751.26	6,751.26	1,159.04	5,592.22
Financial Administration:				
Salaries and Wages	2,676.36	2,676.36		2,676.36
Other Expenses	4,828.62	14,828.62	13,658.97	1,169.65
Audit Services:				
Other Expenses	19,000.00	19,000.00	19,000.00	
Tax Collection:				
Salaries and Wages	2,721.32	2,721.32		2,721.32
Other Expenses	790.62	790.62		790.62
Tax Assessment:				
Salaries and Wages	4.76	4.76		4.76
Other Expenses	17,902.71	17,902.71	11,828.00	6,074.71
Legal Services:				
Other Expenses	1,143.00	1,143.00	500.00	643.00
Celebration of Public Events - Farmer's Market:				
Other Expenses	5,407.90	5,407.90	250.00	5,157.90
Interlocal Agreement - Joint Court:				
Other Expenses	10,919.63	10,919.63		10,919.63
Engineering Services and Costs:				
Other Expenses	9,806.85	9,806.85	456.43	9,350.42
Historical Preservation Commission:				
Other Expenses	710.18	710.18		710.18
LAND USE ADMINISTRATION:				
Planning Board:				
Salaries and Wages	135.76	135.76		135.76
Other Expenses	1,252.75	1,252.75	343.49	909.26
Board of Adjustment:				
Salaries and Wages	5,677.01	5,677.01		5,677.01
Other Expenses	3,153.25	3,153.25	737.50	2,415.75

BOROUGH OF CHATHAM
CURRENT FUND
SCHEDULE OF 2023 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2024
(Continued)

	Balance Dec. 31, 2023	Balance After Modification	Paid or Charged	Balance Lapsed
PUBLIC SAFETY:				
Police:				
Salaries and Wages	$ 68,683.60	$ 58,683.60	$ 50,000.00	$ 8,683.60
Other Expenses	33,627.93	43,627.93	25,091.04	18,536.89
Parking:				
Salaries and Wages	33,147.60	33,147.60		33,147.60
Other Expenses	3,313.19	3,313.19	3,220.70	92.49
Emergency Management Services:				
Salaries and Wages	9.84	9.84		9.84
Other Expenses	1,718.19	1,718.19	265.36	1,452.83
Fire:				
Salaries and Wages	1,469.38	1,469.38		1,469.38
Other Expenses	34,870.94	34,870.94	5,619.06	29,251.88
Fire Safety Official:				
Salaries and Wages	7,532.43	7,532.43	1,155.00	6,377.43
Other Expenses	758.10	758.10	513.50	244.60
PUBLIC WORKS FUNCTIONS:				
Shade Tree Commission:				
Other Expenses	203.50	203.50	22.67	180.83
Public Buildings and Grounds:				
Other Expenses	5,325.43	12,825.43	10,042.41	2,783.02
Vehicle Maintenance:				
Salaries and Wages	2,618.99	2,618.99		2,618.99
Other Expenses	11,977.29	11,977.29	1,072.87	10,904.42
Community Services Act- Condo Costs:				
Other Expenses	2,000.00	2,000.00		2,000.00
Road Repair and Maintenance:				
Other Expenses	40,198.88	32,698.88	31,776.80	922.08
HEALTH AND HUMAN SERVICE FUNCTIONS:				
Board of Health:				
Salaries and Wages	2.42	2.42		2.42
Other Expenses	5,757.50	5,757.50	72.25	5,685.25
Environmental Commission:				
Other Expenses	16,370.00	16,370.00	15,013.49	1,356.51
PARK AND RECREATION FUNCTIONS:				
Recreation Services and Programs:				
Salaries and Wages	998.26	998.26		998.26
Other Expenses	4,262.97	4,262.97	3,766.06	496.91
Senior Citizen Center Transportation:				
Other Expenses	5,000.00	5,000.00	5,000.00	

BOROUGH OF CHATHAM
CURRENT FUND
SCHEDULE OF 2023 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2024
(Continued)

	Balance Dec. 31, 2023	Balance After Modification	Paid or Charged	Balance Lapsed
PARK AND RECREATION FUNCTIONS: (Cont'd)				
Parks and Playgrounds:				
Other Expenses	$ 4,769.68	$ 4,769.68	$ 2,654.41	$ 2,115.27
Project Pride:				
Other Expenses	0.25	0.25		0.25
OTHER COMMON OPERATING FUNCTIONS:				
Celebration of Public Events:				
Other Expenses	6,512.82	6,512.82	6,512.82	
UTILITIES EXPENSES AND BULK PURCHASES:				
Utilities:				
Other Expenses	88,566.56	88,566.56	44,582.27	43,984.29
INSURANCE:				
Employee Group Health	94,040.92	84,040.92	57,173.30	26,867.62
Health Benefits Waiver	6,500.37	6,500.37		6,500.37
Unemployment Compensation Insurance	256.75	256.75		256.75
UNCLASSIFIED				
Contingent	4,000.00	4,000.00		4,000.00
Deferred Charges and Statutory Expenditures -				
Municipal within "CAPS":				
Statutory Expenditures:				
Defined Contribution Retirement Program	5,000.00	5,000.00		5,000.00
Social Security System (O.A.S.I.)	6,531.70	6,531.70	124.72	6,406.98
Operations Excluded from "CAPS":				
EMS (N.J.S.A. 40A:4453jj)	20,000.01	20,000.01	15,000.00	5,000.01
Madison - Chatham Joint Meeting				
Sewer Service Charge - Contractual	24,455.92	24,455.92		24,455.92
	$ 782,617.13	$ 782,617.13	$ 444,924.97	$ 337,692.16

Analysis of Balance December 31, 2023	Ref.	
Encumbered	A	$ 258,292.64
Unencumbered	A	524,324.49
		$ 782,617.13

BOROUGH OF CHATHAM
CURRENT FUND
SCHEDULE OF REGIONAL SCHOOL DISTRICT TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2024

	Ref.	
Increased by:		
Levy - Calendar Year 2024		$ 31,579,649.00
Decreased by:		
Payments to Regional School District		$ 31,579,649.00

BOROUGH OF CHATHAM
FEDERAL AND STATE GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE

	Balance Dec. 31, 2023	2024 Budget Revenue Realized	Cash Received	Transferred from Unappropriated Reserves	Cancelled	Balance Dec. 31, 2024
Clean Communities Program - 2024		$ 21,394.72	$ 21,394.72			
Recycling Tonnage Grant - 2024		14,964.14	14,964.14			
Local Recreation Improvement Grant - 2023	$ 70,000.00					$ 70,000.00
Chatham River Road Solar		125,000.00	125,000.00			
Body Armor Replacement Fund - 2024		1,843.75		$ 1,843.75		
Federal Bulletproof Vest - 2024		2,818.80	2,818.80			
Federal Bulletproof Vest	40.60				$ 40.60	
Sustainable Jersey Grant - NJBPU:						
Community Energy Plan		10,000.00				10,000.00
NJ DOT - 2022 Hillside Avenue Improvement	133,500.00					133,500.00
NJ DOT - Hillside Ave #3 Maple to Woods	27,053.75					27,053.75
Municipal Alliance on Alcoholism and Drug Abuse:						
July 2022 - June 2023	8,038.00		7,693.31			344.69
July 2023 - June 2024	8,038.00		7,308.11			729.89
July 2024 - June 2025		7,273.00				7,273.00
Youth Leadership	7,800.00		3,555.26			4,244.74
County Supplemental - 2023	4,000.00		2,166.66			1,833.34
County Supplemental - 2024		4,000.00	4,000.00			
County Supplemental	145.10					145.10
Morris County Trails Construction Grant	88,289.63		71,757.78		4,872.88	11,658.97
EMAA Grant - Emergency Management		10,000.00	10,000.00			
Body Worn Cameras Grant	50,950.00		50,950.00			
	$ 397,855.08	$ 197,294.41	$ 321,608.78	$ 1,843.75	$ 4,913.48	$ 266,783.48
Ref.	A					A

Federal	$ 12,818.80
State	105,865.54
Local	202,924.44
	$ 321,608.78
Due from Current Fund	$ 321,608.78
	$ 321,608.78

BOROUGH OF CHATHAM
FEDERAL AND STATE GRANT FUND
SCHEDULE OF UNAPPROPRIATED RESERVES

	Balance Dec. 31, 2023	Transferred to 2024 Budget Revenue	Received	Balance Dec. 31, 2024
Body Armor Replacement Fund	$ 1,843.75	$ 1,843.75	$ 2,245.17	$ 2,245.17
	$ 1,843.75	$ 1,843.75	$ 2,245.17	$ 2,245.17
Ref.	A			A
State		$ 1,843.75	$ 2,245.17	
		$ 1,843.75	$ 2,245.17	

BOROUGH OF CHATHAM
FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES

	Balance Dec. 31, 2023	Transferred from 2024 Budget Appropriations	Expended	Cancelled	Balance Dec. 31, 2024
Drunk Driving Enforcement Fund:					
2020	$ 2,627.85				$ 2,627.85
Clean Communities Program:					
2021	8.07				8.07
2022	166.59				166.59
2023	18,386.33		$ 17,747.31		639.02
2024		$ 21,394.72	1,825.86		19,568.86
Alcohol Education and Rehabilitation					
2019	3,447.45		450.00		2,997.45
2020	500.12				500.12
Municipal Alliance on Alcoholism and Drug Abuse:					
July 2023 - June 2024	6,129.88		6,129.88		
July 2024 - June 2025		7,273.00	90.71		7,182.29
Youth Leadership	2,201.26		1,700.00		501.26
County Supplemental - 2023	752.88				752.88
County Supplemental - 2024		4,000.00	1,400.00		2,600.00
Local Share	9,892.19	3,750.00	(620.52)		14,262.71
Body Armor Replacement Fund:					
2023	1,628.06				1,628.06
2024		1,843.75			1,843.75
Federal Bulletproof Vest:					
2024		2,818.80			2,818.80
Sustainable Jersey Grant - NJBPU:					
Community Energy Plan		10,000.00			10,000.00
Sprout House Grant - Memorial Park	1,465.27				1,465.27
Sustainable Jersey Grant	6,709.53		352.00		6,357.53
NJCFC - Highlands Grant (Farmer's Market)	1,813.63				1,813.63
Office of Environmental Services Grant	4.37				4.37
Environmental Grant	500.00				500.00
Municipal Stormwater Regulation Program	7,909.13		3,000.00		4,909.13
Municipal Stormwater Regulation Program - 2023	15,000.00				15,000.00
Improvement District Challenge Grant:					
State	69.08				69.08
Local Share	69.08				69.08
Donations - Madison Medical and Sports Rehabilitation	1,000.00				1,000.00
Donations - Mayor's Wellness Campaign:					
2021	2,233.43				2,233.43
Recreation - 2023	70,000.00		70,000.00		
Donations - Chatham Jaycees:					
Farmer's Market	278.95				278.95
Community Garden Center	675.37		600.00		75.37
NJ Energy Efficiency Conservation Block Grant	20,000.00				20,000.00

BOROUGH OF CHATHAM
FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES

	Balance Dec. 31, 2023	Transferred from 2024 Budget Appropriations	Expended	Cancelled	Balance Dec. 31, 2024
ANJEC Smart Growth Planning Grant:					
State	$ 5,507.50				$ 5,507.50
Local Share	2,500.00				2,500.00
NJ DOT - Washington Ave	133,500.00				133,500.00
NJ DOT - Hillside Ave #3 Maple to Woods	108,215.00				108,215.00
Chatham River Road Solar		$ 125,000.00			125,000.00
Morris County Trails Construction Grant	4,872.88			$ 4,872.88	
Recycling Tonnage Grant - 2024		14,964.14			14,964.14
EMAA Grant - Emergency Management:					
2021	10,000.00				10,000.00
2022	10,000.00				10,000.00
2023	10,000.00				10,000.00
2024		10,000.00			10,000.00
Chatham River Road Contribution	150,000.00				150,000.00
COVID 19 - American Rescue Plan Grant:					
Coronavirus State and Local					
Fiscal Recovery Funds	96,916.43		$ 18,382.50		78,533.93
	$ 704,980.33	$ 201,044.41	$ 121,057.74	$ 4,872.88	$ 780,094.12
Ref.	A				A

Federal	$ 18,382.50
State	97,943.76
Local	5,352.00
Local - Match	(620.52)
	$ 121,057.74

Cash Disbursed	$ 18,382.50
Due to Current Fund	102,675.24
	$ 121,057.74

BOROUGH OF CHATHAM
COUNTY OF MORRIS
2024
TRUST FUNDS

BOROUGH OF CHATHAM
TRUST FUNDS
SCHEDULE OF CASH AND INVESTMENTS - TREASURER

	Ref.	Animal Control Fund		Other Trust Funds	
Balance December 31, 2023	B		$ 2,170.91		$ 2,398,232.60
Increased by Receipts:					
Borough Dog License Fees		$ 7,741.80			
Borough Cat License Fees		720.00			
State Dog License Fees		559.20			
Late Fees		930.00			
Interest Income		43.83			
Current Fund Budget Appropriation		2,000.00			
Due Current Fund:					
Interfund Returned				$ 24,299.79	
Interest Income				9,831.52	
Recreation				122,620.00	
COAH				190,858.73	
Open Space:					
Interest				227.47	
Police Services				548,526.88	
Unemployment Trust:					
Interest				131.83	
Special Deposits (Escrow)				149,430.28	
Public Offenses Adjudication Act				1,114.00	
Recycling				1,095.00	
Accumulated Absences				65,000.00	
Chatham Spring Cleaning				2,225.00	
Beekeepers Club				1,493.25	
Shade Tree Commission				2,750.00	
Storm Recovery				51,800.00	
Community Garden Recreation				4,761.00	
Fishawack Celebration				22,285.47	
Public Safety Donations				400.00	
Stanley Property Donation				22,283.00	
Special Law Enforcement (Forfeited)				574.98	
Municipal Alliance - Donations				227.00	
			11,994.83		1,221,935.20
			14,165.74		3,620,167.80

BOROUGH OF CHATHAM
TRUST FUNDS
SCHEDULE OF CASH AND INVESTMENTS - TREASURER
(Continued)

	Ref.	Animal Control Fund		Other Trust Funds	
Decreased by Disbursements:					
Expenditures (R.S. 4:19-15.11)		$ 12,950.00			
State Board of Health		559.20			
Due Current Fund:					
Prior Year Interfund Returned				$ 4,316.88	
Interfund Advanced				12.00	
Recreation				204,942.12	
COAH				150.00	
Police Services				659,007.31	
Special Deposits (Escrow)				109,319.43	
Public Offenses Adjudication Act				1,502.90	
Tax Sale Premium				4,000.00	
Accumulated Absences				33,078.74	
Chatham Spring Cleaning				3,295.90	
John Kruski Bequest				6,110.29	
Beekeepers Club				1,269.81	
Community Garden Recreation				171.90	
Fishawack Celebration				14,688.82	
Public Safety Donations				10,327.33	
Stanley Property Donation				33,468.61	
Storm Recovery				126,296.68	
Third Party Lien				24,044.66	
			$ 13,509.20		$ 1,236,003.38
Balance December 31, 2024	B		$ 656.54		$ 2,384,164.42

BOROUGH OF CHATHAM
ANIMAL CONTROL FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	Ref.		
Balance December 31, 2023	B		$ 2,170.91
Increased by:			
Animal Control License Fees:			
Dogs		$ 7,741.80	
Cats		720.00	
Late Fees		930.00	
Interest Income		43.83	
Current Fund Budget Appropriation		2,000.00	
			11,435.63
			13,606.54
Decreased by:			
Animal Control Expenditures (R.S. 4:19-15.11)			
Cash Disbursed			12,950.00
Balance December 31, 2024	B		$ 656.54

License Fees Collected

Year	Amount
2022	$ 9,613.20
2023	9,588.60
Maximum Allowable Reserve	$ 19,201.80

BOROUGH OF CHATHAM
COUNTY OF MORRIS
2024
GENERAL CAPITAL FUND

BOROUGH OF CHATHAM
GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER

	Ref.		
Balance December 31, 2023	C		$ 362,010.58
Increased by Receipts:			
Due Current Fund:			
2024 Budget Appropriations:			
Capital Improvement Fund		$ 280,000.00	
Improvement Authorization Refunds		10,000.00	
Bond Anticipation Notes Issued		2,100,045.00	
New Jersey Department of Transportation Grant Receivable		103,575.00	
Premium on Bond Anticipation Note		41,676.74	
			2,535,296.74
			2,897,307.32
Decreased by Disbursements:			
Improvement Authorizations		2,169,947.29	
Due Current Fund:			
Anticipated Revenue - Fund Balance		39,025.26	
Due Water Utility Capital Fund:			
Interfund Advanced		103,621.95	
			2,312,594.50
Balance December 31, 2024	C		$ 584,712.82

BOROUGH OF CHATHAM
GENERAL CAPITAL FUND
ANALYSIS OF CASH

	Balance / (Deficit) Dec. 31, 2023	Receipts: Bond Anticipation Notes	Receipts: Budget Appropriations	Receipts: Miscellaneous	Disbursements: Improvement Authorizations	Disbursements: Miscellaneous	Transfers: From	Transfers: To	Balance / (Deficit) Dec. 31, 2024
Capital Fund Balance	$ 78,474.48			$ 41,676.74		$ 39,025.26		$ 7,619.88	$ 88,745.84
Capital Improvement Fund	8,024.37		$ 280,000.00				$ 260,900.00	9.00	27,133.37
Reserve for Payment of Debt Service	34,804.62							7,718.73	42,523.35
State of New Jersey Grants Receivable:									
Department of Transportation	(349,397.41)			103,575.00			224,785.00		(470,607.41)
Library Aid	(22,750.00)								(22,750.00)
Due Other Trust Fund	50.00								50.00
Due Water Utility Capital Fund						103,621.95			(103,621.95)
Reserve for Sustainable Energy Grant	20,000.00								20,000.00
11-12 Various Improvements and Acquisition of Equipment	1,077.24						271.04		806.20
11-15 Purchase of Dump Truck	9.00						9.00		
12-06 Various Improvements and Acquisition of Equipment	1,630.81								1,630.81
13-07 Various Public Improvements	6,325.28						1,127.32		5,197.96
14-04 Various Improvements and Acquisition of Equipment	11,054.34				$ 2,755.05		872.31		7,426.98
15-05 Various Improvements and Acquisition of Equipment	215,967.08				205,122.67		1,673.23		9,171.18
16-02 Various Improvements and Equipment	39,289.25				12,414.07		1,237.63		25,637.55
16-05 New Parking Lot Washington Ave School	0.92						0.92		
17-01 General Improvements and Equipment	35,252.26				5,130.65		1,989.55		28,132.06
17-11 Replace Turf Field at Lum Avenue Field	30.62						30.62		
18-02 Various Improvements and Equipment	156,780.20				77,297.00		1,648.37		77,834.83
19-09 Various Improvements and Equipment	175,751.43				52,796.02		230.71		122,724.70
20-09 Replacing Equipment and Machinery	276,166.86				5,801.78		846.49		269,518.59
20-10 Various Acquisitions - Police and Fire	1,186.00								1,186.00
20-11 Various Improvements and Acquisitions	4,737.81						0.63		4,737.18
21-13 Various Improvements and Acquisitions	109,928.86				12,672.67		3,050.22		94,205.97
21-19 Resurfacing of Hillside Avenue	200,520.58								200,520.58
22-03 Resurfacing of Woodland Road	47,520.04				44,516.29				3,003.75
22-05 Various Improvements and Acquisitions	(598,523.18)	$ 1,004,050.00			138,143.70		1,942.94		265,440.18
22-12 Development and Construction of Affordable Housing	151,107.35				134,326.00				16,781.35
23-03 Various Improvements and Acquisitions	(272,524.86)	1,095,995.00			549,929.12				273,541.02
23-05 Various Improvements to Memorial Park Pool and Other Recreation Facilities	29,516.63				29,100.00		416.63		
24-06 Various Improvements and Acquisitions, New Communication and Signal Systems Equipment, New Information Technology Equipment and New Fire Truck				10,000.00	899,464.34			260,900.00	(628,564.34)
24-12 Resurfacing of Van Orden Avenue (From Main Street To Kimball Street)					477.93			224,785.00	224,307.07
	$ 362,010.58	$ 2,100,045.00	$ 280,000.00	$ 155,251.74	$ 2,169,947.29	$ 142,647.21	$ 501,032.61	$ 501,032.61	$ 584,712.82

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

Ord. No.	Improvement Description	Balance Dec. 31, 2023	2024 Improvement Authorizations	Funded by Budget Appropriation	Improvement Authorizations Canceled	Balance Dec. 31, 2024	Analysis of Balance December 31, 2024: Financed by Bond Anticipation Notes	Analysis of Balance December 31, 2024: Expenditures	Analysis of Balance December 31, 2024: Unexpended Improvement Authorizations
13-07	Acquisition of Equipment	$ 320.00			$ 320.00				
14-10	Various General Improvements	288,000.00				$ 288,000.00			$ 288,000.00
17-11	Replace Turf Field at Lum Avenue Field	105,750.00		$ 105,750.00					
18-02	Various Improvements and Equipment	604,500.00		110,000.00		494,500.00	$ 494,500.00		
19-09	Various Improvements and Equipment	1,025,000.00		89,250.00	250.00	935,500.00	935,500.00		
20-09	Replacing Equipment and Machinery	1,095,000.00		45,000.00		1,050,000.00	1,050,000.00		
21-13	Various Improvements and Acquisitions	835,430.00				835,430.00	835,430.00		
21-19	Resurfacing of Hillside Avenue	97,000.00				97,000.00	97,000.00		
22-03	Resurfacing of Woodland Road	181,900.00				181,900.00	181,900.00		
22-05	Various Improvements and Acquisitions	1,004,050.00				1,004,050.00	1,004,050.00		
22-12	Development and Construction of Affordable Housing	5,700,000.00				5,700,000.00			5,700,000.00
23-03	Various Improvements and Acquisitions	1,096,900.00				1,096,900.00	1,095,995.00		905.00
24-06	Various Improvements and Acquisitions, New Communication and Signal Systems Equipment, New Information Technology Equipment and New Fire Truck		$ 2,237,000.00			2,237,000.00		$ 628,564.34	1,608,435.66
24-12	Resurfacing of Van Orden Avenue (From Main Street To Kimball Street)		330,215.00			330,215.00			330,215.00
		$ 12,033,850.00	$ 2,567,215.00	$ 350,000.00	$ 570.00	$ 14,250,495.00	$ 5,694,375.00	$ 628,564.34	$ 7,927,555.66
	Ref.	C				C			

Improvement Authorizations - Unfunded		$ 9,136,022.66
Less: Unexpended Proceeds of Bond Anticipation Notes Issued:		
Ord # 13-07 - Acquisition of Equipment	$ 5,197.96	
Ord # 18-02 - Various Improvements and Equipment	77,834.83	
Ord # 19-09 - Various Improvements and Equipment	122,724.70	
Ord # 20-09 - Replacing Equipment and Machinery	269,518.59	
Ord # 21-13 - Various Improvements and Acquisitions	94,205.97	
Ord # 21-19 - Resurfacing of Hillside Avenue	97,000.00	
Ord # 22-03 - Resurfacing of Woodland Road	3,003.75	
Ord # 22-05 - Various Improvements and Acquisitions	265,440.18	
Ord # 23-03 - Various Improvements and Acquisitions	273,541.02	
		1,208,467.00
		$ 7,927,555.66

BOROUGH OF CHATHAM
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2023 Funded	Balance Dec. 31, 2023 Unfunded	2024 Authorizations Other Sources	2024 Authorizations Deferred Charges to Future Taxation - Unfunded	Paid or Charged	Improvement Authorizations Canceled	Balance Dec. 31, 2024 Funded	Balance Dec. 31, 2024 Unfunded
11-12	Various Improvements and Equipment	6/13/2011	$1,797,911.00	$ 1,077.24					$ 271.04	$ 806.20	
11-15	Purchase of Dump Truck	9/26/2011	6,435.00	9.00					9.00		
12-06	Various Improvements and Equipment	4/23/2012	1,039,851.00	1,630.81						1,630.81	
13-07	Various Public Improvements	3/25/2013	350,000.00		$ 6,645.28				1,447.32	5,197.96	
14-04	Various Improvements and Equipment	4/28/2014	971,000.00	11,054.34				$ 2,755.05	872.31	7,426.98	
14-10	Rehabilitation of Madison-Chatham Joint Meeting	11/24/2014	1,334,000.00		288,000.00						288,000.00
15-05	Various Improvements and Equipment	4/27/2015	1,507,640.00	215,967.08				205,122.67	1,673.23	9,171.18	
16-02	Various Improvements and Equipment	4/25/2016	1,264,500.00	39,289.25				12,414.07	1,237.63	25,637.55	
16-05	New Parking Lot Washington Ave School and Oliver Street Improvements	5/23/2016	110,000.00	0.92					0.92		
17-01	General Improvements and Equipment	2/3/2017	1,195,210.00	35,252.26				5,130.65	1,989.55	28,132.06	
17-11	Replace Turf Field at Lum Avenue Field	11/27/2017	385,000.00		30.62				30.62		
18-02	Various Improvements and Equipment	3/12/2018	1,000,000.00		156,780.20			77,297.00	1,648.37		77,834.83
19-09	Various Improvements and Equipment	4/22/2019	1,298,500.00		176,001.43			52,796.02	480.71		122,724.70
20-09	Replacing Equipment and Machinery	4/22/2019	1,298,500.00		276,166.86			5,801.78	846.49		269,518.59
20-10	Various Acquisitions - Police and Fire	12/19/2019	728,000.00	1,186.00						1,186.00	
20-11	Various Improvements and Acquisitions	12/19/2019	728,000.00	4,737.81					0.63	4,737.18	
21-13	Various Improvements and Acquisitions	5/24/2021	888,100.00		109,928.86			12,672.67	3,050.22		94,205.97
21-19	Resurfacing of Hillside Avenue	9/27/2021	220,000.00	103,520.58	97,000.00					103,520.58	97,000.00
22-03	Resurfacing of Woodland Road	5/9/2022	320,000.00		47,520.04			44,516.29			3,003.75
22-05	Various Improvements and Acquisitions	6/27/2022	1,327,500.00		405,526.82			138,143.70	1,942.94		265,440.18
22-12	Development and Construction of Affordable Housing	10/11/2022	6,000,000.00	151,107.35	5,700,000.00			134,326.00		16,781.35	5,700,000.00
23-03	Various Improvements and Acquisitions	4/24/2023	1,536,900.00		824,375.14			549,929.12			274,446.02
23-05	Various Improvements to Memorial Park Pool and Other Recreation Facilities	5/8/2023	32,067.00	16,339.63	13,177.00			29,100.00	416.63		
24-06	Various Improvements and Acquisitions, New Communication and Signal Systems Equipment, New Information Technology Equipment and New Fire Truck	5/13/2024	2,497,900.00			$ 260,900.00	$ 2,237,000.00	889,464.34			1,608,435.66
24-12	Resurfacing of Van Orden Avenue (From Main Street To Kimball Street)	9/23/2024	555,000.00			224,785.00	330,215.00	477.93		224,307.07	330,215.00
				$ 581,172.27	$ 8,101,152.25	$ 485,685.00	$ 2,567,215.00	$ 2,159,947.29	$ 15,917.61	$ 428,534.92	$ 9,130,824.70
	Ref.			C	C					C	C

Capital Improvement Fund	$ 260,900.00
NJ Department of Transportation Grant	224,785.00
	$ 485,685.00

Cash Disbursed	$ 2,169,947.29
Refunds	(10,000.00)
	$ 2,159,947.29

Reserve for Payment of Debt Service	$ 7,718.73
Capital Improvement Fund	9.00
Fund Balance	7,619.88
Deferred Charges to Future Taxation - Unfunded	570.00
	$ 15,917.61

BOROUGH OF CHATHAM
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	Ref.	
Balance December 31, 2023	C	$ 8,024.37
Increased by:		
2024 Budget Appropriation		280,000.00
Improvement Authorizations Cancelled		9.00
		288,033.37
Decreased by:		
Appropriated to Finance Improvement Authorizations		260,900.00
Balance December 31, 2024	C	$ 27,133.37

BOROUGH OF CHATHAM
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

Ord. No.	Improvement Description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2023	Issued	Matured	Balance Dec. 31, 2024
17-11	Replace Turf Field at Lum Avenue Field	5/24/2018	5/19/2023	5/17/2024	4.50%	$ 105,750.00		$ 105,750.00	
18-02	Various Improvements and Acquisition of Equipment	5/24/2018	5/19/2023	5/17/2024	4.50%	604,500.00		604,500.00	
			5/17/2024	5/16/2025	4.50%		$ 494,500.00		$ 494,500.00
19-09	Various Improvements and Acquisition of Equipment	5/22/2020	5/19/2023	5/17/2024	4.50%	911,750.00		911,750.00	
		5/21/2021	5/19/2023	5/17/2024	4.50%	113,000.00		113,000.00	
			5/17/2024	5/16/2025	4.50%		842,500.00		842,500.00
			5/17/2024	5/16/2025	4.50%		93,000.00		93,000.00
20-09	Replacing Equipment and Machinery	5/21/2021	5/19/2023	5/17/2024	4.50%	1,095,000.00		1,095,000.00	
			5/17/2024	5/16/2025	4.50%		1,050,000.00		1,050,000.00
21-13	Various Improvements and Acquisitions	5/20/2022	5/19/2023	5/17/2024	4.50%	835,430.00		835,430.00	
			5/17/2024	5/16/2025	4.50%		835,430.00		835,430.00
21-19	Resurfacing of Hillside Avenue	5/20/2022	5/19/2023	5/17/2024	4.50%	97,000.00		97,000.00	
			5/17/2024	5/16/2025	4.50%		97,000.00		97,000.00
22-03	Various Improvements and Acquisitions	5/19/2023	5/19/2023	5/17/2024	4.50%	181,900.00		181,900.00	
			5/17/2024	5/16/2025	4.50%		181,900.00		181,900.00
22-05	Various Improvements and Acquisitions	5/1/2024	5/17/2024	5/16/2025	4.50%		1,004,050.00		1,004,050.00
23-03	Various Improvements and Acquisitions	5/1/2024	5/17/2024	5/16/2025	4.50%		1,095,995.00		1,095,995.00
						$ 3,944,330.00	$ 5,694,375.00	$ 3,944,330.00	$ 5,694,375.00
				Ref.		C			C
				Renewals			$ 3,594,330.00	$ 3,594,330.00	
				New Issues			2,100,045.00		
				Paid by Budget Appropriation				350,000.00	
							$ 5,694,375.00	$ 3,944,330.00	

BOROUGH OF CHATHAM
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS PAYABLE

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding December 31, 2024 Date	Amount	Interest Rate	Balance Dec. 31, 2023	Matured	Balance Dec. 31, 2024
General Improvements	4/1/17	$ 5,200,000.00	04/01/25	$ 470,000.00	1.500%			
			04/01/26	485,000.00	1.500%			
			04/01/27	500,000.00	2.000%			
			04/01/28	515,000.00	2.000%			
			04/01/29	530,000.00	2.000%	$ 2,955,000.00	$ 455,000.00	$ 2,500,000.00
						$ 2,955,000.00	$ 455,000.00	$ 2,500,000.00
					Ref.	C		C

BOROUGH OF CHATHAM
GENERAL CAPITAL FUND
NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE LOAN PAYABLE

	Ref.	Total	Ord. 09-17 Sanitary Sewer Lining and Pipe Replacing	Ord. 14-10 Rehabilitation of Madison-Chatham Joint Meeting	Ord. 09-10 Rehabilitation of Madison-Chatham Joint Meeting	Ord. 18-12; 19-17 Madison-Chatham Joint Meeting Molitor Pollution Control Facility
Balance December 31, 2023	C	$ 3,968,062.10	$ 136,000.00	$ 615,220.39	$ 178,922.35	$ 3,037,919.36
Decreased by:						
Loans Paid by Operating Budget		185,335.67	21,000.00	50,474.57	27,320.34	86,540.76
Balance December 31, 2024	C	$ 3,782,726.43	$ 115,000.00	$ 564,745.82	$ 151,602.01	$ 2,951,378.60

SANITARY SEWER LINING AND PIPE REPLACING (Ord. 09-17)
SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS OUTSTANDING DECEMBER 31, 2024

Payment Number	Maturity Date	Trust Interest	Trust Principal	Fund Principal	Balance of Loan
					$ 115,000.00
30	2/1/2025	$ 2,300.00			115,000.00
31	8/1/2025	2,300.00	$ 20,000.00		95,000.00
32	2/1/2026	1,900.00			95,000.00
33	8/1/2026	1,900.00	20,000.00		75,000.00
34	2/1/2027	1,500.00			75,000.00
35	8/1/2027	1,500.00	25,000.00		50,000.00
36	2/1/2028	1,000.00			50,000.00
37	8/1/2028	1,000.00	25,000.00		25,000.00
38	2/1/2029	500.00			25,000.00
39	8/1/2029	500.00	25,000.00		
		$ 14,400.00	$ 115,000.00	$ -0-	

BOROUGH OF CHATHAM
GENERAL CAPITAL FUND
NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE LOAN PAYABLE
(Continued)

REHABILITATION OF MADISON-CHATHAM JOINT MEETING (Ord. 14-10)
SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS OUTSTANDING DECEMBER 31, 2024

Payment Number	Maturity Date	Trust Interest	Trust Principal	Fund Principal	Balance of Loan
					$ 564,745.82
20	2/1/2025	$ 3,350.00		$ 13,491.52	551,254.30
21	8/1/2025	3,350.00	$ 15,000.00	26,983.05	509,271.25
22	2/1/2026	2,975.00		13,491.52	495,779.73
23	8/1/2026	2,975.00	15,000.00	26,983.05	453,796.68
24	2/1/2027	2,600.00		13,491.52	440,305.16
25	8/1/2027	2,600.00	15,000.00	26,983.05	398,322.11
26	2/1/2028	2,300.00		13,491.52	384,830.59
27	8/1/2028	2,300.00	15,000.00	26,983.05	342,847.54
28	2/1/2029	2,000.00		13,491.52	329,356.02
29	8/1/2029	2,000.00	15,000.00	26,983.05	287,372.97
30	2/1/2030	1,700.00		13,491.52	273,881.45
31	8/1/2030	1,700.00	15,000.00	26,983.05	231,898.40
32	2/1/2031	1,400.00		13,491.52	218,406.88
33	8/1/2031	1,400.00	15,000.00	26,983.05	176,423.83
34	2/1/2032	1,100.00		13,491.52	162,932.31
35	8/1/2032	1,100.00	15,000.00	26,983.05	120,949.26
36	2/1/2033	800.00		13,491.52	107,457.74
37	8/1/2033	800.00	20,000.00	26,983.05	60,474.69
38	2/1/2034	400.00		13,491.52	46,983.17
39	8/1/2034	400.00	20,000.00	26,983.17	
		$ 37,250.00	$ 160,000.00	$ 404,745.82	

REHABILITATION OF MADISON-CHATHAM JOINT MEETING (Ord. 09-10)
SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS OUTSTANDING DECEMBER 31, 2024

Payment Number	Maturity Date	Trust Interest	Trust Principal	Fund Principal	Balance of Loan
					$ 151,602.01
30	2/1/2025	$ 1,700.00		$ 4,440.11	147,161.90
31	8/1/2025	1,700.00	$ 14,000.00	8,880.23	124,281.67
32	2/1/2026	1,420.00		4,440.11	119,841.56
33	8/1/2026	1,420.00	14,000.00	8,880.23	96,961.33
34	2/1/2027	1,140.00		4,440.11	92,521.22
35	8/1/2027	1,140.00	19,000.00	8,880.23	64,640.99
36	2/1/2028	760.00		4,440.11	60,200.88
37	8/1/2028	760.00	19,000.00	8,880.23	32,320.65
38	2/1/2029	380.00		4,440.11	27,880.54
39	8/1/2029	380.00	19,000.00	8,880.54	
		$ 10,800.00	$ 85,000.00	$ 66,602.01	

BOROUGH OF CHATHAM
GENERAL CAPITAL FUND
NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE LOAN PAYABLE
(Continued)

MADISON CHATHAM JOINT MEETING MOLITOR POLLUTION CONTROL FACILITY (Ord. 18-12; 19-17)
SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS OUTSTANDING DECEMBER 31, 2024

Payment Number	Maturity Date	Direct Interest	Direct Principal	Trust Interest	Trust Principal	Fund Principal	Balance of Loan
							$ 2,951,378.60
6	2/1/2025	$ 12,588.86		$ 15,325.00		$ 17,706.39	2,933,672.21
7	8/1/2025	12,588.86	$ 18,753.18	15,325.00	$ 15,000.00	35,412.78	2,864,506.25
8	2/1/2026	12,409.77		14,950.00		17,706.39	2,846,799.86
9	8/1/2026	12,409.77	19,111.36	14,950.00	15,000.00	35,412.78	2,777,275.72
10	2/1/2027	12,221.53		14,575.00		17,706.39	2,759,569.33
11	8/1/2027	12,221.53	19,487.86	14,575.00	15,000.00	35,412.78	2,689,668.69
12	2/1/2028	12,021.77		14,200.00		17,706.39	2,671,962.30
13	8/1/2028	12,021.77	19,887.36	14,200.00	20,000.00	35,412.78	2,596,662.16
14	2/1/2029	11,804.01		13,700.00		17,706.39	2,578,955.77
15	8/1/2029	11,804.01	20,322.89	13,700.00	20,000.00	35,412.78	2,503,220.10
16	2/1/2030	11,567.25		13,200.00		17,706.39	2,485,513.71
17	8/1/2030	11,567.25	20,796.41	13,200.00	20,000.00	35,412.78	2,409,304.52
18	2/1/2031	11,318.73		12,700.00		17,706.39	2,391,598.13
19	8/1/2031	11,318.73	21,293.45	12,700.00	20,000.00	35,412.78	2,314,891.90
20	2/1/2032	11,057.88		12,200.00		17,706.39	2,297,185.51
21	8/1/2032	11,057.88	21,815.14	12,200.00	20,000.00	35,412.78	2,219,957.59
22	2/1/2033	10,762.83		11,700.00		17,706.39	2,202,251.20
23	8/1/2033	10,762.83	22,405.24	11,700.00	25,000.00	35,412.78	2,119,433.18
24	2/1/2034	10,434.26		11,075.00		17,706.39	2,101,726.79
25	8/1/2034	10,434.26	23,062.38	11,075.00	25,000.00	35,412.78	2,018,251.63
26	2/1/2035	10,049.12		10,668.75		17,706.39	2,000,545.24
27	8/1/2035	10,049.12	23,832.67	10,668.75	25,000.00	35,412.78	1,916,299.79
28	2/1/2036	9,645.16		10,246.88		17,706.39	1,898,593.40
29	8/1/2036	9,645.16	24,640.59	10,246.88	25,000.00	35,412.78	1,813,540.03
30	2/1/2037	9,221.34		9,825.00		17,706.39	1,795,833.64
31	8/1/2037	9,221.34	25,488.23	9,825.00	25,000.00	35,412.78	1,709,932.63
32	2/1/2038	8,776.57		9,403.13		17,706.39	1,692,226.24
33	8/1/2038	8,776.57	26,377.77	9,403.13	25,000.00	35,412.78	1,605,435.69
34	2/1/2039	8,311.00		8,965.63		17,706.39	1,587,729.30
35	8/1/2039	8,311.00	27,308.90	8,965.63	30,000.00	35,412.78	1,495,007.62
36	2/1/2040	7,823.54		8,440.63		17,706.39	1,477,301.23
37	8/1/2040	7,823.54	28,283.83	8,440.63	30,000.00	35,412.78	1,383,604.62
38	2/1/2041	7,314.43		7,915.63		17,706.39	1,365,898.23
39	8/1/2041	7,314.43	29,302.05	7,915.63	30,000.00	35,412.78	1,271,183.40
40	2/1/2042	6,784.06		7,390.63		17,706.39	1,253,477.01
41	8/1/2042	6,784.06	30,362.78	7,390.63	30,000.00	35,412.78	1,157,701.45
42	2/1/2043	6,229.94		6,846.88		17,706.39	1,139,995.06
43	8/1/2043	6,229.94	31,471.02	6,846.88	35,000.00	35,412.78	1,038,111.26
44	2/1/2044	5,650.87		6,212.50		17,706.39	1,020,404.87
45	8/1/2044	5,650.87	32,629.16	6,212.50	35,000.00	35,412.78	917,362.93
46	2/1/2045	5,050.50		5,600.00		17,706.39	899,656.54
47	8/1/2045	5,050.50	33,829.91	5,600.00	35,000.00	35,412.78	795,413.85
48	2/1/2046	4,410.60		4,900.00		17,706.39	777,707.46
49	8/1/2046	4,410.60	35,109.70	4,900.00	35,000.00	35,412.78	672,184.98
50	2/1/2047	3,746.50		4,200.00		17,706.39	654,478.59
51	8/1/2047	3,746.50	36,437.90	4,200.00	40,000.00	35,412.78	542,627.91

BOROUGH OF CHATHAM
GENERAL CAPITAL FUND
NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE LOAN PAYABLE
(Continued)

MADISON CHATHAM JOINT MEETING MOLITOR POLLUTION CONTROL FACILITY (Ord. 18-12; 19-17)
SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS OUTSTANDING DECEMBER 31, 2024
(Continued)

Payment Number	Maturity Date	Direct		Trust		Fund	Balance of Loan
		Interest	Principal	Interest	Principal	Principal	
52	2/1/2048	$ 3,057.28		$ 3,400.00		$ 17,706.39	$ 524,921.52
53	8/1/2048	3,057.28	$ 37,816.34	3,400.00	$ 40,000.00	35,412.78	411,692.40
54	2/1/2049	2,335.37		2,600.00		17,706.39	393,986.01
55	8/1/2049	2,335.37	39,260.17	2,600.00	40,000.00	35,412.78	279,313.06
56	2/1/2050	1,585.89		1,800.00		17,706.39	261,606.67
57	8/1/2050	1,585.89	40,759.12	1,800.00	45,000.00	35,412.78	140,434.77
58	2/1/2051	807.80		900.00		17,706.39	122,728.38
59	8/1/2051	807.80	42,315.31	900.00	45,000.00	35,413.07	
		$ 433,973.72	$ 752,160.72	$ 485,881.32	$ 765,000.00	$ 1,434,217.88	

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

Ord. No.	Improvement Description	Balance Dec. 31, 2023	2024 Improvement Authorizations	Bond Anticipation Notes Issued	Improvement Authorizations Canceled	Balance Dec. 31, 2024
13-07	Various Public Improvements	$ 320.00			$ 320.00	
14-10	Rehabilitation of Madison-Chatham Joint Meeting Facility	288,000.00				$ 288,000.00
19-09	Various Improvements and Equipment	250.00			250.00	
22-05	Various Improvements and Acquisitions	1,004,050.00		$ 1,004,050.00		
22-12	Development and Construction of Affordable Housing	5,700,000.00				5,700,000.00
23-03	Various Improvements and Acquisitions	1,096,900.00		1,095,995.00		905.00
24-06	Various Improvements and Acquisitions, New Communication and Signal Systems Equipment, New Information Technology Equipment and New Fire Truck		$ 2,237,000.00			2,237,000.00
24-12	Resurfacing of Van Orden Avenue (From Main Street To Kimball Street)		330,215.00			330,215.00
		$ 8,089,520.00	$ 2,567,215.00	$ 2,100,045.00	$ 570.00	$ 8,556,120.00

BOROUGH OF CHATHAM
COUNTY OF MORRIS
2024
WATER UTILITY FUND

BOROUGH OF CHATHAM
WATER UTILITY FUND
SCHEDULE OF CASH - TREASURER

	Ref.	Operating		Capital	
Balance December 31, 2023	D		$ 770,957.48		$ 542,743.85
Increased by Receipts:					
Consumer Accounts Receivable		$ 1,941,605.80			
Water Rent Overpayments		15,093.87			
Miscellaneous Revenue Not Anticipated		110,633.37			
Due General Capital Fund:					
Interfund Advanced				$ 72,442.40	
Due Water Utility Operating Fund:					
Interest Earned				9,442.95	
Improvement Authorization Refunds				13,879.09	
Bond Anticipation Note Issued				636,325.00	
Capital Improvement Fund:					
2024 Budget Appropriation				75,000.00	
			2,067,333.04		807,089.44
			2,838,290.52		1,349,833.29
Decreased by Disbursements:					
2024 Appropriation Expenditures		1,738,972.79			
2023 Appropriation Reserve Expenditures		50,399.38			
Interest on Bonds		15,010.75			
Interest on Notes		27,085.59			
Refund of Water Rent Overpayments		3,355.14			
Due Current Fund:					
Surplus Anticipated		215,000.00			
Interfund Returned		2,123.39			
Interfund Advanced		2,964.35			
Due Solid Waste Utility Fund:					
Interfund Advanced		3,123.00			
Improvement Authorizations				1,343,705.31	
			2,058,034.39		1,343,705.31
Balance December 31, 2024	D		$ 780,256.13		$ 6,127.98

BOROUGH OF CHATHAM
WATER UTILITY CAPITAL FUND
ANALYSIS OF CASH

			Receipts			Transfers		
		Balance / (Deficit) Dec. 31, 2023	Budget Appropriation	Miscellaneous	Bond Anticipation Notes	Improvement Authorizations	From	To	Balance / (Deficit) Dec. 31, 2024
Capital Fund Balance		$ 22,674.62						$ 367.94	$ 23,042.56
Capital Improvement Fund		56,687.02	$ 75,000.00				$ 57,900.00	131.77	73,918.79
Due General Capital Fund				$ 72,442.40				31,179.55	103,621.95
Due Water Utility Operating Fund		3,442.78		9,442.95					12,885.73
Ord. No.	Improvement Description								
14-05	Various Public Improvements and Acquisition of New Additional and Replacement Equipment	8,465.06							8,465.06
15-06	Various Public Improvements and Acquisition of New Additional and Replacement Equipment	20,000.00							20,000.00
16-03	Various Public Improvements and Acquisition of New Additional and Replacement Equipment	25,073.80				$ 25,000.00	73.80		
16-10	Various Improvements	99,658.45					124.74		99,533.71
17-02	Various Improvements	294.14					294.14		
18-03	Various Improvements	175,000.00				175,000.00			
19-08	Various Improvements and Acquisitions	24,038.03				10,477.00	1.03		13,560.00
21-08	Various Improvements	6,747.69					6.00		6,741.69
21-11	Repair of Small Backhoe	15,778.84				1,325.00			14,453.84
21-14	Various Public Improvements and Acquisition of New Additional and Replacement Equipment	4,314.44				1,602.22		1,646.71	4,358.93
22-06	Various Improvements & Acquisition of New Additional or Replacement Equipment & Machinery	(100,782.36)			$ 231,325.00	97,889.43	1,646.71		31,006.50
23-07	Various Improvements & Acquisition of New Additional or Replacement Equipment & Machinery & a New Automotive Vehicle	181,351.34		13,879.09	405,000.00	515,478.08			84,752.35
24-07	Various Improvements & Acquisition of New Additional or Replacement Equipment & Machinery & New Information Technology Equipment					516,933.58	31,179.55	57,900.00	(490,213.13)
		$ 542,743.85	$ 75,000.00	$ 95,764.44	$ 636,325.00	$ 1,343,705.31	$ 91,225.97	$ 91,225.97	$ 6,127.98

BOROUGH OF CHATHAM
WATER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	Ref.		
Balance December 31, 2023	D		$ 139,292.72
Increased by:			
Billings			1,952,893.70
			2,092,186.42
Decreased by:			
Collections		$ 1,941,605.80	
Overpayments Applied		5,950.25	
			1,947,556.05
Balance December 31, 2024	D		$ 144,630.37

BOROUGH OF CHATHAM
WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	Balance Dec. 31, 2023	Additions by Capital Outlay	Fixed Capital Authorized and Uncompleted	Balance Dec. 31, 2024
Pumping System Land	$ 32,969.57			$ 32,969.57
Springs and Wells	1,314,670.88			1,314,670.88
Pumping Station Structure	32,615.47			32,615.47
Electric Station Structure	62,901.82			62,901.82
Other Pumping Power Equipment	14,408.96			14,408.96
Miscellaneous Pumping Equipment	5,599.36			5,599.36
Storage Reservoirs, Tank and Standpipe	58,678.47			58,678.47
Distribution Mains and Accessories	3,048,360.57			3,048,360.57
Service Pipes and Stops	31,278.87			31,278.87
Meters, Meter Boxes and Valves	747,253.93			747,253.93
Fire Hydrants, Cisterns and Valves	197,291.87			197,291.87
General Equipment	898,691.70			898,691.70
Other Tangible Water Capital	830.00			830.00
Fence	7,671.42			7,671.42
Alarm System at Plant	1,506.62			1,506.62
Heating System	6,542.21			6,542.21
Office Machine	4,212.80			4,212.80
Automotive Equipment	3,595.31			3,595.31
Plant Automation	4,896.75			4,896.75
Water Chlorination Facilities	24,098.20			24,098.20
Replacement of Standpipe No 1	90,455.00			90,455.00
Low Water Main and Stabilize Banks of Day's Brook	3,756.88			3,756.88
Pick-up Trucks	59,223.27			59,223.27
Utility Truck	14,300.14			14,300.14
Preparation of Water Master Plan	4,000.00			4,000.00
Hydraulic Pavement Breaker	7,308.60			7,308.60
Computer Equipment	27,817.44			27,817.44
Hydraulic Boring Tool	6,847.02			6,847.02
Leak Detection Equipment	3,467.02			3,467.02
Storage Building	7,993.86			7,993.86
Emergency Repairs to Well # 2	30,000.00			30,000.00
Purchase Valve Replacements	2,744.89			2,744.89
Water System Inter-Connection Upgrade	9,908.25			9,908.25
Improvement of Garage	8,425.00			8,425.00
Communication Systems Upgrade	3,000.00			3,000.00
Chlorination Equipment	21,581.90			21,581.90
Water Metering Upgrade	11,472.00			11,472.00
Well Housing Improvements	22,599.03			22,599.03
Tractor and Backhoe	19,333.12			19,333.12
Storage Tank Inspection	12,528.45			12,528.45
Improvements to Property-Paving	24,000.00			24,000.00
Electrical Improvements	6,500.00			6,500.00
Water Meters and Backhoe	89,000.00			89,000.00
Water Mains and Well #1 Rehabilitation	138,500.00			138,500.00
Improvements of Offices	74,756.50			74,756.50
Meter Reading Equipment	41,891.91			41,891.91
New Automotive Vehicle	28,325.33			28,325.33
Various Purchases	377,133.25		$ 776,332.06	1,153,465.31
Bond Issuance Costs	5,000.00			5,000.00
Van-Con Vacuum Truck on Freightliner	60,000.00	$ 30,000.00		90,000.00
	$ 7,709,943.64	$ 30,000.00	$ 776,332.06	$ 8,516,275.70
Ref.	D			D

BOROUGH OF CHATHAM
WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Ord. No.	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2023	2024 Authorizations: Capital Improvement Fund	2024 Authorizations: Deferred Charges to Future Revenue	Costs to Fixed Capital	Improvement Authorizations Canceled	Balance Dec. 31, 2024
14-05	Various Public Improvements and the Acquisition of New Additional and Replacement Equipment	04/28/14	201,056.00	$ 115,815.97					$ 115,815.97
15-06	Various Public Improvements and the Acquisition of New Additional and Replacement Equipment	04/27/15	201,056.00	187,349.18					187,349.18
16-03	Various Public Improvements and the Acquisition of New Additional and Replacement Equipment	04/25/16	195,700.00	195,700.00			$ 195,626.20	$ 73.80	
16-10	Various Improvements	09/26/16	347,000.00	347,000.00				124.74	346,875.26
17-02	Various Improvements	02/13/17	151,000.00	151,000.00			150,705.86	294.14	
18-03	Various Improvements	03/12/18	430,000.00	430,000.00			430,000.00		
19-08	Various Improvements and Acquisitions	04/22/19	195,000.00	195,000.00				1.03	194,998.97
21-08	Various Improvements	04/12/21	195,000.00	195,000.00				6.00	194,994.00
21-11	Repair of Small Backhoe	05/24/21	20,000.00	20,000.00					20,000.00
21-14	Various Improvements & Acquisition of New Additional or Replacement Equipment & Machinery	05/24/21	254,000.00	254,000.00					254,000.00
22-06	Various Improvements & Acquisition of New Additional or Replacement Equipment & Machinery	06/27/22	243,500.00	243,500.00					243,500.00
23-07	Various Improvements & Acquisition of New Additional or Replacement Equipment & Machinery & a New Automotive Vehicle	5/22/2023	615,000.00	615,000.00					615,000.00
24-07	Various Improvements & Acquisition of New Additional or Replacement Equipment & Machinery & New Information Technology Equipment	5/13/2024	831,200.00		$ 57,900.00	$ 773,300.00		440.00	830,760.00
24-15	Lead Water Service Line Replacement Program (Phase I)	12/9/2024	2,500,000.00			2,500,000.00			2,500,000.00
				$ 2,949,365.15	$ 57,900.00	$ 3,273,300.00	$ 776,332.06	$ 939.71	$ 5,503,293.38
		Ref.		D					D

BOROUGH OF CHATHAM
WATER UTILITY OPERATING FUND
SCHEDULE OF 2023 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2024

	Balance Dec. 31, 2023	Balance After Modification	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	$ 82,667.43	$ 72,667.43		$ 72,667.43
Other Expenses	58,908.40	68,908.40	$ 50,399.38	18,509.02
Deferred Charges and Statutory Expenditures:				
Social Security System (O.A.S.I.)	8,725.30	8,725.30		8,725.30
Unemployment Compensation	1,048.49	1,048.49		1,048.49
	$ 151,349.62	$ 151,349.62	$ 50,399.38	$ 100,950.24

	Ref.	
Analysis of Balance December 31, 2023:		
Appropriation Reserves:		
Unencumbered	D	$ 107,496.28
Encumbered	D	43,853.34
		$ 151,349.62

BOROUGH OF CHATHAM
WATER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2023 Funded	Balance Dec. 31, 2023 Unfunded	2024 Authorizations: Capital Improvement Fund	2024 Authorizations: Deferred Charges to Future Revenue	Paid or Charged	Improvement Authorizations Canceled	Balance Dec. 31, 2024 Funded	Balance Dec. 31, 2024 Unfunded
14-05	Various Public Improvements and Acquisition of New Additional and Replacement Equipment	04/28/14	$ 119,000.00	$ 8,465.06						$ 8,465.06	
15-06	Various Public Improvements and Acquisition of New Additional and Replacement Equipment	04/27/15	191,000.00	20,000.00						20,000.00	
16-03	Various Public Improvements and Acquisition of New Additional and Replacement Equipment	04/25/16	195,700.00	25,073.80				$ 25,000.00	$ 73.80		
16-10	Various Improvements	09/26/16	347,000.00	99,658.45					124.74	99,533.71	
17-02	Various Improvements	02/13/17	151,000.00	294.14					294.14		
18-03	Various Improvements	03/12/18	430,000.00		$ 175,000.00			175,000.00			
19-08	Various Improvements and Acquisitions	04/22/19	195,000.00	24,038.03				10,477.00	1.03	13,560.00	
21-08	Various Improvements	04/12/21	195,000.00	6,747.69					6.00	6,741.69	
21-11	Repair of Small Backhoe	05/24/21	20,000.00	15,778.84				1,325.00		14,453.84	
21-14	Various Public Improvements and Acquisition of New Additional and Replacement Equipment	05/24/21	254,000.00		4,314.44			(44.49)			4,358.93
22-06	Various Improvements & Acquisition of New Additional or Replacement Equipment & Machinery	06/27/22	243,500.00		130,542.64			99,536.14			31,006.50
23-07	Various Improvements & Acquisition of New Additional or Replacement Equipment & Machinery & a New Automotive Vehicle	5/22/2023	615,000.00	181,351.34	405,000.00			501,598.99			84,752.35
24-07	Various Improvements & Acquisition of New Additional or Replacement Equipment & Machinery & New Information Technology Equipment	5/13/2024	831,200.00			$ 57,900.00	$ 773,300.00	548,113.13	440.00		282,646.87
24-15	Lead Water Service Line Replacement Program (Phase I)	12/9/2024	2,500,000.00				2,500,000.00				2,500,000.00
				$ 381,407.35	$ 714,857.08	$ 57,900.00	$ 3,273,300.00	$ 1,361,005.77	$ 939.71	$ 162,754.30	$ 2,902,764.65
			Ref.	D	D					D	D

Cash Disbursed	$ 1,343,705.31
Improvement Authorization Refunds	(13,879.09)
Due General Capital Fund:	
Interfund Advanced	31,179.55
	$ 1,361,005.77

BOROUGH OF CHATHAM
WATER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	Ref.		
Balance December 31, 2023	D		$ 56,687.02
Increased by:			
2024 Budget Appropriation		$ 75,000.00	
Cancellation of Improvement Authorization Balances		131.77	
			75,131.77
			131,818.79
Decreased by:			
Appropriated to Finance Improvement Authorizations			57,900.00
Balance December 31, 2024	D		$ 73,918.79

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

	Ref.		
Balance December 31, 2023	D		$ 7,422,223.79
Increased by:			
Transfer from Deferred Reserve for Amortization		$ 210,967.06	
Bond Anticipation Notes Paid by Water Utility Operating Budget		130,000.00	
Paid by Water Utility Operating Budget:			
Serial Bonds Retired		140,000.00	
Water Utility Capital Outlay Expenditures		30,000.00	
			510,967.06
Balance December 31, 2024	D		$ 7,933,190.85

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

Ord. No.	Improvement Description	Ord. Date	Balance Dec. 31, 2023	2024 Authorizations	Improvement Authorization Cancelled	Transfer to Reserve for Amortization	Balance Dec. 31, 2024
14-05	Various Public Improvements and the Acquisition of New Additional and Replacement Equipment	04/28/14	$ 5,700.00				$ 5,700.00
15-06	Various Public Improvements and the Acquisition of New Additional and Replacement Equipment	04/27/15	9,550.00				9,550.00
16-03	Various Public Improvements and the Acquisition of New Additional and Replacement Equipment	04/08/16	9,785.00		$ 73.80	$ 9,711.20	
16-10	Various Improvements	08/12/16	347,000.00		124.74		346,875.26
17-02	Various Improvements	02/13/17	7,550.00		294.14	7,255.86	
18-03	Various Improvements	03/12/18	194,000.00			194,000.00	
19-08	Various Improvements and Acquisitions	04/22/19	195,000.00		1.03		194,998.97
21-08	Various Improvements	4/12/2021	195,000.00		6.00		194,994.00
21-11	Repair of Small Backhoe	5/24/2021	20,000.00				20,000.00
21-14	Various Public Improvements and the Acquisition of New Additional and Replacement Equipment	5/24/2021	12,700.00				12,700.00
22-06	Various Improvements & Acquisition of New Additional or Replacement Equipment & Machinery	6/27/2022	12,175.00				12,175.00
23-07	Various Improvements & Acquisition of New Additional or Replacement Equipment & Machinery & a New Automotive Vehicle	5/22/2023	210,000.00				210,000.00
24-07	Various Improvements & Acquisition of New Additional or Replacement Equipment & Machinery & New Information Technology Equipment	5/13/2024		$ 57,900.00			57,900.00
			$ 1,218,460.00	$ 57,900.00	$ 499.71	$ 210,967.06	$ 1,064,893.23
		Ref.	D				D

D-12A

BOROUGH OF CHATHAM
WATER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

Ord. No.	Improvement Description	Date of Issue of Original Note	Date of Issue	Maturity	Interest Rate	Balance Dec. 31, 2023	Issued	Matured	Balance Dec. 31, 2024
18-03	Various Improvements	5/24/2018	5/19/2023	5/17/2024	4.50%	$ 236,000.00		$ 236,000.00	
			5/17/2024	5/16/2025	4.50%		$ 136,000.00		$ 136,000.00
15-10	Various Purchases and Improvements	5/21/2021	5/19/2023	5/17/2024	4.50%	150,000.00		150,000.00	
			5/17/2024	5/16/2025	4.50%		120,000.00		120,000.00
21-14	Various Improvements	5/20/2022	5/19/2023	5/17/2024	4.50%	241,300.00		241,300.00	
			5/17/2024	5/16/2025	4.50%		241,300.00		241,300.00
22-06	Various Improvements & Acquisition of New Additional or Replacement Equipment & Machinery	5/17/2024	5/17/2024	5/16/2025	4.50%		231,325.00		231,325.00
23-07	Various Improvements & Acquisition of New Additional or Replacement Equipment & Machinery & a New Automotive Vehicle	5/17/2024	5/17/2024	5/16/2025	4.50%		405,000.00		405,000.00
						$ 627,300.00	$ 1,133,625.00	$ 627,300.00	$ 1,133,625.00
					Ref.	D			D

Renewals	$ 497,300.00	$ 497,300.00
New Issue	636,325.00	
Paid By Budget Appropriation		130,000.00
	$ 1,133,625.00	$ 627,300.00

BOROUGH OF CHATHAM
WATER UTILITY CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS PAYABLE

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding December 31, 2024 Date	Amount	Interest Rate	Balance Dec. 31, 2023	Matured	Balance Dec. 31, 2024
Water Bonds Refunding Series 2016	11/23/2016	$ 600,000.00	12/15/2025	$ 55,000.00	1.370%			
			12/15/2026	50,000.00	1.370%	$ 160,000.00	$ 55,000.00	$ 105,000.00
Water Bonds	4/1/2017	1,020,000.00	4/1/2025	85,000.00	2.000%			
			4/1/2026	95,000.00	2.125%			
			4/1/2027	110,000.00	2.250%			
			4/1/2028	110,000.00	2.250%			
			4/1/2029	110,000.00	3.000%	595,000.00	85,000.00	510,000.00
						$ 755,000.00	$ 140,000.00	$ 615,000.00
					Ref.	D		D

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

Ord. No.	Improvement Description	Balance Dec. 31, 2023	2024 Improvement Authorizations	Bonds Anticipation Notes Issued	Improvement Authorizations Canceled	Balance Dec. 31, 2024
22-06	Various Improvements & Acquisition of New Additional or Replacement Equipment & Machinery	$ 231,325.00		$ 231,325.00		
23-07	Various Improvements & Acquisition of New Additional or Replacement Equipment & Machinery & a New Automotive Vehicle	405,000.00		405,000.00		
24-07	Various Improvements & Acquisition of New Additional or Replacement Equipment & Machinery & a New Automotive Vehicle		$ 773,300.00		$ 440.00	$ 772,860.00
24-15	Lead Water Service Line Replacement Program (Phase I)		2,500,000.00			2,500,000.00
		$ 636,325.00	$ 3,273,300.00	$ 636,325.00	$ 440.00	$ 3,272,860.00

BOROUGH OF CHATHAM
COUNTY OF MORRIS
2024
SOLID WASTE UTILITY FUND

BOROUGH OF CHATHAM
SOLID WASTE UTILITY FUND
SCHEDULE OF CASH - TREASURER

	Ref.	Operating		Capital	
Balance December 31, 2023	E		$ 378,477.85		$ 113,228.00
Increased by Receipts:					
Consumer Accounts Receivable		$ 1,210,796.50			
Water Rent Overpayments		2,919.48			
Miscellaneous Revenue Not Anticipated		26,768.29			
Bond Anticipation Note Proceeds				$ 360,000.00	
Capital Improvement Fund:					
Budget Appropriations				40,000.00	
			1,240,484.27		400,000.00
			1,618,962.12		513,228.00
Decreased by Disbursements:					
2024 Appropriation Expenditures		1,068,157.22			
2023 Appropriation Reserve Expenditures		111,759.37			
Due Current Fund:					
Interfund Advanced		369.17			
Improvement Authorizations				424,506.30	
			1,180,285.76		424,506.30
Balance December 31, 2024	E		$ 438,676.36		$ 88,721.70

BOROUGH OF CHATHAM
SOLID WASTE UTILITY CAPITAL FUND
ANALYSIS OF CASH
YEAR ENDED DECEMBER 31, 2024

Ord. No.	Improvement Description	Balance Dec. 31, 2023	Receipts: Bond Anticipation Note Proceeds	Receipts: Budget Appropriation	Disbursements: Improvement Authorizations	Transfers: From	Transfers: To	Balance Dec. 31, 2024
Capital Improvement Fund		$ 7,000.00		$ 40,000.00		$ 40,000.00		$ 7,000.00
Due Solid Waste Utility Operating Fund							$ 9,450.00	9,450.00
23-06	Acquisition of Equipment	106,228.00	$ 360,000.00		$ 424,506.30	9,450.00		32,271.70
24-05	Rebuild Front End Loader						40,000.00	40,000.00
		$ 113,228.00	$ 360,000.00	$ 40,000.00	$ 424,506.30	$ 49,450.00	$ 49,450.00	$ 88,721.70

BOROUGH OF CHATHAM
SOLID WASTE UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	Ref.		
Balance December 31, 2023	E		$ 33,620.19
Increased by:			
Billings			1,222,411.89
			1,256,032.08
Decreased by:			
Solid Waste Rents		$ 1,210,796.50	
Prior Year Overpayments Applied		3,571.32	
			1,214,367.82
Balance December 31, 2024	E		$ 41,664.26

BOROUGH OF CHATHAM
SOLID WASTE UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

		Balance Dec. 31, 2023	Balance Dec. 31, 2024
Solid Waste Equipment		$ 48,000.00	$ 48,000.00
Various Capital Improvements		42,000.00	42,000.00
		$ 90,000.00	$ 90,000.00
	Ref.	E	E

BOROUGH OF CHATHAM
SOLID WASTE UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
YEAR ENDED DECEMBER 31, 2024

Ord. No.	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2023	2024 Authorizations	Balance Dec. 31, 2024
23-06	Acquisition of Equipment	5/22/2023	$ 470,000.00	$ 470,000.00		$ 470,000.00
24-05	Rebuild Front End Loader	5/13/2024	40,000.00		$ 40,000.00	40,000.00
				$ 470,000.00	$ 40,000.00	$ 510,000.00
			Ref.	E		E

BOROUGH OF CHATHAM
SOLID WASTE UTILITY OPERATING FUND
SCHEDULE OF 2023 APPROPRIATION RESERVES
YEAR ENDED DECEMBER, 31 2024

	Balance Dec. 31, 2023	Balance After Modification	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	$ 7,188.55	$ 7,188.55		$ 7,188.55
Other Expenses	137,882.92	137,882.92	$ 111,759.37	26,123.55
Deferred Charges and Statutory Expenditures:				
Public Employees' Retirement System	500.00	500.00		500.00
Social Security System (O.A.S.I.)	116.44	116.44		116.44
Unemployment Compensation	188.39	188.39		188.39
	$ 145,876.30	$ 145,876.30	$ 111,759.37	$ 34,116.93

	Ref.	
Analysis of Balance December 31, 2023:		
Appropriation Reserves:		
Unencumbered	E	$ 95,074.24
Encumbered	E	50,802.06
		$ 145,876.30

BOROUGH OF CHATHAM
SOLID WASTE UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2024

Ord. No.	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2023 Funded	Balance Dec. 31, 2023 Unfunded	2024 Authorizations Other Sources	Paid or Charged	Balance Dec. 31, 2024 Funded	Balance Dec. 31, 2024 Unfunded
23-06	Acquisition of Equipment	5/22/2023	$ 470,000.00	$ 106,228.00	$ 360,000.00		$ 433,956.30		$ 32,271.70
24-05	Rebuild Front End Loader	5/13/2024	40,000.00			$ 40,000.00		$ 40,000.00	
				$ 106,228.00	$ 360,000.00	$ 40,000.00	$ 433,956.30	$ 40,000.00	$ 32,271.70
			Ref.	E	E			E	E
		Capital Improvement Fund				$ 40,000.00			

Cash Disbursed	$ 424,506.30
Due to Solid Waste Utility Operating: Accrued Interest	9,450.00
	$ 433,956.30

BOROUGH OF CHATHAM
SOLID WASTE UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	Ref.		
Balance December 31, 2023	E	$	7,000.00
Increased by:			
2024 Budget Appropriation			40,000.00
			47,000.00
Decreased by:			
Appropriated to Finance Improvement Authorizations			40,000.00
Balance December 31, 2024	E	$	7,000.00

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

	Ref.	
Balance December 31, 2023	E	$ 90,000.00
Balance December 31, 2024	E	$ 90,000.00

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

Ord. No.	Improvement Description	Ord. Date	Balance Dec. 31, 2023	2024 Authorizations	Balance Dec. 31, 2024
23-06	Acquisition of Equipment	5/22/2023	$ 110,000.00		$ 110,000.00
24-05	Rebuild Front End Loader	5/13/2024		$ 40,000.00	40,000.00
			$ 110,000.00	$ 40,000.00	$ 150,000.00
		Ref.	E		E

BOROUGH OF CHATHAM
SOLID WASTE UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
YEAR ENDED DECEMBER, 31 2024

Ord. No.	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Issued	Balance Dec. 31, 2024
23-06	Acquisition of Equipment	5/17/2024	5/17/2024	5/16/2025	4.50%	$ 360,000.00	$ 360,000.00
						$ 360,000.00	$ 360,000.00
					Ref.		E
					New Issue	$ 360,000.00	
						$ 360,000.00	

BOROUGH OF CHATHAM
SOLID WASTE UTILITY CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS PAYABLE
YEAR ENDED DECEMBER 31, 2021

NOT APPLICABLE

BOROUGH OF CHATHAM
SOLID WASTE UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2024

Ord. No.	Improvement Description	Balance Dec. 31, 2023	Bonds Anticipation Notes Issued
23-06	Acquisition of Equipment	$ 360,000.00	$ 360,000.00
		$ 360,000.00	$ 360,000.00

BOROUGH OF CHATHAM

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2024

BOROUGH OF CHATHAM
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2024

Name of Federal Agency or Department	Name of Program/ State Account #	Pass-Through Entity ID #	Assistance Listing Number	Grant Period From	Grant Period To	Grant Award Amount	Amount Received	Amount of Expenditures	MEMO Cumulative Total Expenditures	Amounts Provided to Subrecipients
U.S. Department of Treasury										
(Passed through New Jersey Department of Community Affairs)	COVID 19 - American Rescue Plan Grant Coronavirus State and Local Fiscal Recovery Funds	100-022-8030 687-046010	21.027	03/03/21	12/31/24	$ 903,812.97		$ 18,382.50	$ 825,279.04	
Total Department of Treasury								18,382.50	825,279.04	
U.S. Department of Homeland Security										
(Passed Through NJ Department of Emergency Management)	Office of Emergency Management - 2024 Emergency Management Grant	100-066-1200 726-062600	97.042	1/1/2024	12/31/25	10,000.00	$ 10,000.00			
Total US Department of Homeland Security							10,000.00			
U.S. Department of Justice	Bulletproof Vest Program	N/A	16.607	1/1/2024	12/31/25	2,818.80	2,818.80			
TOTAL FEDERAL AWARDS							$ 12,818.80	$ 18,382.50	$ 825,279.04	$ -0-

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

BOROUGH OF CHATHAM
SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED DECEMBER 31, 2024

Name of State Agency or Department	State Account Number	Grant Period From	Grant Period To	Grant Award Amount	Amount Received	Amount of Expenditures	MEMO Cumulative Total Expenditures
Department of Transportation							
Transportation Trust Fund Authority Act:							
Municipal State Aid:	480-078-6320						
2021 - Woodland Road Preservation Project	N/A	01/01/21	12/31/23	$ 138,100.00	$ 103,575.00		$ 138,100.00
Total Department of Transportation					103,575.00		138,100.00
Department of Law and Public Safety:							
Insurance Fraud Task Force:	100-066-1020						
2024	216-94440	01/01/24	12/31/24	7,407.59	7,407.59	$ 7,407.59	7,407.59
Body Armor Grant:	718-066-1020						
2025	001-090160	01/01/25	12/31/25	2,245.17	2,245.17		
NJ Body Worn Camera Grant	100-066-1020						
2024	495-92120	01/01/24	12/31/25	50,950.00	50,950.00		
Total Department of Law and Public Safety					60,602.76	7,407.59	7,407.59
Department of Health and Senior Services:							
Alcohol Education and Rehabilitation	760-098-9735-						
2017	001-60000	01/01/17	12/31/25	3,447.45		450.00	450.00
Total Department of Health and Senior Services						450.00	450.00
Department of Environmental Protection:							
Recycling Tonnage Grant:	100-042-4910-						
2024	224-238490	01/01/24	12/31/25	14,964.14	14,964.14		
Local Recreation Improvement Plan	N/A	01/01/24	12/31/24	70,000.00		70,000.00	70,000.00
Clean Communities Act:	765-042-4900						
2023	004-178910	01/01/23	12/31/25	18,836.33		17,747.31	18,197.31
2024	004-178910	01/01/24	12/31/25	21,394.72	21,394.72	1,825.86	1,825.86
					21,394.72	19,573.17	20,023.17
Total Department of Environmental Protection					36,358.86	89,573.17	90,023.17
Department of Treasury:							
Passed Through County of Morris:							
Governor's Council on Alcoholism and Drug Abuse - Municipal Alliance	760-098-9735						
State Share - 2022-2023	001-060000	07/01/22	06/30/23	8,038.00	7,693.31		8,038.00
State Share - 2023-2024	001-060000	07/01/23	06/30/24	8,038.00	7,308.11	6,129.88	8,038.00
State Share - 2024-2025	001-060000	07/01/24	06/30/25	7,273.00		90.71	90.71
Youth Leadership	001-060000	07/01/22	06/30/23	3,900.00	3,555.26		3,900.00
Youth Leadership	001-060000	07/01/23	06/30/24	3,900.00		1,700.00	3,398.74
Total Department of the Treasury					18,556.68	7,920.59	23,465.45
TOTAL STATE AWARDS					$ 219,093.30	$ 105,351.35	$ 259,446.21

N/A - Not Available

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

BOROUGH OF CHATHAM
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2024

A. BASIS OF PRESENTATION

The accompanying Schedules of Expenditures of Federal and State Awards (the "Schedules") include the federal and state grant activity of the Borough of Chatham under programs of the federal and state governments for the year ended December 31, 2024. The information in these schedules is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal* Awards ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid***.** Because the schedules present only a selected portion of the operations of the Borough of Chatham, they are not intended to and do not present the financial position, changes in fund balance or cash flows of the Borough of Chatham.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying Schedules of Expenditures of Federal and State Awards are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through identifying numbers are presented where available. The Borough has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

C. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

D. N.J ENVIRONMENTAL INFRASTRUCTURE LOANS PAYABLE

At December 31, 2024, the Borough has $1,125,000, $1,905,565.71 and $782,160.72 of N.J. Environmental Infrastructure Trust, Fund and Direct Loans Payable, respectively.

The loan agreements were obtained to finance sanitary sewer relining and pipe replacement and to finance a portion of the cost improvements to the Madison-Chatham Joint Meeting's Molitor Water Pollution Control Facility. Even though the Borough is responsible for the repayment of the loans, the Borough does not receive or expend any of the loan funds. The Madison-Chatham Joint Meeting is responsible for the draw downs and expenditure of loan funds.

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Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

Independent Auditors' Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements – *regulatory basis* - of the various funds of the Borough of Chatham, in the County of Morris (the "Borough") as of, and for the years ended, December 31, 2024 and 2023, and the related notes to the financial statements and have issued our report thereon dated April 21, 2025. These financial statements have been prepared in accordance with accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Borough's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control.

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 Borough's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough'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 financial statements. 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 result of that testing, and not to provide an opinion on the effectiveness of the Borough's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mount Arlington, New Jersey
April 21, 2025

NISIVOCCIA LLP

Francis Jones of Nisivoccia LLP

Francis Jones
Certified Public Accountant
Registered Municipal Accountant No. 442

BOROUGH OF CHATHAM
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2024

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the Borough prepared in accordance with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey.

- There were no significant deficiencies, or material weaknesses disclosed during the audit of the financial statements as reported in the *Independent Auditors' 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*.

- No instances of noncompliance material to the financial statements of the Borough which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

- The Borough was not subject to the single audit provisions of the Uniform Guidance and New Jersey's OMB Circular 15-08 for the year ended December 31, 2024 as both state and federal grant expenditures were less than the single audit thresholds of $750,000 identified in the Circulars.

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.

Findings and Questioned Costs for Federal Awards:

- Not applicable since federal expenditures were below the Single Audit threshold.

Findings and Questioned Costs for State Awards:

- Not applicable since state expenditures were below the Single Audit threshold.

BOROUGH OF CHATHAM
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2024

There were no prior audit findings.

BOROUGH OF CHATHAM

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2024

BOROUGH OF CHATHAM
COMMENTS AND RECOMMENDATIONS

Contracts and Agreements Required to be Advertised for N.J.S.A. 40A:11-4

N.J.S.A. 40A:11-3 states:

a. " When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of $17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to Subsection b. of Section 9 of P.L. 1971, C.198 (N.J.S.A. 40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to $25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

b. Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to subparagraph (i) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, C.198 (N.J.S.A. 40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.

c. The Governor, in consultation with the Department of the Treasury, shall, no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L.1999, C.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L. 1971, C.198 (N.J.S.A. 40A:11-2), and shall round the adjustment to the nearest $1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. The adjustment shall become effective on July 1 of the year in which it is made."

N.J.S.A. 40A: 11-4 states: "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder."

Effective July 1, 2020 and thereafter, the bid thresholds in accordance with N.J.S.A. 40A:11-3 are $17,500 for a contracting unit without a qualified purchasing agent and $44,000 for a contracting unit with a qualified purchasing agent.

The governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the threshold within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Borough attorney's opinion should be sought before a commitment is made.

The minutes indicated that bids were requested by public advertising per N.J.S.A. 40A:11-4. The minutes also indicated that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" and "Extraordinary Unspecifiable Services" per N.J.S.A. 40A:11-5.

BOROUGH OF CHATHAM
COMMENTS AND RECOMMENDATIONS
(Continued)

Contracts and Agreements Required to be Advertised for N.J.S.A. 40A:11-4 (Cont'd)

Inasmuch as the system of records did not provide for an accumulation of payments for 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 noted.

Collection of Interest on Delinquent Taxes and Assessments

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

On January 8, 2024, the governing body adopted the following resolution authorizing interest to be charged on delinquent taxes and utility charges:

> "BE IT RESOLVED, by the Mayor and Council of the Borough of Chatham that pursuant to N.J.S.A. 54:4-67 the rate of interest on delinquent taxes and installments of assessments for local improvements shall be eight (8%) percent per annum of the first $1,500.00 and eighteen (18%) percent per annum on any amounts in excess of $1,500.00, and additional six (6%) percent per annum for those properties whose delinquency of taxes equals or exceeds $10,000.00, except that the Tax Collector is hereby authorized to waive the collection of interest for a period not exceeding ten calendar days after the due date for the current year taxes in each quarter, i.e., February first, May first, August first, and November first.
>
> BE IT FURTHER RESOLVED, that there will be a $5.00 charge for a duplicate copy of a property tax bill."

It appears from tests of the Collector's records that interest was collected in accordance with the foregoing resolution.

Delinquent Taxes and Tax Title Liens

The last tax sale was held on December 5, 2024 and was complete.

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

Year	Number of Liens
2024	3
2023	3
2022	1

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 taxpaying basis.

Municipal Court

Effective January 2011, the Borough of Chatham Municipal Court was combined with the Madison Borough Municipal Court as a Joint Municipal Court.

BOROUGH OF CHATHAM
COMMENTS AND RECOMMENDATIONS
(Continued)

New Jersey Administrative Code Accounting Requirements

The Division of Local Government Services has established three (3) accounting requirements which are prescribed in the New Jersey Administrative Code. They are as follows:

1. Maintenance of an encumbrance accounting system.

2. Fixed asset accounting and reporting system.

3. General ledger accounting system.

The Borough is in compliance with these requirements.

Confirming Orders

During our review of purchase orders, several instances were noted where purchases were made prior to the preparation and approval of purchase orders. However, as management has implemented procedures with each department head regarding purchasing compliance, no formal recommendation is deemed warranted.

Management Suggestions:

Grants and Capital Grants

There are a number of older appropriated grants with balances in the Federal and State Grant Fund, and a number of older grants with receivable balances in the General Capital Fund. We suggest that the Borough review these grant balances for continued recognition and collectability.

Capital Balances

There are a number of older balances in the Capital Funds of the Borough. We suggest that the Borough review the various balances in the Capital Funds and take appropriate action as necessary.

Payroll

The Net Payroll and Payroll Agency bank reconciliations have several stale dated outstanding checks. It is suggested that stale dated outstanding checks on the Net Payroll and Payroll Agency bank reconciliations be reviewed for cancellation.

Outside Offices

It is suggested that all outside office department cashbooks are reconciled to the Treasurer on a monthly basis.

BOROUGH OF CHATHAM
COMMENTS AND RECOMMENDATIONS
(Continued)

Management Suggestions: (Cont'd)

COVID-19 Federal Funding

It is possible that the Borough will undergo some review of its COVID-19 funding by the federal government. We strongly suggest that the Borough ensures that these funds are utilized in accordance with the applicable federal requirements especially with respect to procurement. Additionally, we strongly suggest that the Borough ensures that these funds are separately accounted for in the Borough's accounting records and that any applicable Borough policies are current with respect to federal grant requirements. Because of the nature of these funds, being new programs, generally of a significant dollar amount, and some of which may be expended over a period of years, they may be subject to federal or state audit several years from now. It is important that the grant files maintained by local governments be complete, self-explanatory, and fully document the program(s) undertaken as part of the funding. The American Rescue Plan funding must be obligated by December 31, 2024 and the liquidation of the obligation must be completed by December 31, 2026.

Status of Prior Year Recommendations

The prior year recommendations regarding all underlying analyses for tax overpayments agree to the Borough's accounting records and the purchase order procedures have been resolved.

BOROUGH OF CHATHAM
SUMMARY OF RECOMMENDATIONS

There are none.

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