

BOROUGH OF CHESTER

SUMMARY OR SYNOPSIS OF AUDIT REPORT FOR PUBLICATION

Attention is directed to the fact that a Summary or Synopsis of the Audit Report together with the recommendations is the minimum required to be published pursuant to N.J.S. 40A:5-7.

Summary or Synopsis of 2022 Audit Report of Chester Borough, Morris County as required by N.J.S. 40A:5-7.

Combined Comparative Balance Sheet - Regulatory Basis

|   | December 31,            |                         |
|---|-------------------------|-------------------------|
|   | 2022                    | 2021                    |
| <u>ASSETS:</u>                                    |                         |                         |
| Cash and Cash Equivalents                         | \$ 6,799,289.01         | \$ 6,836,543.70         |
| Tax and Utility Receivables                       | 100,374.64              | 35,598.83               |
| Property Acquired for Taxes at Assessed Valuation | 181,200.00              | 181,200.00              |
| Accounts and Grants Receivable                    | 427,666.95              | 484,091.25              |
| Fixed Capital                                     | 4,267,313.96            | 4,267,313.96            |
| Fixed Capital Authorized and Uncompleted          | 2,294,000.00            | 2,094,000.00            |
| Deferred Charges                                  |                         | 7,200.98                |
| Deferred Charges to Future Taxation - Capital     | 3,206,320.00            | 3,412,550.00            |
| General Fixed Assets                              | 21,303,741.00           | 21,442,607.83           |
| <b>TOTAL ASSETS</b>                               | <b>\$ 38,579,905.56</b> | <b>\$ 38,761,106.55</b> |

LIABILITIES, RESERVES AND FUND BALANCE:

|                                       |                 |                 |
|---------------------------------------|-----------------|-----------------|
| Bonds and Notes Payable               | \$ 3,222,320.00 | \$ 3,654,550.00 |
| Improvement Authorizations            | 1,422,589.40    | 993,798.84      |
| Other Liabilities and Special Funds   | 1,574,668.46    | 1,680,990.72    |
| Deferred Reserve for Amortization     | 1,944,000.00    | 1,719,000.00    |
| Reserve for Amortization              | 5,493,971.21    | 5,695,477.64    |
| Reserve for Certain Assets Receivable | 403,761.80      | 419,234.42      |

|  |                         |                         |
|--|-------------------------|-------------------------|
| Investment in General Fixed Assets           | 21,303,741.00           | 21,442,607.83           |
| Fund Balances                                | 3,214,853.69            | 3,155,447.10            |
| TOTAL LIABILITIES, RESERVES AND FUND BALANCE | <u>\$ 38,579,905.56</u> | <u>\$ 38,761,106.55</u> |

BOROUGH OF CHESTER

SUMMARY OR SYNOPSIS OF AUDIT REPORT FOR PUBLICATION

(Continued)

Comparative Schedule of Operations and Change in Fund Balance - Regulatory Basis - Current Fund

|  | Year Ended December 31, |               |
|--|-------------------------|---------------|
|  | 2022                    | 2021          |
| <u>Revenue and Other Income Realized</u>     |                         |               |
| Fund Balance Utilized                        | \$ 951,718.71           | \$ 650,000.00 |
| Miscellaneous Revenue Anticipated            | 524,113.76              | 479,675.94    |
| Receipts from:                               |                         |               |
| Delinquent Taxes                             | 35,598.83               | 49,096.12     |
| Current Taxes                                | 11,120,602.28           | 10,998,351.28 |
| Nonbudget Revenue                            | 76,618.91               | 64,560.66     |
| Other Credits to Income:                     |                         |               |
| Unexpended Balance of Appropriation Reserves | 459,671.28              | 608,432.48    |
| Tax Overpayments Cancelled                   |                         | 5,009.36      |
| Prior Year Interfunds Returned               | 107,106.75              | 30,782.37     |
|  | <hr/>                   | <hr/>         |
| Total Income                                 | 13,275,430.52           | 12,885,908.21 |
|  | <hr/>                   | <hr/>         |
| <u>Expenditures</u>                          |                         |               |
| Budget Appropriations:                       |                         |               |
| Municipal Purposes                           | 4,948,149.61            | 4,673,694.12  |
| County Taxes                                 | 1,053,471.48            | 1,037,431.81  |
| Local School District Taxes                  | 4,007,851.00            | 3,802,076.00  |
| Regional School District Taxes               | 2,214,034.00            | 2,256,518.00  |
| Municipal Open Space Taxes                   | 43,071.45               | 40,460.43     |
| Interfunds Advanced                          |                         | 52,380.24     |
| Refund of Prior Year Revenue                 | 442.12                  | 829.30        |
|  | <hr/>                   | <hr/>         |
| Total Expenditures                           | 12,267,019.66           | 11,863,389.90 |
|  | <hr/>                   | <hr/>         |

|                                 |                 |                 |
|---------------------------------|-----------------|-----------------|
| Excess in Revenue               | 1,008,410.86    | 1,022,518.31    |
| <u>Fund Balance</u>             |                 |                 |
| Balance January 1               | 2,282,901.06    | 1,910,382.75    |
|                                 | <hr/>           | <hr/>           |
|                                 | 3,291,311.92    | 2,932,901.06    |
| Decreased by:                   |                 |                 |
| Utilized as Anticipated Revenue | 951,718.71      | 650,000.00      |
|                                 | <hr/>           | <hr/>           |
| Balance December 31             | \$ 2,339,593.21 | \$ 2,282,901.06 |
|                                 | <hr/>           | <hr/>           |

BOROUGH OF CHESTER  
SUMMARY OR SYNOPSIS OF AUDIT REPORT FOR PUBLICATION

(Continued)

Comparative Schedule of Operations and Change in Fund Balance - Regulatory Basis

Sewer Utility Operating Fund

|  | Year Ended December 31, |              |
|--|-------------------------|--------------|
|  | 2022                    | 2021         |
| <u>Revenue and Other Income Realized</u>     |                         |              |
| Surplus Anticipated                          | \$ 107,850.00           | \$ 81,225.00 |
| Sewer User Fees                              | 325,894.90              | 337,374.05   |
| Significant User Fees                        | 59,755.55               | 46,058.07    |
| Miscellaneous Revenue Not Anticipated        | 11,263.91               | 2,985.86     |
| Other Credits to Income:                     |                         |              |
| Cancellation of Accounts Payable             |                         | 30,000.00    |
| Unexpended Balance of Appropriation Reserves | 22,780.08               | 127,211.73   |
|  | 527,544.44              | 624,854.71   |
| <br><u>Expenditures</u>                      |                         |              |
| Budget Expenditures:                         |                         |              |
| Operating                                    | 425,150.00              | 416,800.00   |
| Capital Improvements                         | 30,000.00               | 30,000.00    |
| Debt Service                                 | 28,500.00               | 2,624.25     |
| Deferred Charges and Statutory Expenditures  | 2,500.00                | 9,988.78     |
|  | 486,150.00              | 459,413.03   |
| <br>Total Expenditures                       | 486,150.00              | 459,413.03   |
| <br>Excess in Revenue                        | 41,394.44               | 165,441.68   |
| <br><u>Fund Balance</u>                      |                         |              |
| <br>Balance January 1                        | 560,781.75              | 506,565.07   |
|  | 602,176.19              | 672,006.75   |

Decreased by:

|  |            |           |
|--|------------|-----------|
| Utilized as Anticipated Revenue                | 107,850.00 | 81,225.00 |
| Utilized as Anticipated Revenue - Current Fund | 30,000.00  | 30,000.00 |

|                     |                      |                      |
|---------------------|----------------------|----------------------|
| Balance December 31 | <u>\$ 464,326.19</u> | <u>\$ 560,781.75</u> |
|---------------------|----------------------|----------------------|

BOROUGH OF CHESTER  
SUMMARY OR SYNOPSIS OF AUDIT REPORT FOR PUBLICATION

(Continued)

Comparative Schedule of Operations and Change in Fund Balance - Regulatory Basis

Solid Waste Utility Operating Fund

|  | Year Ended December 31, |              |
|--|-------------------------|--------------|
|  | 2022                    | 2021         |
| <u>Revenue and Other Income Realized</u>                       |                         |              |
| Fund Balance Utilized  | \$ 22,002.50            | \$ 10,400.00 |
| Rents  | 152,612.79              | 135,821.52   |
| Miscellaneous Revenue Not Anticipated                          | 3,889.50                | 3,307.82     |
| Other Credits to Income:                                       |                         |              |
| Unexpended Balance of Appropriation Reserves                   | 1,963.00                | 1,194.43     |
| Total Income   | 180,467.79              | 150,723.77   |
| <u>Expenditures</u>  |                         |              |
| Budget Expenditures:   |                         |              |
| Operating  | 151,250.00              | 148,600.00   |
| Deferred Charges   | 4,572.84                |              |
| Statutory Expenditures   | 700.00                  | 700.00       |
| Overexpenditure of Appropriation Reserve                       |                         | 4,572.84     |
| Total Expenditures   | 156,522.84              | 153,872.84   |
| Excess/(Deficit) in Revenue                                    | 23,944.95               | (3,149.07)   |
| Adjustment to Excess/(Deficit) in Revenue Before Fund Balance: |                         |              |
| Expenditures included above which are by Statute               |                         |              |
| Deferred Charges to Budget of Succeeding Year:                 |                         |              |
| Overexpenditure of Appropriation Reserves                      |                         | 4,572.84     |

Statutory Excess to Fund Balance

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23,944.95

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1,423.77

Fund Balance

Balance January 1

53,752.71

62,728.94

Decreased by:

Utilized as Anticipated Revenue

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22,002.50

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10,400.00

Balance December 31

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\$ 55,695.16

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\$ 53,752.71



BOROUGH OF CHESTER  
SUMMARY OR SYNOPSIS OF AUDIT REPORT FOR PUBLICATION

(Continued)

Comparative Schedule of Operations and Change in Fund Balance - Regulatory Basis

Swimming Pool Utility Operating Fund

|  | Year Ended December 31, |               |
|--|-------------------------|---------------|
|  | 2022                    | 2021          |
| <u>Revenue and Other Income Realized</u>     |                         |               |
| Fund Balance Anticipated                     | \$ 162,695.41           | \$ 185,738.64 |
| Swimming Pool User Fees                      | 463,391.34              | 301,743.68    |
| Miscellaneous Revenue Not Anticipated        | 78,861.13               | 117,558.27    |
| Other Credits to Income:                     |                         |               |
| Unexpended Balance of Appropriation Reserves | 565.22                  | 11,219.92     |
|  | 705,513.10              | 616,260.51    |
| <u>Expenditures</u>                          |                         |               |
| Budget Expenditures:                         |                         |               |
| Operating                                    | 377,967.00              | 347,500.00    |
| Capital Improvements                         | 25,000.00               | 20,000.00     |
| Debt Service                                 | 23,600.00               | 1,914.56      |
| Statutory Expenditures and Deferred Charges  | 21,128.14               | 86,795.64     |
|  | 447,695.14              | 456,210.20    |
| Total Expenditures                           |                         |               |
|  | 257,817.96              | 160,050.31    |
| Excess/(Deficit) in Revenue                  |                         |               |
| <u>Fund Balance</u>                          |                         |               |
| Balance January 1                            | 240,006.32              | 265,694.65    |
|  | 497,824.28              | 425,744.96    |
| Decreased by:                                |                         |               |
| Utilized as Anticipated Revenue              | 162,695.41              | 185,738.64    |
|  | 162,695.41              | 185,738.64    |



BOROUGH OF CHESTER  
SUMMARY OR SYNOPSIS OF AUDIT REPORT FOR PUBLICATION  
(Continued)

It is recommended that:

1. An adequate segregation of duties is maintained with respect to the recording and treasury functions.
2. Health benefits waiver reimbursements are calculated at 25% of the Borough's savings as per Borough policy, that employee health benefit contributions are remitted to the Current Fund on at least an annual basis and that salaries paid to employees are properly calculated.
3. Receipts per the Recreation Department records are reconciled with the Treasurer's records on a monthly basis and that the Clerk's cashbook for Liquor Licenses contains the amount of the license issued and the date collected.
4. A requisition or purchase order is created and approved prior to the purchase of any goods or services and that all purchase orders contain the approval signature of the Chief Financial Officer.
5. The remaining May meeting and the June meeting minutes for 2022 be prepared.
6. The fixed assets appraisal report be reviewed to ensure that all Borough owned assets are included.

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

The above summary or synopsis was prepared from the Report of Audit of the Borough of Chester, County of Morris, for the calendar year 2022. This Report of Audit, submitted by Heidi A. Wohlleb, Registered Municipal Accountants, of Nisivoccia LLP, is on file at the Borough Clerk's office and may be inspected by any interested person.

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Municipal Clerk