### SYNOPSIS OF 2016 REPORT OF AUDIT OF THE TOWNSHIP OF MIDDLE

## Combined Comparative Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis

### All Funds

<u>ASSETS</u>	Dec. 31, 2016		Dec. 31, 2015	
Cash Taxes and Liens Receivable Property Acquired for Taxes Assessed Valuation Accounts Receivable Fixed Capital Utility Fixed Capital Authorized and Uncompleted Utility Deferred Charges to Future Taxation General Capital	\$	18,575,752.74 1,874,414.29 2,949,433.00 1,966,223.74 30,392,598.51 15,599,979.73 9,913,684.93	\$	13,458,574.55 732,746.94 2,629,223.47 3,583,657.48 30,392,598.51 15,559,979.73
Deferred Charges to Revenues of Succeeding Years		10,461.15		34,000.00
Total Assets	\$	81,282,548.09	\$	77,274,485.15
LIABILITIES, RESERVES AND FUND BALANCE				
Bonds and Notes Payable Improvement Authorizations Other Liabilities and Special Funds Amortization of Debt for Fixed Capital Acquired or Authorized Reserve for Certain Assets Receivable Fund Balance	\$	33,052,043.27 4,692,858.46 14,380,393.61 21,566,969.04 4,211,981.01 3,378,302.70	\$	28,822,227.85 6,813,713.22 13,300,566.93 20,967,304.00 4,196,752.81 3,173,920.34
Total Liabilities, Reserves and Fund Balance	\$	81,282,548.09	\$	77,274,485.15

# Comparative Statements of Operations and Changes In Fund Balance - Regulatory Basis

### Current Fund

Revenue and Other		
Income Realized	Dec. 31, 2016	Dec. 31, 2015
Surplus Utilized	\$ 1,641,000.00	\$ 1,757,500.00
Miscellaneous From Other Than		
Local Property Tax Levies	7,329,359.46	7,660,432.89
Collection of Delinquent Taxes and Tax Title Liens	166 FF6 71	140,000,71
Collection of Current Tax Levy	166,556.71 47,855,595.34	148,092.71 47,440,826.93
Other Credits to Income	793,556.41	768,944.96
Total Income	57,786,067.92	57,775,797.49
Expenditures		
Budget Expenditures:		
Municipal Purposes	20,142,142.26	20,388,933.45
County Taxes	6,748,793.89	6,836,986.23
Local School District Taxes	26,601,358.00	26,160,197.00
Fire District Taxes Other Expenditures	2,390,447.00 183,510.74	2,371,227.52 469,531.08
Other Experialities	165,510.74	409,551.00
Total Expenditures	56,066,251.89	56,226,875.69
Excess (Deficit) in Revenue	1,719,816.03	1,548,921.80
Fund Balance		
Fund Balance, January 1	2,023,082.98	2,231,661.18
	3,742,899.01	3,708,582.98
Decreased by:	4 044 000 00	4 757 500 00
Utilization as Anticipated Revenue	1,641,000.00	1,757,500.00
Fund Balance, December 31	\$ 2,101,899.01	\$ 2,023,082.98

### Comparative Statements of Operations and Changes In Fund Balance – Regulatory Basis Sewer Utility Fund

Revenue and Other Income Realized         Dec. 31, 2016         Dec. 31, 2015           Surplus Utilized Sewer Rents 4,200,573.63 4,137,849.25         \$375,000.00 4,137,849.25           Miscellaneous 103,334.97 95,957.84         103,334.97 95,957.84           Other Credits to Income 3,8,449.62 77,004.85         77,004.85           Total Income 4,717,358.22 4,510,811.94         4,717,358.22 4,510,811.94           Expenditures         2,843,000.00 2,563,000.00           Capital Improvements 270,000.00 70,000.00 200,000 270,000.00 270,000.00         70,000.00 3,000.00           Deferred Charges and Statutory Expenditures 31,000.00 357,000.00         357,000.00           Total Expenditures         4,567,225.79 4,421,671.60           Statutory Excess to Fund Balance         150,132.43 89,140.34           Fund Balance, January 1         934,949.15 1,045,808.81           Decreased by: Utilization as Anticipated Revenue         375,000.00 200,000.00           Fund Balance, December 31         \$34,949.15 \$34,949.15			
Surplus Utilized         \$ 375,000.00         \$ 200,000.00           Sewer Rents         4,200,573.63         4,137,849.25           Miscellaneous         103,334.97         95,957.84           Other Credits to Income         38,449.62         77,004.85           Total Income         4,717,358.22         4,510,811.94           Expenditures         2         4,510,811.94           Operating         2,843,000.00         2,563,000.00           Capital Improvements         270,000.00         70,000.00           Debt Service         1,423,225.79         1,431,671.60           Deferred Charges and Statutory Expenditures         31,000.00         357,000.00           Total Expenditures         4,567,225.79         4,421,671.60           Statutory Excess to Fund Balance         150,132.43         89,140.34           Fund Balance         934,949.15         1,045,808.81           Decreased by:         Utilization as Anticipated Revenue         375,000.00         200,000.00		Doc 31 2016	Doc 21 2015
Sewer Rents         4,200,573.63         4,137,849.25           Miscellaneous         103,334.97         95,957.84           Other Credits to Income         38,449.62         77,004.85           Total Income         4,717,358.22         4,510,811.94           Expenditures         2         4,510,811.94           Operating         2,843,000.00         2,563,000.00           Capital Improvements         270,000.00         70,000.00           Debt Service         1,423,225.79         1,431,671.60           Deferred Charges and Statutory Expenditures         31,000.00         357,000.00           Total Expenditures         4,567,225.79         4,421,671.60           Statutory Excess to Fund Balance         150,132.43         89,140.34           Fund Balance         934,949.15         1,045,808.81           Pund Balance, January 1         934,949.15         1,045,808.81           Decreased by:         Utilization as Anticipated Revenue         375,000.00         200,000.00	income Realized	Dec. 31, 2016	<u>Dec. 31, 2013</u>
Miscellaneous Other Credits to Income         103,334.97 38,449.62         95,957.84 77,004.85           Total Income         4,717,358.22         4,510,811.94           Expenditures         Expenditures           Operating Ocapital Improvements Ocapital Improvements Operating Ocapital Improvements Operating Ocapital Improvements Operation Operat	·		. ,
Other Credits to Income         38,449.62         77,004.85           Total Income         4,717,358.22         4,510,811.94           Expenditures			4,137,849.25
Total Income         4,717,358.22         4,510,811.94           Expenditures         Expenditures           Operating Capital Improvements         2,843,000.00         2,563,000.00         70,000.00         70,000.00         70,000.00         70,000.00         70,000.00         357,000.00         357,000.00         357,000.00         357,000.00         357,000.00         357,000.00         367,000.00         367,025.79         4,421,671.60         4,567,225.79         4,421,671.60         4,567,225.79         4,421,671.60         36,000.00	Miscellaneous	103,334.97	95,957.84
Expenditures         Operating       2,843,000.00       2,563,000.00         Capital Improvements       270,000.00       70,000.00         Debt Service       1,423,225.79       1,431,671.60         Deferred Charges and Statutory Expenditures       31,000.00       357,000.00         Total Expenditures       4,567,225.79       4,421,671.60         Statutory Excess to Fund Balance       150,132.43       89,140.34         Fund Balance       375,000.00       1,045,808.81         Decreased by:       1,085,081.58       1,134,949.15         Decreased by:       10,000.00       200,000.00	Other Credits to Income	38,449.62	77,004.85
Operating Capital Improvements Capital Improvements       2,843,000.00 2,563,000.00 70,000.00 70,000.00 70,000.00 70,000.00 1,423,225.79 1,431,671.60 1,423,225.79 1,431,671.60 31,000.00 357,000.00         Deferred Charges and Statutory Expenditures       31,000.00 357,000.00         Total Expenditures       4,567,225.79 4,421,671.60         Statutory Excess to Fund Balance       150,132.43 89,140.34         Fund Balance       934,949.15 1,045,808.81         Fund Balance, January 1       934,949.15 1,045,808.81         Decreased by: Utilization as Anticipated Revenue       375,000.00 200,000.00	Total Income	4,717,358.22	4,510,811.94
Capital Improvements       270,000.00       70,000.00         Debt Service       1,423,225.79       1,431,671.60         Deferred Charges and Statutory Expenditures       31,000.00       357,000.00         Total Expenditures       4,567,225.79       4,421,671.60         Statutory Excess to Fund Balance       150,132.43       89,140.34         Fund Balance       934,949.15       1,045,808.81         Decreased by:       1,085,081.58       1,134,949.15         Decreased by:       1,045,000.00       200,000.00	<u>Expenditures</u>		
Debt Service       1,423,225.79       1,431,671.60         Deferred Charges and Statutory Expenditures       31,000.00       357,000.00         Total Expenditures       4,567,225.79       4,421,671.60         Statutory Excess to Fund Balance       150,132.43       89,140.34         Fund Balance       934,949.15       1,045,808.81         Pund Balance, January 1       934,949.15       1,045,808.81         Decreased by:       1,085,081.58       1,134,949.15         Utilization as Anticipated Revenue       375,000.00       200,000.00	Operating	2,843,000.00	2,563,000.00
Deferred Charges and Statutory Expenditures       31,000.00       357,000.00         Total Expenditures       4,567,225.79       4,421,671.60         Statutory Excess to Fund Balance       150,132.43       89,140.34         Fund Balance       934,949.15       1,045,808.81         Pund Balance, January 1       934,949.15       1,045,808.81         Decreased by: Utilization as Anticipated Revenue       375,000.00       200,000.00	Capital Improvements	270,000.00	70,000.00
Total Expenditures       4,567,225.79       4,421,671.60         Statutory Excess to Fund Balance       150,132.43       89,140.34         Fund Balance       934,949.15       1,045,808.81         Pund Balance, January 1       934,949.15       1,045,808.81         Decreased by: Utilization as Anticipated Revenue       375,000.00       200,000.00	Debt Service	1,423,225.79	1,431,671.60
Statutory Excess to Fund Balance       150,132.43       89,140.34         Fund Balance       934,949.15       1,045,808.81         Fund Balance, January 1       934,949.15       1,045,808.81         Decreased by:       1,085,081.58       1,134,949.15         Utilization as Anticipated Revenue       375,000.00       200,000.00	Deferred Charges and Statutory Expenditures	31,000.00	357,000.00
Fund Balance         Fund Balance, January 1       934,949.15       1,045,808.81         Decreased by:       1,085,081.58       1,134,949.15         Utilization as Anticipated Revenue       375,000.00       200,000.00	Total Expenditures	4,567,225.79	4,421,671.60
Fund Balance, January 1 934,949.15 1,045,808.81  1,085,081.58 1,134,949.15  Decreased by: Utilization as Anticipated Revenue 375,000.00 200,000.00	Statutory Excess to Fund Balance	150,132.43	89,140.34
Decreased by: Utilization as Anticipated Revenue  1,085,081.58 1,134,949.15 375,000.00 200,000.00	Fund Balance		
Decreased by: Utilization as Anticipated Revenue  375,000.00 200,000.00	Fund Balance, January 1	934,949.15	1,045,808.81
Utilization as Anticipated Revenue 375,000.00 200,000.00		1,085,081.58	1,134,949.15
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Fund Balance, December 31 \$ 710,081.58 \$ 934,949.15	Utilization as Anticipated Revenue	375,000.00	200,000.00
	Fund Balance, December 31	\$ 710,081.58	\$ 934,949.15

#### **RECOMMENDATIONS**

- 1. That the current fund bank accounts are reconciled on a timely basis and the current fund reconciliation agrees to the general ledger.
- 2. That the Township strengthen procedures to prevent over-expenditures.
- 3. That the Township strengthen the procedure over remitting payroll deductions to ensure they are always remitted timely.
- 4. That the fixed asset ledger is maintained in accordance with the New Jersey Administrative Code section 5:30-5.6.

The above synopsis was prepared from the Report of Audit of the Township of Middle, County of Cape May, for the calendar year 2016, submitted by Fred S. Caltabiano, Registered Municipal Accountant, Certified Public Accountant of Bowman & Company LLP, Certified Public Accountants & Consultants. The information included therein is not intended to represent complete financial information as presented in the Report of Audit. A copy of the Report of Audit is on file at the Municipal Clerk's office and may be inspected by any interested person.

A Corrective Action Plan, which outlines the remedial actions the management of the Township of Middle, will take in response to the recommendations contained in the *Schedule of Findings and Recommendations* included in the Report of Audit, will be prepared in accordance with federal and state guidelines. A copy of the Corrective Action Plan will be placed on file and be made available for public inspection in the office of the Municipal Clerk in compliance with the Division of Local Government Services directives.