

**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>Dec. 31, 2016</u>	<u>Dec. 31, 2015</u>
<b><u>ASSETS</u></b>		
Cash	\$ 18,575,752.74	\$ 13,458,574.55
Taxes and Liens Receivable	1,874,414.29	732,746.94
Property Acquired for Taxes -- Assessed Valuation	2,949,433.00	2,629,223.47
Accounts Receivable	1,966,223.74	3,583,657.48
Fixed Capital -- Utility	30,392,598.51	30,392,598.51
Fixed Capital Authorized and Uncompleted -- Utility	15,599,979.73	15,599,979.73
Deferred Charges to Future Taxation -- General Capital	9,913,684.93	10,843,704.47
Deferred Charges to Revenues of Succeeding Years	10,461.15	34,000.00
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Total Assets	\$ 81,282,548.09	\$ 77,274,485.15
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<b><u>LIABILITIES, RESERVES AND FUND BALANCE</u></b>		
Bonds and Notes Payable	\$ 33,052,043.27	\$ 28,822,227.85
Improvement Authorizations	4,692,858.46	6,813,713.22
Other Liabilities and Special Funds	14,380,393.61	13,300,566.93
Amortization of Debt for Fixed Capital Acquired or Authorized	21,566,969.04	20,967,304.00
Reserve for Certain Assets Receivable	4,211,981.01	4,196,752.81
Fund Balance	3,378,302.70	3,173,920.34
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Total Liabilities, Reserves and Fund Balance	\$ 81,282,548.09	\$ 77,274,485.15
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Comparative Statements of Operations and Changes In  
Fund Balance - Regulatory Basis

Current Fund

<u>Revenue and Other Income Realized</u>	<u>Dec. 31, 2016</u>	<u>Dec. 31, 2015</u>
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	166,556.71	148,092.71
Collection of Current Tax Levy	47,855,595.34	47,440,826.93
Other Credits to Income	793,556.41	768,944.96
	<u>57,786,067.92</u>	<u>57,775,797.49</u>
<u>Expenditures</u>		
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	2,390,447.00	2,371,227.52
Other Expenditures	183,510.74	469,531.08
	<u>56,066,251.89</u>	<u>56,226,875.69</u>
Total Expenditures		
Excess (Deficit) in Revenue	1,719,816.03	1,548,921.80
<u>Fund Balance</u>		
Fund Balance, January 1	<u>2,023,082.98</u>	<u>2,231,661.18</u>
	3,742,899.01	3,708,582.98
Decreased by:		
Utilization as Anticipated Revenue	<u>1,641,000.00</u>	<u>1,757,500.00</u>
Fund Balance, December 31	<u>\$ 2,101,899.01</u>	<u>\$ 2,023,082.98</u>

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

<u>Revenue and Other Income Realized</u>	<u>Dec. 31, 2016</u>	<u>Dec. 31, 2015</u>
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
	<u>4,717,358.22</u>	<u>4,510,811.94</u>
 Total Income	 <u>4,717,358.22</u>	 <u>4,510,811.94</u>
 <u>Expenditures</u>		
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
	<u>4,567,225.79</u>	<u>4,421,671.60</u>
Total Expenditures	<u>4,567,225.79</u>	<u>4,421,671.60</u>
Statutory Excess to Fund Balance	150,132.43	89,140.34
 <u>Fund Balance</u>		
Fund Balance, January 1	<u>934,949.15</u>	<u>1,045,808.81</u>
	1,085,081.58	1,134,949.15
Decreased by:		
Utilization as Anticipated Revenue	<u>375,000.00</u>	<u>200,000.00</u>
Fund Balance, December 31	<u>\$ 710,081.58</u>	<u>\$ 934,949.15</u>

## 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.