

BOROUGH OF WHARTON
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 2016 Audit report of the Borough of Wharton as required by N.J.S. 40A:5-7.

COMBINED COMPARATIVE BALANCE SHEET

<u>ASSETS</u>	Year Ended December 31,	
	2016	2015
Cash and Cash Equivalents	\$ 18,589,775.92	\$ 15,017,642.71
Taxes and Liens Receivable	266,450.64	269,981.69
Property Acquired for Taxes Assessed Valuation	71,300.00	71,300.00
Accounts Receivable	3,281,553.16	3,185,494.50
Deferred Charges to Future Taxation - General Capital Fund	133,165.56	581,173.04
Fixed Capital - Utility Funds	14,460,360.00	14,435,378.00
Fixed Capital Authorized and Uncompleted - Utility Funds	6,404,000.00	4,460,000.00
Fixed Assets (Unaudited)	33,165,469.00	31,527,331.00
 TOTAL ASSETS	 \$ 76,372,074.28	 \$ 69,548,300.94
<u>LIABILITIES, RESERVES AND FUND BALANCES</u>		
Bonds, Notes and Loans Payable	\$ 2,540,914.03	\$ 3,101,797.29
Improvement Authorizations	5,347,591.45	4,307,723.98
Other Liabilities and Special Funds	13,261,145.08	9,366,470.01
Reserve for Amortization - Utility Funds	13,467,611.53	12,709,753.75
Deferred Reserve for Amortization - Utility Funds	3,551,993.25	3,260,000.00
Reserve for Certain Assets Receivable	537,732.78	486,176.13
Investment in Fixed Assets (Unaudited)	33,165,469.00	31,527,331.00
Fund Balances	4,499,617.16	4,789,048.78
 TOTAL LIABILITIES, RESERVES AND FUND BALANCES	 \$ 76,372,074.28	 \$ 69,548,300.94

BOROUGH OF WHARTON
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(Continued)

Comparative Statement of Operations and Change in
Fund Balance - Current Fund

	Year Ended December 31,	
	2016	2015
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 2,516,294.00	\$ 1,157,794.00
Miscellaneous Revenue Anticipated	2,910,059.82	2,836,895.72
Receipts from:		
Delinquent Taxes	226,618.24	225,528.02
Current Taxes	19,541,902.32	19,492,569.95
Nonbudget Revenue	768,374.16	746,704.97
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	748,623.26	624,594.65
Reserve for Pending Tax Appeals Canceled		307,779.24
Interfunds Returned	2,656.59	7,072.50
Total Income	26,714,528.39	25,398,939.05
<u>Expenditures</u>		
Budget and Emergency Appropriations:		
Municipal Purposes	8,766,080.10	7,273,900.31
County Taxes	1,693,494.12	1,692,274.33
Local School District Taxes	8,949,315.00	8,782,212.00
Regional High School Taxes	4,025,069.00	4,242,159.00
Special Garbage District Taxes	1,071,014.40	1,048,859.00
Local Open Space Taxes	98,515.75	97,827.12
Reserve for Pending Tax Appeals	129,723.27	
Prior Year Senior Citizens' Deductions Disallowed	2,500.00	3,250.00
Interfunds Advanced	5,658.83	2,656.59
Total Expenditures	24,741,370.47	23,143,138.35
Excess in Revenues/Statutory Excess to Fund Balance	1,973,157.92	2,255,800.70
<u>Fund Balance</u>		
Balance January 1	2,718,664.26	1,620,657.56
	4,691,822.18	3,876,458.26
Decreased by:		
Utilized as Anticipated Revenue	2,516,294.00	1,157,794.00
Balance December 31	\$ 2,175,528.18	\$ 2,718,664.26

BOROUGH OF WHARTON
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(Continued)

Comparative Statement of Operations and Change in
Fund Balance - Water Utility Operating Fund

	Year Ended December 31,	
	2016	2015
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 525,000.00	\$ 525,000.00
Water Rents	2,030,806.79	1,882,566.10
Miscellaneous Revenue Anticipated	59,983.06	12,895.46
Developer's Agreement - MUA Loan Repayment	49,444.44	49,444.44
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	376,391.92	395,231.42
Total Income	3,041,626.21	2,865,137.42
<u>Expenditures</u>		
Operating	1,614,128.00	1,554,663.00
Capital Improvements	110,000.00	110,000.00
Debt Service	479,570.68	485,290.81
Deferred Charges and Statutory Expenditures	59,550.00	60,500.00
Total Expenditures	2,263,248.68	2,210,453.81
Excess in Revenues/Statutory Excess to Fund Balance	778,377.53	654,683.61
<u>Fund Balance</u>		
Balance January 1	739,942.57	760,258.96
	1,518,320.10	1,414,942.57
Decreased by:		
Utilized as Anticipated Revenue:		
Water Utility Operating Budget	525,000.00	525,000.00
Current Fund Budget	129,000.00	150,000.00
Balance December 31	\$ 864,320.10	\$ 739,942.57

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(Continued)

Comparative Statement of Operations and Change in
Fund Balance - Sewer Utility Operating Fund

	Year Ended December 31,	
	2016	2015
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 335,000.00	\$ 335,000.00
Sewer User Charges	1,638,627.43	1,538,872.79
Miscellaneous Revenue Anticipated	81,469.89	25,028.44
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	228,914.09	343,479.09
Total Income	2,284,011.41	2,242,380.32
<u>Expenditures</u>		
Operating	1,344,772.00	1,288,197.00
Capital Improvements	50,000.00	45,000.00
Debt Service	279,194.43	278,724.03
Deferred Charges and Statutory Expenditures	55,400.00	55,440.00
Total Expenditures	1,729,366.43	1,667,361.03
Excess in Revenues/Statutory Excess to Fund Balance	554,644.98	575,019.29
<u>Fund Balance</u>		
Balance January 1	806,658.74	738,639.45
	1,361,303.72	1,313,658.74
Decreased by:		
Utilized as Anticipated Revenue:		
Sewer Utility Operating Budget	335,000.00	335,000.00
Current Fund Budget	193,000.00	172,000.00
Balance December 31	\$ 833,303.72	\$ 806,658.74

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(Continued)

Comparative Statement of Operations and Change in
Fund Balance - Special Garbage District Fund

	Year Ended December 31,	
	2016	2015
<u>Revenue and Other Income Realized</u>		
Fund Balance Anticipated	\$ 78,900.00	\$ 78,900.00
District Tax	1,071,014.40	1,048,859.00
Nonbudget Revenue	26,433.56	6,702.25
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	172,148.39	47,698.06
Total Income	1,348,496.35	1,182,159.31
<u>Expenditures</u>		
Budget Expenditures:		
Operating	1,087,484.40	1,064,249.50
Statutory Expenditures	62,430.00	63,510.00
Total Expenditures	1,149,914.40	1,127,759.50
Excess in Revenues/Statutory Excess to Fund Balance	198,581.95	54,399.81
<u>Fund Balance</u>		
Balance January 1	425,726.30	450,226.49
	624,308.25	504,626.30
Decreased by:		
Utilized as Anticipated Revenue:	78,900.00	78,900.00
Balance December 31	\$ 545,408.25	\$ 425,726.30

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(Continued)

RECOMMENDATIONS

It is recommended that the Animal Control Fund licenses issued per the animal control collections software be reconciled with the actual number of licenses issued on a monthly basis to ensure the accuracy of reporting on the monthly dog reports and State fee collections be remitted to the State Treasurer in a timely manner.

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The above summary or synopsis was prepared from the report of audit of the Borough of Wharton, County of Morris, for the calendar year 2016. This report of audit, submitted by Raymond G. Sarinelli, Registered Municipal Accountant, of Nisivoccia LLP, is on file at the Borough Clerk's office and may be inspected by any interested person.

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