

BOROUGH OF NETCONG
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 2025 Audit Report of Netcong Borough, Morris County as required by N.J.S. 40A:5-7.

Combined Comparative Balance Sheet

	December 31,	
	2025	2024
<u>ASSETS AND OTHER DEBITS:</u>		
Assets:		
Cash And Cash Equivalents	\$ 7,808,306.00	\$ 6,139,831.22
Taxes, Liens and Utility Receivable	283,843.43	264,746.09
Property Acquired for Taxes at Assessed Valuation	229,400.00	229,400.00
Accounts Receivable	1,685,535.86	2,377,234.86
Deferred Charges to Future Taxation		
Deferred Charges to Future Taxation - General Capital	4,333,253.00	3,681,192.00
Fixed Capital - Utility	5,896,345.41	5,896,345.41
Fixed Capital Authorized and Uncomplete- Utility	4,077,373.00	3,922,373.00
General Fixed Assets	2,022,566.87	2,022,566.87
<u>TOTAL ASSETS</u>	<u>\$ 26,336,623.57</u>	<u>\$ 24,533,689.45</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE:</u>		
Bonds, Loans & Notes Payable	\$ 5,354,396.91	\$ 2,136,736.16
Improvement Authorizations	3,941,921.88	5,376,595.36
Other Liabilities and Special Funds	3,578,614.33	3,556,865.49
Deferred Reserve for Amortization	2,167,376.09	2,063,420.84
Reserve for Amortization	5,636,149.01	5,570,149.01
Investment in General Fixed Assets	2,022,566.87	2,022,566.87
Reserve for Receivables	639,789.33	878,035.05
Fund Balance	2,995,809.15	2,929,320.67
Total Liabilities, Reserves and Fund Balances	<u>\$ 26,336,623.57</u>	<u>\$ 24,533,689.45</u>

BOROUGH OF NETCONG
SUMMARY OR SYNOPSIS OF AUDIT REPORT FOR PUBLICATION
(CONTINUED)

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

	<u>Year Ended December 31,</u>	
	<u>2,025.00</u>	<u>2024</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 615,000.00	\$ 615,000.00
Miscellaneous Revenue Anticipated	1,345,106.30	1,527,130.88
Receipts from:		
Delinquent Taxes	111,403.15	147,957.23
Current Taxes	10,877,111.27	10,840,520.99
Nonbudget Revenue	65,003.65	56,767.39
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	338,539.80	254,437.64
Interfunds Returned	365,142.30	47,991.07
	<u>13,717,306.47</u>	<u>13,489,805.20</u>
<u>Expenditures</u>		
Budget and Emergency Appropriations:		
Municipal Purposes	4,757,318.46	4,881,556.54
County Taxes	927,270.00	878,484.11
Local School District Taxes	4,633,144.00	4,636,194.00
Regional School District Taxes	2,285,537.00	2,315,342.00
Special Improvement District Taxes	30,703.81	29,716.77
Prior Year Veterans and Senior Citizen Deduction Disallowed	250.00	11.64
Prepaid Local School Taxes	101,746.00	
Interfunds Advanced	56.50	365,142.30
	<u>12,736,025.77</u>	<u>13,106,447.36</u>
Statutory Excess to Fund Balance	981,280.70	383,357.84
Balance January 1	796,022.95	1,027,665.11
	<u>1,777,303.65</u>	<u>1,411,022.95</u>
Decreased by:		
Utilized as Anticipated Revenue	615,000.00	615,000.00
Balance December 31	<u>\$ 1,162,303.65</u>	<u>\$ 796,022.95</u>

BOROUGH OF NETCONG
SUMMARY OR SYNOPSIS OF AUDIT REPORT FOR PUBLICATION
(CONTINUED)

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

	Year Ended December 31,	
	<u>2025</u>	<u>2024</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 302,778.00	\$ 166,668.00
Rents	766,967.06	754,530.76
Water Capital Fund Balance		40,000.00
Miscellaneous Revenue Not Anticipated	76,829.56	78,272.31
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	22,247.74	32,847.49
	<u>1,168,822.36</u>	<u>1,072,318.56</u>
<u>Expenditures</u>		
Budget Expenditures:		
Operating	711,421.00	612,105.00
Capital Improvements	15,600.00	15,563.00
Debt Service	125,467.62	106,320.25
Deferred Charges and Statutory Expenditures	97,057.00	122,500.00
Refund of Prior Year Fees		9,497.89
	<u>949,545.62</u>	<u>865,986.14</u>
Statutory Excess to Fund Balance	219,276.74	206,332.42
<u>Fund Balance</u>		
Balance January 1	1,146,634.69	1,214,470.27
	<u>1,365,911.43</u>	<u>1,420,802.69</u>
Decreased by:		
Utilized as Anticipated Revenue	302,778.00	166,668.00
Utilized as Anticipated Revenue in Current Fund		107,500.00
	<u>1,063,133.43</u>	<u>1,146,634.69</u>
Balance December 31	<u>\$ 1,063,133.43</u>	<u>\$ 1,146,634.69</u>

BOROUGH OF NETCONG
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(CONTINUED)

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

	<u>Year Ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
<u>Revenue and Other Income Realized</u>		
Surplus Anticipated	\$ 344,182.00	\$ 350,808.00
Rents	915,738.96	887,739.65
Miscellaneous Revenue Not Anticipated	72,578.47	102,159.82
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	2,509.80	10,332.94
 Total Income	 <u>1,335,009.23</u>	 <u>1,351,040.41</u>
<u>Expenditures</u>		
Budget Expenditures:		
Operating	1,088,125.00	1,075,308.00
Deferred Charges and Statutory Expenditures		20,000.00
Capital Improvements	106,057.00	105,500.00
 Total Expenditures	 <u>1,194,182.00</u>	 <u>1,200,808.00</u>
 Statutory Excess to Fund Balance	 140,827.23	 150,232.41
<u>Fund Balance</u>		
Balance January 1	868,422.30	1,176,497.89
	<u>1,009,249.53</u>	<u>1,326,730.30</u>
Decreased by:		
Utilized as Anticipated Revenue	344,182.00	350,808.00
Utilized as Anticipated Revenue - Current Fund		107,500.00
 Balance December 31	 <u>\$ 665,067.53</u>	 <u>\$ 868,422.30</u>

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(CONTINUED)

Comparative Schedule of Operations and Change in Fund Balance - Solid Waste Utility Fund

	<u>Year Ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
<u>Revenue and Other Income Realized</u>		
Solid Waste Fees	\$ 280,876.94	\$ 268,963.53
Recycling Tonnage Grant	3,736.03	
Miscellaneous Revenue Not Anticipated	13,118.95	
Other Credits to Income:		13,872.06
Unexpended Balance of Appropriation Reserves	18,208.12	
Cancellation of Solid Waste Fees Overpayments	1,963.10	
Cancellation of Prepaid Solid Waste Fees	3,101.99	226.04
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Total Income	321,005.13	283,061.63
<u>Expenditures</u>		
Budget Expenditures:		
Operating	268,000.00	280,900.00
Deferred Charges and Statutory Expenditures		1,100.00
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Total Expenditures	268,000.00	282,000.00
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Statutory Excess to Fund Balance	53,005.13	1,061.63
<u>Fund Balance</u>		
Balance January 1	1,069.19	7.56
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Balance December 31	\$ 54,074.32	\$ 1,069.19
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BOROUGH OF NETCONG
SUMMARY OR SYNOPSIS OF AUDIT REPORT FOR PUBLICATION
(Continued)

RECOMMENDATIONS

It is recommended that:

1. An adequate segregation of duties be maintained with respect to the recording and treasury functions.

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A Corrective Action Plan, which outlines actions the Borough of Netcong 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 Netcong within 45 days of this notice.

The above summary or synopsis was prepared from the Report of Audit of the Borough of Netcong, County of Morris, for the calendar year 2025. This Report of Audit, submitted by Valerie A. Dolan, Registered Municipal Accountant, of Nisivoccia LLP, is on file at the Borough Clerk's office and may be inspected by any interested person.

Municipal Clerk