

BOROUGH OF STANHOPE
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 the Borough of Stanhope as required by N.J.S. 40A:5-7.

COMBINED COMPARATIVE BALANCE SHEET

<u>ASSETS</u>	December 31,	
	2025	2024
Cash and Cash Equivalents	\$ 7,200,944.86	\$ 7,573,339.35
Taxes, Liens and Utility Charges Receivable	748,035.46	699,813.64
Property Acquired for Taxes Assessed Valuation	1,160,300.00	1,160,300.00
Accounts and Grants Receivable	4,313,522.20	1,602,252.83
Fixed Assets	7,950,861.94	7,950,861.94
Fixed Capital - Utility	18,378,282.64	14,150,836.64
Deferred Charges to Future Taxation - General Capital	1,903,997.04	2,443,021.04
Deferred Charges to Future Taxation	218,125.00	
<u>TOTAL ASSETS</u>	<u>\$ 41,874,069.14</u>	<u>\$ 35,580,425.44</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Bonds and Notes Payable	\$ 2,789,921.13	\$ 4,009,850.05
Improvement Authorizations	5,861,959.91	2,446,995.78
Other Liabilities and Special Funds	6,945,175.64	3,532,141.08
Fixed Assets	7,950,861.94	7,950,861.94
Amortization of Debt for Fixed Capital Acquired or Authorized	12,765,743.51	12,107,307.64
Reserve for Certain Assets Receivable	2,159,864.00	2,096,425.25
Fund Balances	3,400,543.01	3,436,843.70
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>\$ 41,874,069.14</u>	<u>\$ 35,580,425.44</u>

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

Comparative Schedule of Operations and Change in

Fund Balance - Current Fund

Year Ended December 31,

2025

2024

Revenue and Other Income Realized

Fund Balance Utilized	\$ 950,000.00	\$ 925,000.00
Miscellaneous Revenue Anticipated	475,098.65	532,787.77
Receipts from:		
Delinquent Taxes	167,772.93	226,013.06
Current Taxes	13,794,919.86	13,314,423.13
Nonbudget Revenue	288,319.82	227,382.56
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	285,471.82	401,401.12
Cancellation of Prior Year Accounts Payable		6,050.74
Interfunds Returned		2,049.50
Total Income	<u>15,961,583.08</u>	<u>15,635,107.88</u>

Expenditures

Budget Appropriations:		
Municipal Purposes	5,253,348.14	4,951,999.11
County Taxes	2,061,055.46	2,040,992.34
Due County for Added and Omitted Taxes	4,146.61	3,044.08
Regional High School Taxes	2,520,584.00	2,352,219.00
Local School District Taxes	5,287,284.00	5,100,454.00
Prior Year Veterans Deductions Disallowed	250.00	
Interfunds Advanced	7,581.58	
Total Expenditures	<u>15,134,249.79</u>	<u>14,448,708.53</u>

Excess in Revenue	827,333.29	1,186,399.35
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Adjustments to Excess Before Fund Balance:

 Expenditures included above which are by Statute

 Deferred Charges to Budget of Succeeding Year

218,125.00

Statutory Excess to Fund Balance

1,045,458.29

760,922.31

Fund Balance

Balance January 1

2,356,397.46

2,094,998.11

3,401,855.75

3,281,397.46

Decreased by:

 Utilized as Anticipated Revenue

950,000.00

925,000.00

Balance December 31

\$ 2,451,855.75

\$ 2,356,397.46

BOROUGH OF STANHOPE
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	
	2025	2024
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 147,600.00	\$ 122,969.00
Rents	708,967.26	708,892.47
Miscellaneous	31,008.38	37,000.49
Reserve for Connection Fees	30,000.00	
Reserve for Payment of Debt Service	12,123.00	
Other Credits to Income:		
Appropriation Reserves Lapsed	41,766.45	114,912.38
Total Income	971,465.09	983,774.34
<u>Expenditures</u>		
Budget Expenditures:		
Operating	587,636.00	558,454.00
Capital Improvements	35,000.00	5,000.00
Capital Outlay	5,000.00	5,000.00
Debt Service	253,464.88	251,838.28
Deferred Charges and Statutory Expenditures	49,000.00	51,700.00
Total Expenditures	930,100.88	871,992.28
Excess in Revenue	41,364.21	111,782.06
<u>Fund Balance</u>		
Balance January 1	498,121.01	509,307.95
Decreased by:		
Utilization as Anticipated	147,600.00	122,969.00
Balance December 31	\$ 391,885.22	\$ 498,121.01

BOROUGH OF STANHOPE
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(Continued)

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

	Year Ended December 31	
	2025	2024
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 254,915.00	\$ 250,227.00
Sewer Rents	946,426.75	865,815.29
Reserve for Connection Fees	5,000.00	
Rents - Rate Increase		
Miscellaneous Revenue	41,614.29	54,881.02
Reserve for Payment of Debt Service	35,000.00	35,000.00
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	39,189.60	76,778.25
Total Income	1,322,145.64	1,282,701.56
<u>Expenditures</u>		
Budget Expenditures:		
Operating	1,061,250.00	1,006,717.00
Capital Improvements	10,000.00	5,000.00
Capital Outlay	5,000.00	5,000.00
Debt Service	88,759.13	89,236.49
Deferred Charges and Statutory		
Expenditures	47,600.00	50,300.00
Total Expenditures	1,212,609.13	1,156,253.49
Statutory Excess to Fund Balance	109,536.51	126,448.07
<u>Fund Balance</u>		
Balance January 1	583,629.78	707,408.71
	693,166.29	833,856.78
Decreased by:		
Utilization as Anticipated Revenue	254,915.00	250,227.00
Balance December 31	\$ 438,251.29	\$ 583,629.78

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It is recommended that:

1. The Borough maintain an adequate segregation of duties, where possible, with respect to the recording and treasury functions.
2. The Borough continue to review and determine if appropriated grant balances, and offsetting receivables should be cancelled or expended and the collection of Department of Transportation receivables be pursued.
3. The Borough approves all purchase orders prior to the order of goods or services.

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

The above summary or synopsis was prepared from the Report of Audit of the Borough of Stanhope, County of Sussex, for the calendar year 2025. This Report of Audit, submitted by Raymond A. Sarinelli Certified Public Accountant, Registered Municipal Accountant, of Nisivoccia, is on file at the Borough Clerk's office and may be inspected by any interested person.

Clerk