

BOROUGH OF MOUNTAIN LAKES
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 2007 Audit report of the Borough of Mountain Lakes as required by N.J.S. 40A:5-7.

COMBINED COMPARATIVE BALANCE SHEET

<u>ASSETS</u>	December 31,	
	<u>2007</u>	<u>2006</u>
Cash and Cash Equivalents	\$ 3,205,086.72	\$ 2,393,883.88
Taxes Receivable	181,168.35	193,921.54
Property Acquired for Taxes Assessed Valuation	169,885.09	169,885.09
Accounts Receivable	64,410.18	154,422.14
Deferred Charges	83,377.65	51,000.00
Deferred Charges to Future Taxation - General Capital Fund	8,602,991.50	11,476,960.50
Fixed Capital - Utility Funds	1,739,516.38	1,677,054.02
Fixed Capital Authorized and Uncompleted - Utility Funds	9,401.80	12,950.00
Fixed Assets	<u>61,624,246.57</u>	<u>61,507,829.57</u>
 TOTAL ASSETS	 <u>\$ 75,680,084.24</u>	 <u>\$ 77,637,906.74</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCES</u>		
Bonds and Notes Payable	\$ 8,591,000.00	\$ 7,794,719.00
Improvement Authorizations	795,981.29	3,937,655.56
Other Liabilities and Special Funds	685,009.30	844,259.68
Reserve for Amortization - Utility Funds	1,739,516.38	1,677,054.02
Deferred Reserve for Amortization - Utility Funds	9,401.80	12,950.00
Reserve for Certain Assets Receivable	407,454.94	433,022.55
Investment in Fixed Assets	61,624,246.57	61,507,829.57
Fund Balances	<u>1,827,473.96</u>	<u>1,430,416.36</u>
 TOTAL LIABILITIES, RESERVES AND FUND BALANCES	 <u>\$ 75,680,084.24</u>	 <u>\$ 77,637,906.74</u>

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

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

	<u>Year Ended December 31,</u>	
	<u>2007</u>	<u>2006</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 1,318,000.00	\$ 1,461,944.00
Miscellaneous Revenue Anticipated	1,513,406.75	1,518,878.91
Receipts from:		
Delinquent Taxes	193,921.54	94,916.30
Current Taxes	24,903,036.14	23,655,433.53
Nonbudget Revenue	74,756.48	46,338.91
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	31,803.74	19,231.22
Federal and State Grant Fund - Appropriated Reserves Canceled	13,508.93	
Tax Overpayments Canceled	57.87	7.85
Other Accounts Receivable Returned	9,505.31	34,013.55
Interfunds Returned	7,930.97	
	<u>28,065,927.73</u>	<u>26,830,764.27</u>
<u>Expenditures</u>		
Budget and Emergency Appropriations:		
Municipal Purposes	5,733,887.23	5,468,264.82
County Taxes	3,309,703.50	3,262,834.61
Local School District Taxes	17,534,925.00	16,759,736.00
Federal and State Grant Fund Receivables Canceled	12,746.65	
Reserve for Pending Tax Appeals	2,577.26	80,000.00
Refund of Prior Year Revenue - Taxes		500.00
Other Accounts Receivable Advanced		8,305.14
Interfunds Advanced		13,046.24
	<u>26,593,839.64</u>	<u>25,592,686.81</u>
Excess in Revenue	1,472,088.09	1,238,077.46
Adjustments Before Fund Balance:		
Expenditures Included Above Which Are by Statute		
Deferred Charges to Budget of Succeeding Year	49,377.65	
Statutory Excess to Fund Balance	1,521,465.74	1,238,077.46
<u>Fund Balance</u>		
Balance January 1	1,308,078.10	1,531,944.64
	<u>2,829,543.84</u>	<u>2,770,022.10</u>
Decreased by:		
Utilized as Anticipated Revenue	1,318,000.00	1,461,944.00
Balance December 31	<u>\$ 1,511,543.84</u>	<u>\$ 1,308,078.10</u>

BOROUGH OF MOUNTAIN LAKES
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(Continued)

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

	Year Ended December 31,	
	2007	2006
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 40,500.00	\$ 75,000.00
Water Rents	630,327.48	510,480.71
Water Rents - Rate Increase	21,504.00	
Nonbudget Revenue	28,664.90	26,730.38
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	238.73	6,317.10
 Total Income	 <u>721,235.11</u>	 <u>618,528.19</u>
<u>Expenditures</u>		
Operating	536,042.00	498,233.00
Capital Improvements	14,000.00	56,000.00
Debt Service		4,000.00
Statutory Expenditures	22,442.00	20,220.00
 Total Expenditures	 <u>572,484.00</u>	 <u>578,453.00</u>
 Excess in Revenue/Statutory Excess to Fund Balance	 148,751.11	 40,075.19
<u>Fund Balance</u>		
Balance January 1	48,232.05	83,156.86
	<u>196,983.16</u>	<u>123,232.05</u>
Decreased by:		
Utilization as Anticipated Revenue:		
Water Utility Operating Budget	40,500.00	75,000.00
 Balance December 31	 <u>\$ 156,483.16</u>	 <u>\$ 48,232.05</u>

BOROUGH OF MOUNTAIN LAKES
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(Continued)

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

	<u>Year Ended December 31,</u>	
	<u>2007</u>	<u>2006</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 40,000.00	\$ 38,864.00
Sewer User Charges	527,091.86	529,866.90
Miscellaneous Revenue Anticipated	5,230.85	6,095.41
Nonbudget Revenue	62,320.06	
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	6,957.27	4,294.38
Accounts Payable Canceled		40,390.21
	<u>641,600.04</u>	<u>619,510.90</u>
<u>Expenditures</u>		
Operating	528,891.00	567,098.00
Capital Improvements	31,790.00	
Statutory Expenditures	<u>13,472.00</u>	<u>13,044.00</u>
	<u>574,153.00</u>	<u>580,142.00</u>
Excess in Revenue/Statutory Excess to Fund Balance	67,447.04	39,368.90
<u>Fund Balance</u>		
Balance January 1	<u>42,593.71</u>	<u>42,088.81</u>
	110,040.75	81,457.71
Decreased by:		
Utilization as Anticipated Revenue:		
Sewer Utility Operating Budget	<u>40,000.00</u>	<u>38,864.00</u>
Balance December 31	<u>\$ 70,040.75</u>	<u>\$ 42,593.71</u>

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(Continued)

RECOMMENDATIONS

It is recommended that:

1. Adequate segregation of duties be maintained with respect to the recording and treasury functions.
2. Billing and collection for police outside special duties is obtained prior to performance of services and payment of salaries.
3. Purchase orders are prepared, approved and encumbered prior to the receipt of goods or performance of services in all cases.
4. A formal reconciliation of trash bag purchases, sales and inventory is performed on a regular basis.

The above summary or synopsis was prepared from the report of audit of the Borough of Mountain Lakes, County of Morris, for the calendar year 2007. This report of audit, submitted by Kathryn L. Mantell, Registered Municipal Accountant, of Nisivoccia & Company LLP, is on file at the Borough Clerk's office and may be inspected by any interested person.


MUNICIPAL CLERK