

SYNOPSIS OF AUDIT REPORT FOR PUBLICATION

Synopsis of 2010 Audit Report of the Borough of Mountain Lakes
as required by N.J.S.A. 40A:5-7.

COMBINED COMPARATIVE BALANCE SHEET

<u>Assets</u>	December 31, <u>2010</u>	December 31, <u>2009</u>
Cash and Investments	\$ 2,559,368.46	\$ 2,530,812.54
Taxes, Assessments, Liens and Utility Charges Receivable	322,431.80	303,089.83
Property Acquired for Taxes - Assessed Value	169,885.09	169,885.09
Accounts Receivable	322,798.52	85,397.50
Fixed Capital Authorized and Uncompleted - Utility	5,554.00	5,554.00
Fixed Capital - Utility	1,852,650.79	1,818,422.58
Deferred Charges to Future Taxation - General Capital	9,099,575.00	9,427,850.00
General Fixed Assets	<u>145,083,479.47</u>	<u>150,552,855.47</u>
 Total Assets	 <u>\$ 159,415,743.13</u>	 <u>\$ 164,893,867.01</u>
 <u>Liabilities, Reserves and Fund Balance</u>		
Bonds and Notes Payable	\$ 8,339,100.00	\$ 8,107,700.00
Improvement Authorizations	691,372.64	1,291,491.70
Other Liabilities and Special Funds	1,482,631.50	1,121,749.77
Amortization of Debt for Fixed Capital		
Acquired or Authorized	1,858,204.79	1,823,976.58
Reserve for Certain Assets Receivable	687,674.97	477,987.77
Fund Balance	1,273,279.76	1,518,105.72
Investment in General Fixed Assets	<u>145,083,479.47</u>	<u>150,552,855.47</u>
 Total Liabilities, Reserves and Fund Balance	 <u>\$ 159,415,743.13</u>	 <u>\$ 164,893,867.01</u>

COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - CURRENT FUND

	<u>Year 2010</u>	<u>Year 2009</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 1,257,500.00	\$ 1,237,500.00
Miscellaneous-From other than		
Local Property Tax Levies	1,517,576.17	1,462,902.48
Collection of Delinquent Taxes		
and Tax Title Liens	272,028.14	242,760.09
Collection of Current Tax Levy	26,804,557.41	26,796,802.02
Other Credits to Income	111,711.78	52,959.93
Total Income	<u>29,963,373.50</u>	<u>29,792,924.52</u>
 <u>Expenditures</u>		
Budget Expenditures:		
Municipal Purposes	6,468,358.83	6,210,246.86
County Taxes	3,278,490.79	3,367,871.79
Local School District Taxes	18,981,184.00	18,979,045.00
Other Expenditures	250,970.97	15,197.84
Total Expenditures	<u>28,979,004.59</u>	<u>28,572,361.49</u>
Excess in Revenue	984,368.91	1,220,563.03
Fund Balance January 1	<u>1,277,454.26</u>	<u>1,294,391.23</u>
	2,261,823.17	2,514,954.26
Less:		
Utilization as Anticipated Revenue	<u>1,257,500.00</u>	<u>1,237,500.00</u>
Fund Balance December 31	<u>\$ 1,004,323.17</u>	<u>\$ 1,277,454.26</u>

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN
FUND BALANCE - WATER UTILITY OPERATING FUND

	<u>Year 2010</u>	<u>Year 2009</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 109,000.00	\$ 41,000.00
Collection of Water Rents	643,596.31	575,574.99
Miscellaneous	20,918.48	17,371.93
Other Credits to Income	<u>16,790.23</u>	<u>7,200.81</u>
Total Income	<u>790,305.02</u>	<u>641,147.73</u>
 <u>Expenditures</u>		
Budget Expenditures:		
Operating	646,236.43	576,627.00
Capital Improvements	9,200.00	9,200.00
Deferred Charges and Statutory Expenditures	<u>45,563.57</u>	<u>44,201.82</u>
Total Expenditures	<u>701,000.00</u>	<u>630,028.82</u>
Excess in Revenue	89,305.02	11,118.91
Fund Balance January 1	<u>126,602.07</u>	<u>156,483.16</u>
	215,907.09	167,602.07
Less:		
Utilization as Anticipated Revenue	<u>109,000.00</u>	<u>41,000.00</u>
Fund Balance December 31	<u>\$ 106,907.09</u>	<u>\$ 126,602.07</u>

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN
FUND BALANCE - SEWER UTILITY OPERATING FUND

	<u>Year 2010</u>	<u>Year 2009</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 45,700.00	\$ 38,230.35
Collection of Sewer Charges	576,083.42	543,696.01
Miscellaneous	67,698.99	26,721.45
Other Credits to Income	<u>25,357.45</u>	<u>16,870.90</u>
Total Income	<u>714,839.86</u>	<u>625,518.71</u>
 <u>Expenditures</u>		
Budget Expenditures:		
Operating	584,853.20	571,146.75
Capital Improvements	26,000.00	7,000.00
Statutory Expenditures	<u>24,146.80</u>	<u>32,083.60</u>
Total Expenditures	<u>635,000.00</u>	<u>610,230.35</u>
 Excess in Revenue	 79,839.86	 15,288.36
Fund Balance January 1	<u>47,098.76</u>	<u>70,040.75</u>
	126,938.62	85,329.11
Less:		
Utilization as Anticipated Revenue	<u>45,700.00</u>	<u>38,230.35</u>
 Fund Balance December 31	 <u>\$ 81,238.62</u>	 <u>\$ 47,098.76</u>

RECOMMENDATIONS

That all monies be deposited within 48 hours as prescribed by N.J.S.A. 40A: 5-15.

That accurate bank reconciliations be prepared on a timely basis for all funds

That the Chief Financial Officer comply with Technical Accounting Directive N.J.S.A. 5:30-5.7 and maintain a proper general ledger for all funds on a timely basis.

That all interfund transactions be liquidated on a timely basis.

Status of Prior Years' Audit Findings/Recommendations

Not Applicable

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The above synopsis was prepared from the report of audit of the Borough of Mountain Lakes, County of Morris for the calendar year 2010. This report of audit, submitted by Timothy M. Vrabel, Registered Municipal Accountant and Chris C. W. Hwang, Certified Public Accountant of T.M. Vrabel & Associates, LLC, is on file at the Borough Clerk's office and may be inspected by any interested person.

Christina Whitaker
Borough Clerk