

BOROUGH OF HOPATCONG

SYNOPSIS OF AUDIT

FOR THE YEAR ENDED

DECEMBER 31, 2010

**SYNOPSIS OF 2010 AUDIT REPORT OF
BOROUGH OF HOPATCONG
AS REQUIRED BY N.J.S. 40A:5-7
COMBINED COMPARATIVE BALANCE SHEET**

	DECEMBER 31, 2010	DECEMBER 31, 2009
ASSETS		
Cash	9,834,673	\$8,574,941
Taxes and Liens Receivable	1,865,551	1,102,097
Property Acquired for Taxes-Assessed Value	3,662,400	3,631,700
Receivables and Other Assets	796,221	1,026,796
Fixed Assets	25,710,985	25,351,365
Fixed Capital-Utility	66,409,123	66,309,123
Deferred Charges to Future Taxation-General Capital	9,068,607	8,432,515
Deferred Charges to Revenue of Succeeding Years	-	140,000
TOTAL ASSETS	<u><u>\$117,347,560</u></u>	<u><u>\$114,568,537</u></u>
LIABILITIES, RESERVES AND FUND BALANCE		
Bonds and Loans Payable	\$53,912,341	\$54,443,640
Improvement Authorizations	1,544,150	1,405,640
Other Liabilities and Special Funds	6,237,333	5,413,056
Amortization of Debt for Fixed Capital Acquired or Authorized	21,527,295	20,297,998
Reserve for Certain Assets Receivable	5,547,135	5,387,316
Investments in General Fixed Assets	25,710,985	25,351,365
Fund Balance	<u>2,868,321</u>	<u>2,269,522</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE	<u><u>\$117,347,560</u></u>	<u><u>\$114,568,537</u></u>

**BOROUGH OF HOPATCONG
COMPARATIVE STATEMENT OF OPERATIONS
AND CHANGES IN FUND BALANCE - CURRENT FUND**

	<u>2010</u>	<u>2009</u>
REVENUE		
Fund Balance Utilized	\$618,000	\$150,000
Miscellaneous - From Other Than Local Property Taxes	2,716,182	3,397,356
Collection of Delinquent Taxes and Tax Title Liens	907,417	859,052
Collection of Current Tax Levy	39,343,695	37,414,461
Other Credits	<u>810,667</u>	<u>482,544</u>
TOTAL REVENUES	<u>44,395,961</u>	<u>42,303,413</u>
EXPENDITURES		
Budget Appropriations:		
Municipal Purposes	14,272,442	13,932,592
County Taxes	7,659,364	7,211,381
Local School Taxes	21,486,584	20,416,538
Municipal Open Space Taxes	10,245	10,282
Other Expenditures	<u>42,235</u>	<u>153,281</u>
TOTAL EXPENDITURES	43,470,870	41,724,074
Excess in Revenue	925,091	579,339
Fund Balance, January 1	<u>1,012,229</u>	<u>582,890</u>
	1,937,320	1,162,229
Less: Utilization as Anticipated Revenue	<u>618,000</u>	<u>150,000</u>
Fund Balance, December 31	<u><u>\$1,319,320</u></u>	<u><u>\$1,012,229</u></u>

**BOROUGH OF HOPATCONG
COMPARATIVE STATEMENT OF OPERATIONS
AND CHANGES IN FUND BALANCE - WATER UTILITY OPERATING FUND**

	<u>2010</u>	<u>2009</u>
REVENUE		
Surplus Utilized	\$ 84,768	\$ 33,418
Collection of Rents	686,656	658,885
Connection Fees	10,150	\$ 22,156
Miscellaneous	21,494	26,722
Other Credits	<u>21,271</u>	<u>28,578</u>
TOTAL REVENUES	<u>824,339</u>	<u>769,759</u>
EXPENDITURES		
Budget Appropriations:		
Operating	473,028	417,358
Debt Service	247,062	242,294
Deferred Charges And Statutory Expenditures	32,800	28,700
Other Debits	<u>-</u>	<u>5,000</u>
TOTAL EXPENDITURES	752,890	693,352
Excess in Revenue	71,449	76,407
Fund Balance, January 1	<u>129,381</u>	<u>86,392</u>
	200,830	162,799
Decreased by:		
Utilization as Anticipated Revenue	<u>84,768</u>	<u>33,418</u>
Fund Balance, December 31	<u>\$ 116,062</u>	<u>\$ 129,381</u>

**BOROUGH OF HOPATCONG
COMPARATIVE STATEMENT OF OPERATIONS
AND CHANGES IN FUND BALANCE - SEWER UTILITY OPERATING FUND**

	<u>2010</u>	<u>2009</u>
REVENUE		
Surplus Utilized	\$ 454,053	\$ 443,376
Rents	4,199,650	4,059,333
Miscellaneous	6,968	50,150
Other Credit and Income	<u>66,449</u>	<u>54,303</u>
TOTAL REVENUES	<u>4,727,120</u>	<u>4,607,162</u>
EXPENDITURES		
Budget Appropriations:		
Operating	1,594,873	1,552,316
Debt Service	2,401,755	2,221,249
Deferred Charges And Statutory Expenditures	<u>32,800</u>	<u>30,700</u>
TOTAL EXPENDITURES	<u>4,029,428</u>	<u>3,804,265</u>
Excess in Revenue	697,692	802,897
Fund Balance, January 1	<u>1,046,674</u>	<u>687,153</u>
	<u>1,744,366</u>	<u>1,490,050</u>
Decreased by:		
Utilization as Anticipated Revenue	<u>454,053</u>	<u>443,376</u>
Fund Balance, December 31	<u>\$ 1,290,313</u>	<u>\$ 1,046,674</u>

**BOROUGH OF HOPATCONG
RECOMMENDATIONS**

It is recommended that:

1. The general ledgers for all funds reflect the balance for reserve for encumbrances.
2. All checks from the Recreation Department contain two signatures.
3. All purchase orders be issued prior to the ordering of goods or services.
4. The Borough review the status of older ordinances in the General, Water and Sewer Capital Funds for cancellation.
5. Case files of the HUD/CDBG program contain proper supporting documentation, the Borough consistently follow the program guidelines and that the Borough maintain an analysis of active outstanding loans.

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

The above synopsis was prepared from the audit of the Borough of Hopatcong, County of Sussex, for the calendar year 2010. This report of audit, submitted by Paul J. Lerch, Registered Municipal Accountant, is on file at the Borough Clerk's office, and may be inspected by any interested person.

Borough Clerk