

BOROUGH OF ATLANTIC HIGHLANDS

COUNTY OF MONMOUTH

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 2011 Audit Report of the Borough of Atlantic Highlands, County of Monmouth as required by N.J.S. 40A:5-7.

COMBINED COMPARATIVE BALANCE SHEET

REGULATORY BASIS

	<u>December 31,</u> <u>2011</u>	<u>December 31,</u> <u>2010</u>
<u>ASSETS</u>		
Cash, Cash Equivalents and Investments	\$ 5,834,223.89	\$ 9,917,944.08
Taxes, Assessments, Liens and Utility Charges Receivable	299,783.69	797,083.74
Property Acquired for Taxes - Assessed Value	92,600.00	92,600.00
Other Accounts Receivable	1,319,265.53	1,393,308.13
Fixed Capital - Utility	33,082,916.94	33,082,916.94
General Fixed Assets	16,675,123.00	16,686,112.00
Deferred Charges to Revenue of Succeeding Years	250,000.00	306,284.53
Deferred Charges to Future Taxation - General Capital	16,886,219.03	17,717,385.75
Total Assets	<u>\$ 74,440,132.08</u>	<u>\$ 79,993,635.17</u>

LIABILITIES, RESERVES AND FUND BALANCE

Bonds, Notes and Loans Payable	\$ 25,841,413.89	\$ 27,415,692.89
Improvement Authorizations	1,272,124.67	2,604,600.72
Other Liabilities and Special Funds	4,852,932.97	7,425,749.26
Amortization of Debt for Fixed Capital	23,060,634.67	22,317,522.39
Investment in General Fixed Assets	16,675,123.00	16,686,112.00
Reserve for Certain Assets Receivable	892,000.87	1,426,168.18
Fund Balance	1,845,902.01	2,117,789.73
Total Liabilities, Reserves and Fund Balance	<u>\$ 74,440,132.08</u>	<u>\$ 79,993,635.17</u>

BOROUGH OF ATLANTIC HIGHLANDS
COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGES IN FUND BALANCE - CURRENT FUND

REGULATORY BASIS

<u>REVENUE AND OTHER INCOME REALIZED</u>	<u>Year 2011</u>	<u>Year 2010</u>
Fund Balance Utilized	\$ 725,000.00	\$ 950,000.00
Miscellaneous, From Other Than Local		
Property Tax Levies	2,522,541.24	2,169,084.20
Collection of Delinquent Taxes and Tax Title Liens	492,128.90	290,576.75
Collection of Current Tax Levy	<u>14,778,046.61</u>	<u>14,214,964.95</u>
 Total Revenues	 <u>18,517,716.75</u>	 <u>17,624,625.90</u>
 <u>EXPENDITURES</u>		
Budget Expenditures:		
Municipal Purpose	6,686,847.94	6,668,804.51
County Taxes	2,300,092.92	2,291,863.84
Local and Regional School Taxes	8,289,850.17	7,857,701.66
Municipal Open Space Tax	63,470.83	63,575.21
Other Expenditures	<u>241,106.87</u>	<u>8,857.24</u>
 Total Expenditures	 <u>17,581,368.73</u>	 <u>16,890,802.46</u>
 Excess in Revenue	 936,348.02	 733,823.44
 Fund Balance January 1	 <u>771,643.16</u>	 <u>987,819.72</u>
	1,707,991.18	1,721,643.16
 Less: Utilization as Anticipated Revenue	 <u>725,000.00</u>	 <u>950,000.00</u>
 Fund Balance December 31	 <u>\$ 982,991.18</u>	 <u>\$ 771,643.16</u>

BOROUGH OF ATLANTIC HIGHLANDS
COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGES IN FUND BALANCE - WATER/SEWER UTILITY FUND

REGULATORY BASIS

<u>REVENUE AND OTHER INCOME REALIZED</u>	<u>Year 2011</u>	<u>Year 2010</u>
Collection of Water/Sewer Rents	\$ 2,531,327.01	\$ 2,065,395.65
Miscellaneous: From Other than Water/Sewer Rents	<u>133,621.25</u>	<u>333,468.18</u>
Total Revenues	<u>2,664,948.26</u>	<u>2,398,863.83</u>
 <u>EXPENDITURES</u>		
Budget Expenditures:		
Operating	1,997,182.80	1,829,600.00
Capital Improvements		40,594.73
Debt Service	497,596.75	477,638.40
Deferred Charges and Statutory Expenditures	120,801.73	107,315.23
Other Expenditures	<u>49,366.98</u>	<u> </u>
Total Expenditures	<u>2,664,948.26</u>	<u>2,455,148.36</u>
Excess / (Deficit) in Revenue		(56,284.53)
Adjustments to Income Before Fund Balance	<u> </u>	<u>56,284.53</u>
Statutory Excess to Fund Balance		
Fund Balance January 1	<u>34,302.55</u>	<u>34,302.55</u>
 Fund Balance December 31	 <u>\$ 34,302.55</u>	 <u>\$ 34,302.55</u>

BOROUGH OF ATLANTIC HIGHLANDS

COMPARATIVE STATEMENT OF OPERATIONS AND

CHANGES IN FUND BALANCE - HARBOR COMMISSION UTILITY FUND

REGULATORY BASIS

	<u>Year 2011</u>	<u>Year 2010</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>		
Fund Balance Utilized	\$ 227,000.00	\$ 400,000.00
Harbor Operations	3,334,153.07	3,506,008.69
Gas Station Operations	2,116,529.02	1,808,343.59
Miscellaneous - Other	353,014.04	134,143.29
Other Credits	<u>73,191.70</u>	<u>80,404.88</u>
 Total Revenues	 <u>6,103,887.83</u>	 <u>5,928,900.45</u>
<u>EXPENDITURES</u>		
Budget Expenditures:		
Operating	4,132,170.87	3,776,200.00
Capital Improvements	102,000.00	399,577.00
Debt Service	715,951.13	669,405.80
Deferred Charges and Statutory Expenditures	565,878.00	262,555.00
Surplus (General Budget)	<u>600,000.00</u>	<u>600,000.00</u>
 Total Expenditures	 <u>6,116,000.00</u>	 <u>5,707,737.80</u>
 Excess in Revenue	 (12,112.17)	 221,162.65
Adjustment to Income Before Fund Balance:		
Expenditures Included Above Which are by Statute		
Deferred Charges to Budgets of Succeeding Years	<u>250,000.00</u>	<u>250,000.00</u>
 Statutory Excess to Fund Balance	 237,887.83	 471,162.65
Fund Balance January 1	<u>483,061.21</u>	<u>411,898.56</u>
	720,949.04	883,061.21
 Less: Utilization as Anticipated Revenue	 <u>227,000.00</u>	 <u>400,000.00</u>
 Fund Balance December 31	 <u>\$ 493,949.04</u>	 <u>\$ 483,061.21</u>

RECOMMENDATIONS

It is recommended:

- 11-1. That adequate cash funding be in place prior to commitments being placed against an ordinance.
- 11-2. That a cash receipt journal be maintained in the clerk's office and cash register receipts be maintained.
- 11-3. That the Municipal Court make all remittances to the various agencies by the fifteenth day of the succeeding month.

Of the above recommendations, number 11-1 is similar to that reported in the 2010 audit.

A Corrective Action Plan, which will outline actions the Borough of Atlantic Highlands 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 within sixty (60) days of receipt of the audit report by the governing body.

The above summary or synopsis was prepared from the report of audit of the Borough of Atlantic Highlands, County of Monmouth for the calendar year 2011. This report of audit, submitted by Thomas P. Fallon, Registered Municipal Accountant, of Fallon & Larsen LLP, is on file at the Borough Clerk's office and may be inspected by any interested persons.

Dwayne M. Harris
Borough Clerk