

SYNOPSIS OF 2007 AUDIT REPORT OF
BOROUGH OF ATLANTIC HIGHLANDS, COUNTY OF MONMOUTH

AS REQUIRED BY N.J.S. 40A:5-7

COMBINED COMPARATIVE BALANCE SHEET
REGULATORY ACCOUNTING BASIS

	December 31, <u>2007</u>	December 31, <u>2006</u>
<u>Assets</u>		
Cash and Investments	\$ 7,999,608.73	\$ 15,999,631.64
Receivables Other Than Taxes	567,427.37	745,695.17
Tax Assessments and Lien Receivables	359,222.78	365,099.40
Property Acquired for Taxes - Assessed Value	90,800.00	90,800.00
Deferred Charges to Revenue of Succeeding Years	78,505.95	104,895.13
Deferred Charges To Future Taxation:		
Funded	11,251,490.01	11,681,588.59
Unfunded	1,865,494.08	820,494.08
Fixed Assets	14,854,261.28	14,854,261.28
Fixed Capital	29,391,418.40	28,199,044.31
Fixed Capital Authorized and Uncompleted	<u>3,814,633.57</u>	<u>3,930,793.64</u>
 Total Assets	 <u>\$ 70,272,862.17</u>	 <u>\$ 76,792,303.24</u>
<u>Liabilities, Reserves and Fund Balance</u>		
Serial Bonds Payable	\$ 20,443,000.00	\$ 21,343,000.00
Bond Anticipation Notes		6,230,000.00
Improvement Authorizations	4,818,916.87	6,141,243.62
Other Liabilities and Special Funds	5,669,529.86	4,192,066.97
Deferred Reserve for Amortization	46,458.18	430,000.00
Reserve for:		
Amortization	19,443,177.74	17,938,365.33
Investment in Fixed Assets	14,854,261.28	14,854,261.28
Receivables and Other Assets	3,880,281.79	3,847,256.36
Fund Balance	<u>1,117,236.45</u>	<u>1,816,109.68</u>
 Total Liabilities, Reserves and Fund Balance	 <u>\$ 70,272,862.17</u>	 <u>\$ 76,792,303.24</u>

SYNOPSIS OF 2007 AUDIT REPORT OF
BOROUGH OF ATLANTIC HIGHLANDS, COUNTY OF MONMOUTH

AS REQUIRED BY N.J.S. 40A:5-7

COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGES IN FUND BALANCE - CURRENT FUND
REGULATORY ACCOUNTING BASIS

	December 31, <u>2007</u>	December 31, <u>2006</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 505,232.90	\$ 552,992.33
Miscellaneous - From Other		
Than Local Property Tax Levies	3,189,455.23	2,002,783.07
Collection of Delinquent Taxes		
and Tax Title Liens	369,465.30	202,922.46
Collection of Current Tax Levy	<u>13,266,178.45</u>	<u>13,126,570.90</u>
 Total Revenues	 <u>17,330,331.88</u>	 <u>15,885,268.76</u>
<u>Expenditures</u>		
Budget Expenditures:		
Municipal Purposes	6,511,902.99	5,620,673.83
County Taxes	2,270,511.92	2,280,104.10
Local and Regional School Taxes	7,588,785.54	7,547,984.03
Other Expenditures	<u>922,025.47</u>	<u>74,207.13</u>
 Total Expenditures	 <u>17,293,225.92</u>	 <u>15,522,969.09</u>
 Excess in Revenue	 37,105.96	 362,299.67
 Add: Expenditures Included		
Above Which Are By Statute		
Deferred Charges To Budgets		
of Succeeding Year:		
Emergency Authorization	<u>54,859.10</u>	<u>80,133.13</u>
 Statutory Excess To Fund Balance	 91,965.06	 442,432.80
 Fund Balance, January 1	 <u>615,435.62</u>	 <u>725,995.15</u>
	707,400.68	1,168,427.95
Decreased By:		
Utilized as Anticipated Revenue	<u>505,232.90</u>	<u>552,992.33</u>
 Fund Balance, December 31	 <u>\$ 202,167.78</u>	 <u>\$ 615,435.62</u>

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BOROUGH OF ATLANTIC HIGHLANDS, COUNTY OF MONMOUTH

AS REQUIRED BY N.J.S. 40A:5-7

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN
FUND BALANCE - WATER/SEWER UTILITY OPERATING FUND
REGULATORY ACCOUNTING BASIS

	December 31, <u>2007</u>	December 31, <u>2006</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 62,273.78	\$ 93,477.00
Capital Fund Balance Utilized		
Collection of Water/Sewer Rents	1,972,992.77	2,014,594.34
Miscellaneous - From Other Than Water/Sewer Rents	<u>244,070.46</u>	<u>79,973.99</u>
Total Revenues	<u>2,279,337.01</u>	<u>2,188,045.33</u>
<u>Expenditures</u>		
Budget Expenditures:		
Operating	1,639,903.00	1,614,534.00
Capital Improvements	40,246.32	44,000.00
Debt Service	562,970.24	453,108.35
Deferred Charges and Statutory Expenditures	<u>41,000.00</u>	<u>57,441.95</u>
Total Expenditures	<u>2,284,119.56</u>	<u>2,169,084.30</u>
(Deficit)/Excess in Revenue	(4,782.55)	18,961.03
Realized from General Budget for Anticipated Deficit	130,354.00	
Overexpenditure To Be Raised in Budget of Succeeding Years	<u>9,246.32</u>	
Statutory Excess in Revenue	134,817.77	18,961.03
Fund Balance, January 1	<u>77,766.07</u>	<u>152,282.04</u>
	212,583.84	171,243.07
Decreased By:		
Utilized as Anticipated Revenue	<u>62,273.78</u>	<u>93,477.00</u>
Fund Balance, December 31	<u>\$ 150,310.06</u>	<u>\$ 77,766.07</u>

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AS REQUIRED BY N.J.S. 40A:5-7

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN
FUND BALANCE - HARBOR COMMISSION UTILITY OPERATING FUND
REGULATORY ACCOUNTING BASIS

	December 31, <u>2007</u>	December 31, <u>2006</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 699,126.00	\$ 852,469.00
Harbor Operations	3,248,233.60	3,169,192.75
Gas Station Operations	2,027,703.78	1,833,093.52
Miscellaneous - Other	222,387.64	224,404.79
Other Credits	<u>590,383.00</u>	<u>122,526.99</u>
Total Revenues	<u>6,787,834.02</u>	<u>6,201,687.05</u>
<u>Expenditures</u>		
Budget Expenditures:		
Operating	4,452,630.00	3,949,515.00
Capital Improvements	330,000.00	385,000.00
Debt Service	732,418.24	552,058.00
Surplus (General Budget)	560,000.00	560,000.00
Deferred Charges and Statutory Expenditures	193,321.00	553,396.00
Other	<u>393,454.54</u>	<u> </u>
Total Expenditures	<u>6,661,823.78</u>	<u>5,999,969.00</u>
Excess in Revenue	126,010.24	201,718.05
Fund Balance, January 1	<u>820,628.49</u>	<u>1,471,379.44</u>
	946,638.73	1,673,097.49
Decreased By:		
Utilization of Harbor Commission Utility Operating Surplus	<u>699,126.00</u>	<u>852,469.00</u>
Fund Balance, December 31	<u>\$ 247,512.73</u>	<u>\$ 820,628.49</u>

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It is recommended that:

As it relates to Accounting Records:

- The Borough adequately maintain its General Ledger Accounting System and reconcile to its subsidiary records.
- All bank reconciliations be completed accurately and on a timely basis in accordance with New Jersey Accounting Principles for Government Units.
- All Tax Accounts in the General Ledger be reconciled to the Tax Collector's subsidiary ledger.

As it relates to Fixed Assets

- A physical inventory be taken and the Fixed Assets Maintenance System be updated to agree with those results.

As it relates to the Finance Office:

- All Interfund balances be liquidated prior to year-end.
- The Chief Financial Officer monitor the Borough's financial records to ensure that funds are expended in accordance with New Jersey Statutes and guidelines.
- The Chief Financial Officer maintain an accounting of the Borough's payroll activities which are reconciled to the Borough's bank statements.

As it relates to the Harbor Commission Utility:

- A proper billing and accounts receivable system be implemented.
- All Sales and Use Taxes be paid in a timely manner.

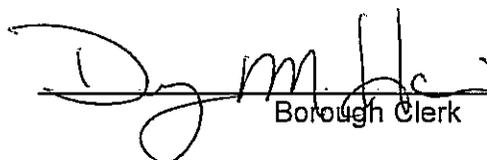
As it relates to the Water/Sewer Utility Fund:

- The Chief Financial Officer monitor the Borough's financial records to ensure that funds are expended in accordance with New Jersey Statutes and guidelines.

As it relates to the Municipal Court:

- All Court accounts be reconciled accurately and timely on a monthly basis.

The above Synopsis was prepared from the report of audit of the Borough of Atlantic Highlands, County of Monmouth, State of New Jersey for the calendar year 2007. A Corrective Action Plan outlining actions to be taken by the Borough of Atlantic Highlands to correct the above findings will be prepared in accordance with federal and state guidelines. A copy of the Plan will be on file and available for public inspection with the Borough Clerk in the Borough of Atlantic Highlands no later than 60 days from the Borough's receipt of the audit in compliance with directives from the Division of Local Government Services. This report of audit, submitted by Eugene M. Farrell, Registered Municipal Accountant, is on file at the Borough Clerk's office and may be inspected by any interested person.


Borough Clerk