

BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF CASH

	Ref.		
Balance, December 31, 2009	C		\$ 7,206.76
Increased by Receipts:			
Improvement Authorizations	C-11	\$ 28,500.00	
Grants Receivable	C-7	345,273.75	
Serial Bonds Issued	C-8	6,995,000.00	
Premium on Sale of Bonds	C-5	450,000.00	
Premium on Sale of Bonds	C-1	<u>400.15</u>	
			<u>7,819,173.90</u>
			7,826,380.66
Decreased by Disbursements:			
Bond Anticipation Notes	C-9	795,000.00	
Reserve for Payment of Bonds and Notes	C-13	175,000.00	
Improvement Authorizations	C-11	<u>2,192,667.43</u>	
			<u>3,162,667.43</u>
Balance, December 31, 2010	C		<u>\$ 4,663,713.23</u>

BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
ANALYSIS OF GENERAL CAPITAL CASH

	<u>Balance</u> <u>Dec. 31, 2010</u>
Fund Balance	\$ 702,218.19
Capital Improvement Fund	125,578.90
Reserve for Down Payments on Improvements	1,400.00
Reserve for Encumbrances	3,343,475.96
Reserve for Payment of Bonds and Notes	4,832.75
Reserve for Grants Receivable	425,676.00
Grants Receivable	(1,158,899.75)

Improvement Authorizations:

<u>Ordinance</u> <u>Number</u>	<u>Improvement Description</u>	
07-95	Various Improvements	(41,407.08)
10-97	Various Improvements	(130,000.00)
02-99	Various Improvements	(559,403.73)
04-04	Various Improvements	(16,050.00)
14-05	Various Improvements	112,336.77
12-06	Various Improvements	16,595.74
20-07	2007 Road Improvements	(66,220.83)
22-07	Various Improvements	10,000.00
11-09	Various Improvements	1,361,701.01
14-09	Construction of Streetscape III	149,894.30
13-10	Construction of Streetscape IV	<u>381,985.00</u>
		<u>\$ 4,663,713.23</u>

Ref.

C

BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

	<u>Ref.</u>	
Balance, December 31, 2009	C	\$ 10,207,181.11
Increased by:		
Improvement Costs Funded by:		
Serial Bonds Issued	C-5	<u>6,995,000.00</u>
		17,202,181.11
Decreased by:		
Budget Appropriation to Pay Bonds	C-8	\$ 542,705.04
Budget Appropriation to Pay Green Acres Loan	C-10	<u>8,743.40</u>
		<u>551,448.44</u>
Balance, December 31, 2010	C	<u>\$ 16,650,732.67</u>

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY**

**GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**

Ordinance Number	Improvement Description	Balance Dec. 31, 2009	Transferred to Deferred Taxation Funded	Premium on Bonds	Balance Dec. 31, 2010	Analysis of Balance December 31, 2010	
						Expenditures	Unexpended Improvement Authorizations
07-95	Various Improvements	\$ 41,407.08		\$ 41,407.08	\$ 41,407.08	41,407.08	
10-97	Various Improvements	130,000.00			130,000.00	130,000.00	
02-99	Various Improvements	597,746.00			597,746.00	559,403.73	\$ 38,342.27
04-04	Various Improvements	47,500.00			47,500.00	16,050.00	31,450.00
20-07	2007 Road Improvements	1,045,000.00	\$ 795,000.00		250,000.00	66,220.83	183,779.17
11-09	Various Improvements	<u>6,650,000.00</u>	<u>6,200,000.00</u>	<u>\$ 450,000.00</u>			
		<u>\$ 8,511,653.08</u>	<u>\$ 6,995,000.00</u>	<u>\$ 450,000.00</u>	<u>\$ 1,066,653.08</u>	<u>\$ 813,081.64</u>	<u>\$ 253,571.44</u>
Ref.	C	C	C-4	C-2	C	C-3	C-11

BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR GRANTS RECEIVABLE

	<u>Ref.</u>	
Increased by:		
Grants Awarded	C-7	\$ <u>425,676.00</u>
Balance, December 31, 2010	C	\$ <u>425,676.00</u>

Detail:

<u>Ordinance</u> <u>Number</u>	<u>Description</u>	
11-09	Community Development Block Grant	\$ 200,676.00
11-09	NJ Department of Transportation	<u>225,000.00</u>
		<u>\$ 425,676.00</u>

BOROUGH OF ATLANTIC HIGHLANDS
 COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
 SCHEDULE OF GRANTS RECEIVABLE

Ordinance	Description	Balance Dec. 31, 2009	Grant Award	Cash Receipts	Canceled	Balance Dec. 31, 2010
04-09	NJ DOT Bikeway Grant	\$ 75,000.00				\$ 75,000.00
04-09	Monmouth County Open Space Grant	125,000.00		\$ 125,000.00		
04-09	Federal TEA - 21 Grant	350,953.70		220,273.75	\$ 130,679.95	
15-09	NJ DOT Streetscape III Grant	216,223.75				216,223.75
13-10	NJ DOT Streetscape IV Grant		\$ 417,000.00			417,000.00
12-06/04-09	NJ DEP Bayshore Trail		25,000.00			25,000.00
11-09	NJ DOT		225,000.00			225,000.00
11-09	Community Development Block Grant		200,676.00			200,676.00
		<u>\$ 767,177.45</u>	<u>\$ 867,676.00</u>	<u>\$ 345,273.75</u>	<u>\$ 130,679.95</u>	<u>\$ 1,158,899.75</u>

Ref. C C-2 C-11 C

Detail:

Improvement Authorizations	C-11	\$ 442,000.00
Reserve for Grants Receivable	C-6	425,676.00
		<u>\$ 867,676.00</u>

BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding December 31, 2010	Interest Rate	Balance Dec. 31, 2009	Issued	Paid by Budget Appropriation	Balance Dec. 31, 2010	
General Improvements	12/04/02	\$ 4,107,000.00	\$ 125,000.00	5.000%	\$ 379,000.00		\$ 122,000.00	\$ 257,000.00	
	12/01/12		132,000.00	5.000%					
General Improvements	12/01/11		233,000.00	4.000%					
	12/01/12		242,000.00	4.000%					
	12/01/13		252,000.00	4.000%					
	12/01/14		262,000.00	5.000%					
	12/01/15		275,000.00	5.000%					
	12/01/16		289,000.00	5.000%					
	12/01/17		303,000.00	5.000%					
	12/01/18		319,000.00	5.000%					
	12/01/19		335,000.00	5.000%					
	12/01/20		351,000.00	5.000%					
	12/01/21		369,000.00	5.000%					
	12/01/22		385,000.00	4.125%					
	12/01/23		405,000.00	4.125%					
	12/01/24		420,000.00	4.125%		4,664,000.00		224,000.00	4,440,000.00
	Refunding Bonds	04/12/07	5,611,597.56	204,247.57	4.000%				
		12/01/11		211,302.54	4.000%				
12/01/12			357,000.00	4.000%					
12/01/13			373,511.90	5.000%					
12/01/14			392,509.45	5.000%					
12/01/15			411,512.61	5.000%					
12/01/16			441,443.81	5.000%					
12/01/17			462,951.35	5.000%					
12/01/18			486,443.42	5.000%					
12/01/19			511,436.27	4.000%					
12/01/20			531,615.85	4.000%					
12/01/21			552,122.75	4.000%					
12/01/22					5,132,802.56		196,705.04	4,936,097.52	

BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF GREEN ACRES LOAN PAYABLE

	<u>Ref.</u>	
Balance, December 31, 2009	C	\$ 31,378.55
Decreased by:		
Budget Appropriation	C-4	<u>8,743.40</u>
Balance, December 31, 2010	C	<u>\$ 22,635.15</u>

BOROUGH OF ATLANTIC HIGHLANDS
 COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Improvement Description	Date	Amount	Balance Dec. 31, 2009		2010 Authorizations	Increased by			Decreased by			Balance Dec. 31, 2010		
				Funded	Unfunded		Encumbrances	Reimbursed	Grants Receivables	Paid	Reserve for Encumbrances	Canceled	Funded	Unfunded	
02-99/10-07	Various Improvements	05/26/99	\$ 3,005,000.00	\$	\$ 41,842.27				\$ 3,500.00					\$	\$ 38,342.27
14-02	Various Improvements	10/09/02	175,000.00	\$ 17,044.35						\$ 17,044.35					
04-04	Various Improvements	04/14/04	1,155,000.00	47,200.00											31,450.00
14-05	Various Improvements	07/13/05	1,288,500.00	254,558.56			\$ 4,822.11		6,867.34		15,750.00		139,563.36	\$ 112,336.77	
12-06/04-09	Various Improvements	07/12/06 03-11-09	1,705,000.00 991,000.00	249,341.19					159,517.78		16,820.15		145,679.95	16,595.74	
20-07	2007 Road Improvements	09/27/07	1,100,000.00	183,779.17											183,779.17
22-07	Various Improvements	12/26/07	98,000.00	34,316.54					1,000.00		1,870.00		21,446.54	10,000.00	
11-09	Various Improvements	06/10/09	7,000,000.00	1,638,126.17				4,900,127.76	1,892,330.31		3,284,222.61			1,361,701.01	
14-09	Various Capital Projects	09/09/09	121,500.00	532.75				24,416.53	24,416.53				532.75		
15-09	Construction of Streetscape III	09/09/09	460,000.00	122,646.35				92,968.42	65,720.47					149,894.30	
13-10	Construction of Streetscape IV	06/09/10	417,000.00			\$ 417,000.00		\$ 28,500.00	39,315.00		24,200.00			381,985.00	
				\$ 1,910,947.61		\$ 417,000.00		\$ 5,086,607.25	\$ 2,192,667.43		\$ 3,343,475.96		\$ 324,266.95	\$ 2,032,512.82	\$ 253,571.44
				C	C	C-7	C-2	C-12	C-2	C-7	C-12	C	C	C/C-5	
	Grants Receivable								\$ 130,679.95						
	Capital Fund Balance								193,587.00						
									\$ 324,266.95						

BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance, December 31, 2009	C	\$ 5,086,607.25
Increased by:		
Charged to Improvement Authorizations	C-11	<u>3,343,475.96</u>
		8,430,083.21
Decreased by:		
Applied to Improvement Authorizations	C-11	<u>5,086,607.25</u>
Balance, December 31, 2010	C	\$ <u><u>3,343,475.96</u></u>

SCHEDULE OF RESERVE FOR PAYMENT OF BONDS AND NOTES

	<u>Ref.</u>	
Balance, December 31, 2009	C	\$ 179,832.75
Decreased by:		
Anticipated as Current Fund Budget Revenue	C-2	<u>175,000.00</u>
Balance, December 31, 2010	C	\$ <u><u>4,832.75</u></u>

BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance, December 31, 2009 and 2010	C	\$ <u>125,578.90</u>

SCHEDULE OF RESERVE FOR DOWN PAYMENTS ON IMPROVEMENTS

	<u>Ref.</u>	
Balance, December 31, 2009 and 2010	C	\$ <u>1,400.00</u>

BOROUGH OF ATLANTIC HIGHLANDS
 COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
 SCHEDULE OF BONDS AND NOTES AUTHORIZED
 BUT NOT ISSUED

Ordinance Number	Improvement Description	Balance Dec. 31, 2009	Notes Paid by Capital Cash	Bonds Issued	Premium Received	Balance Dec. 31, 2010
07-95	Various Improvements	\$ 41,407.08				\$ 41,407.08
10-97	Various Improvements	130,000.00				130,000.00
02-99	Various Improvements	597,746.00				597,746.00
04-04	Various Improvements	47,500.00				47,500.00
20-07	Various Improvements	250,000.00	\$ 795,000.00	\$ 795,000.00		250,000.00
11-09	Various Improvements	<u>6,650,000.00</u>		<u>6,200,000.00</u>	\$ 450,000.00	
		\$ <u>7,716,653.08</u>	\$ <u>795,000.00</u>	\$ <u>6,995,000.00</u>	\$ <u>450,000.00</u>	\$ <u>1,066,653.08</u>

Ref.

C-9

C-8

C-5

(Footnote C)

BOROUGH OF ATLANTIC HIGHLANDS
 COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY FUND
 SCHEDULE OF CASH

	Ref.	Operating	Capital
Balance, December 31, 2009	D	\$ 66,162.76	\$ 594,202.79
Increased by Receipts:			
Consumer Accounts Receivable	D-7	\$ 2,060,964.76	
Miscellaneous Revenue	D-3	27,597.32	
Deficit (General Budget)	D-3	250,000.00	
Customer Overpayments	D-12	3,334.85	
Capital Fund Balance	D-3/D-2	27,000.00	
Serial Bonds	D-16		\$ 1,652.54
Improvement Authorizations	D-20		805,000.00
Deferred Reserve for Amortization	D-23		465,000.00
Capital Improvement Fund	D-21		50,000.00
		<u>2,368,896.93</u>	<u>1,362,247.27</u>
		2,435,059.69	1,956,450.06
Decreased by Disbursements:			
2010 Appropriations	D-4	2,131,191.86	
Appropriation Reserves	D-10	13,802.94	
Accrued Interest Bonds, Notes and Loans	D-13	200,380.03	
Capital Fund Balance	D-2		27,000.00
Bond Anticipation Notes	D-17		855,000.00
Improvement Authorizations	D-20		902,964.69
		<u>2,345,374.83</u>	<u>1,784,964.69</u>
Balance, December 31, 2010	D	\$ <u>89,684.86</u>	\$ <u>171,485.37</u>

BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND
ANALYSIS OF WATER/SEWER UTILITY CAPITAL CASH

		Balance <u>Dec. 31, 2010</u>
	Reserve for Encumbrances	\$ 235,479.10
	Due from N.J. Natural Gas	(119,000.00)
	Due from Contractor	(6,041.50)
	Fund Balance	1,717.22
Ordinance		
<u>Number</u>	<u>Improvement Description</u>	
05-04	Various Improvements to the Water/ Sewer System	5,247.32
21-05	Various Improvements to the Water/ Sewer System	32,289.71
11-06	Water Main/Drywell/Sewer Reline	4,235.50
02-08/ 12-08	Various Improvements to the Water/ Sewer System	0.02
03-08	Completion of Stormwater/Drainage Improvement Work Related to the Settlement of Litigation	<u>17,558.00</u>
		<u>\$ 171,485.37</u>
	<u>Ref.</u>	D

BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY OPERATING FUND
 SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	<u>Ref.</u>	
Balance, December 31, 2009	D	\$ 170,393.54
Increased by:		
Water/Sewer Rents Levied		<u>2,196,303.01</u>
		2,366,696.55
Decreased by:		
Collections	D-5	\$ 2,060,964.76
Overpayments Applied	D-12	<u>4,430.89</u>
	D-3	<u>2,065,395.65</u>
Balance, December 31, 2010	D	<u>\$ 301,300.90</u>

SCHEDULE OF ACCOUNTS PAYABLE

	<u>Ref.</u>	
Balance, December 31, 2009 and 2010	D	<u>\$ 388.00</u>

BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF DUE FROM N.J. NATURAL GAS

	<u>Ref.</u>	
Balance, December 31, 2009 and 2010	D	\$ <u>119,000.00</u>

BOROUGH OF ATLANTIC HIGHLANDS
 COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY OPERATING FUND
 SCHEDULE OF APPROPRIATION RESERVES

	Balance Dec. 31, 2009	Transfer from Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Balance Lapsed
Operating:					
Salaries and Wages	\$ 2,195.30	\$	2,195.30	\$	2,195.30
Other Expenses	21,835.62	13,020.93	34,856.55	13,802.94	21,053.61
Insurance	4,163.01		4,163.01		4,163.01
Atlantic Highlands/Highlands Regional Sewerage Authority	3.00		3.00		3.00
Capital Improvements:					
Capital Outlay	183.00		183.00		183.00
Statutory Expenditures:					
Social Security	1,272.94		1,272.94		1,272.94
	<u>\$ 29,652.87</u>	<u>\$ 13,020.93</u>	<u>\$ 42,673.80</u>	<u>\$ 13,802.94</u>	<u>\$ 28,870.86</u>

Ref. D D-11 D-5 D-1

BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY OPERATING FUND
 SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance, December 31, 2009	D	\$ 13,020.93
Increased by:		
Transferred from Budget Appropriations	D-4	28,331.66
		<u>41,352.59</u>
Decreased by:		
Transferred to Appropriation Reserves	D-10	13,020.93
Balance, December 31, 2010	D	\$ <u>28,331.66</u>

SCHEDULE OF CUSTOMER OVERPAYMENTS

	<u>Ref.</u>	
Balance, December 31, 2009	D	\$ 4,430.89
Increased by:		
Cash Received	D-5	3,334.85
		<u>7,765.74</u>
Decreased by:		
Applied to Customer Accounts Receivable	D-7	4,430.89
Balance, December 31, 2010	D	\$ <u>3,334.85</u>

BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST ON BONDS, NOTES AND LOANS

	<u>Ref.</u>	
Balance, December 31, 2009	D	\$ 30,832.75
Increased by:		
Budget Appropriations	D-4	200,498.36
		<u>231,331.11</u>
Decreased by:		
Interest Paid	D-5	200,380.03
		<u>200,380.03</u>
Balance, December 31, 2010	D	\$ <u>30,951.08</u>

Analysis of Accrued Interest December 31, 2010

Principal Outstanding Dec. 31, 2010	Interest Rate	From	To	Period	Amount
Serial Bonds:					
\$ 80,000.00	Various	10/01/10	12/31/10	90 Days	\$ 800.00
2,000.00	Various	12/01/10	12/31/10	30 Days	8.33
1,546,000.00	Various	12/01/10	12/31/10	30 Days	5,823.02
1,183,431.52	Various	12/01/10	12/31/10	30 Days	4,439.83
805,000.00	Various	08/01/10	12/31/10	150 Days	13,880.21
Loans Payable:					
\$ 509,705.19	5.00%	12/03/10	12/31/10	28 Days	1,955.03
185,000.00	Various	08/01/10	12/31/10	152 Days	4,044.66
					<u>4,044.66</u>
					<u>\$ 30,951.08</u>

BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	<u>Ref.</u>	
Balance, December 31, 2009	D	\$ 10,090,130.82
Increased by:		
Ordinance	D-15	<u>108,258.71</u>
Balance, December 31, 2010	D	<u>10,198,389.53</u>

BOROUGH OF ATLANTIC HIGHLANDS
 COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND
 SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance Dec. 31, 2009	2010 Authorizations	Transfer To Fixed Capital	Balance Dec. 31, 2010
05-04	Various Improvements to Water/Sewer System	04/14/04	\$ 375,000.00	\$ 10,787.01			\$ 10,787.01
21-05	Various Improvements to Water/Sewer System	10/26/05	550,000.00	35,599.55			35,599.55
11-06	Water Main/Drywell/Sewer Reline	07/25/06	440,000.00	56,978.50			56,978.50
02-08/12/08	Various Improvements to Water/Sewer System	02/27/08 09/24/08	900,000.00	900,000.00			900,000.00
03-08	Completion of Stormwater/Drainage Improvement Work Related to the Settlement of Litigation	03/09/08	495,000.00	495,000.00			495,000.00
16-10	Seventh Avenue Underdrain	06/23/10	36,348.40		\$ 36,348.40	\$ 36,348.40	
18-10	Water Mains / Aerators	07/28/10	71,910.31		71,910.31	71,910.31	
				<u>\$ 1,498,365.06</u>	<u>\$ 108,258.71</u>	<u>\$ 108,258.71</u>	<u>\$ 1,498,365.06</u>
			Ref.	D	D-20	D-14	D

BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF WATER/SEWER UTILITY SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2009	Issued	Paid by Budget Appropriation	Balance Dec. 31, 2010
			December 31, 2010	December 31, 2009					
Water/Sewer Utility Refunding Bonds	10/01/01	\$ 624,000.00	\$ 80,000.00	\$ 164,000.00	4.000%	\$ 164,000.00	\$ 84,000.00	\$ 80,000.00	
Water/Sewer Utility Bonds	12/04/02	712,000.00	1,000.00		5.000%				
	12/01/12		1,000.00	3,000.00	5.000%	3,000.00	1,000.00	2,000.00	
Water/Sewer Utility Bonds	12/01/06	1,800,000.00	68,000.00		4.000%				
	12/01/12		71,000.00		4.000%				
	12/01/13		74,000.00		4.000%				
	12/01/14		76,000.00		5.000%				
	12/01/15		80,000.00		5.000%				
	12/01/16		84,000.00		5.000%				
	12/01/17		88,000.00		5.000%				
	12/01/18		93,000.00		5.000%				
	12/01/19		98,000.00		5.000%				
	12/01/20		102,000.00		5.000%				
	12/01/21		107,000.00		5.000%				
	12/01/22		115,000.00		4.125%				
	12/01/23		120,000.00		4.125%				
	12/01/24		120,000.00		4.125%				
	12/01/25		125,000.00		4.125%				
	12/01/26		125,000.00		4.125%	1,611,000.00	65,000.00	1,546,000.00	

BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF WATER/SEWER UTILITY SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding December 31, 2010	Interest Rate	Balance Dec. 31, 2009	Issued	Paid by Budget Appropriation	Balance Dec. 31, 2010
Water/Sewer Utility Refunding Bonds	04/12/07	\$ 1,339,139.84	12/01/11 \$ 49,514.56	4.000%				
			12/01/12 52,060.05	4.000%				
			12/01/13 80,000.00	4.000%				
			12/01/14 85,658.73	5.000%				
			12/01/15 87,445.15	5.000%				
			12/01/16 92,218.49	5.000%				
			12/01/17 104,286.04	5.000%				
			12/01/18 109,167.57	5.000%				
			12/01/19 115,290.12	5.000%				
			12/01/20 121,529.41	4.000%				
			12/01/21 126,384.15	4.000%				
			12/01/22 159,877.25	4.000%	\$ 1,232,079.00		\$ 48,647.48	1,183,431.52
Water/Sewer Utility Bonds	02/25/10	805,000.00	02/01/11 30,000.00	2.000%				
			02/01/12 30,000.00	2.500%				
			02/01/13 30,000.00	3.000%				
			02/01/14 30,000.00	2.000%				
			02/01/15 30,000.00	4.000%				
			02/01/16 30,000.00	3.000%				
			02/01/17 35,000.00	3.000%				
			02/01/18 35,000.00	5.000%				
			02/01/19 35,000.00	3.000%				
			02/01/20 35,000.00	5.000%				
			02/01/21 40,000.00	3.250%				
			02/01/22 40,000.00	5.000%				
			02/01/23 45,000.00	5.000%				
			02/01/24 45,000.00	5.000%				
			02/01/25 45,000.00	4.750%				
			02/01/26 50,000.00	4.750%				
			02/01/27 50,000.00	4.750%				
			02/01/28 55,000.00	4.750%				
			02/01/29 55,000.00	4.750%				
			02/01/30 60,000.00	4.750%				
					\$ 805,000.00			805,000.00
					\$ 3,010,079.00	\$ 805,000.00	\$ 198,647.48	\$ 3,616,431.52
					D	D-5	D-22	D

BOROUGH OF ATLANTIC HIGHLANDS
 COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND
 SCHEDULE OF WATER/SEWER UTILITY BOND ANTICIPATION NOTES

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2009	Decreased
02-08/12-08	Various Improvements to Water/Sewer System	04/23/08	04/21/09	04/20/10	2.000%	\$ 855,000.00	\$ 855,000.00
						\$ 855,000.00	\$ 855,000.00
					<u>Ref.</u>	D	D-5

BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF WATER/SEWER UTILITY LOANS PAYABLE

Purpose	Date of Issue	Original Issue	Maturities of Loans Outstanding December 31, 2010	Interest Rate	Balance Dec. 31, 2009	Paid by Budget Appropriation	Balance Dec. 31, 2010
Water System Improvements - Farmers Home Administration	02/03/84	\$ 1,000,000.00	\$ 16,817.35	5.000%			
	12/03/11		17,169.08	5.000%			
	06/03/12		17,664.65	5.000%			
	12/03/12		18,042.35	5.000%			
	06/03/13		18,554.91	5.000%			
	12/03/13		18,959.75	5.000%			
	06/03/14		19,490.17	5.000%			
	12/03/14		19,923.65	5.000%			
	06/03/15		20,472.85	5.000%			
	12/03/15		20,936.33	5.000%			
	06/03/16		21,505.25	5.000%			
	12/03/16		22,000.28	5.000%			
	06/03/17		22,589.91	5.000%			
	12/03/17		23,118.11	5.000%			
	06/03/18		23,729.47	5.000%			
	12/03/18		24,292.49	5.000%			
	06/03/19		24,926.73	5.000%			
	12/03/19		25,526.33	5.000%			
	06/03/20		26,184.59	5.000%			
	12/03/20		26,822.63	5.000%			
	06/03/21		27,506.15	5.000%			
	12/03/21		28,184.60	5.000%			
06/03/22		25,287.56	5.000%				
					\$ 542,054.00	\$ 32,348.81	\$ 509,705.19

BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF WATER/SEWER UTILITY LOANS PAYABLE

Purpose	Date of Issue	Original Issue	Maturities of Loans Outstanding December 31, 2010	Interest Rate	Balance Dec. 31, 2009	Paid by Budget Appropriation	Balance Dec. 31, 2010
Sewer System Improvements - NJ Wastewater Treatment Trust Fund	11/07/96	\$ 445,000.00	08/01/11 \$ 25,000.00	5.250%			
			08/01/12-14 30,000.00	5.250%			
			08/01/15-16 35,000.00	5.250%	\$ 210,000.00	\$ 25,000.00	\$ 185,000.00
Sewer System Improvements - NJ Wastewater Treatment Trust Loan	11/07/96	427,692.00	02/01/11 2,850.22	0.000%			
			08/01/11 17,523.20	0.000%			
			02/01/12 2,465.06	0.000%			
			08/-01/12 20,072.62	0.000%			
			02/01/13 2,002.86	0.000%			
			08/01/13 19,610.43	0.000%			
			02/01/14 1,540.66	0.000%			
			08/01/14 19,148.23	0.000%			
			02/01/15 1,078.46	0.000%			
			08/01/15 21,620.62	0.000%			
			02/01/16 539.23	0.000%			
			08/01/16 21,900.96	0.000%			
					\$ 151,496.30	21,143.75	130,352.55
					\$ 903,550.30	\$ 78,492.56	\$ 825,057.74

Ref.

D

D-22

D

BOROUGH OF ATLANTIC HIGHLANDS
 COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND
 SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance, December 31, 2009	D	\$ 401,426.97
Increased by:		
Charged to Improvement Authorizations	D-20	<u>235,479.10</u>
		636,906.07
Decreased by:		
Transfer to Improvement Authorizations	D-20	<u>401,426.97</u>
Balance, December 31, 2010	D	<u>\$ 235,479.10</u>

BOROUGH OF ATLANTIC HIGHLANDS
 COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND
 SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Number	Improvement Description	Date	Ordinance	Amount	Balance Dec. 31, 2002		2010 Authorizations	Increased by:		Decreased by:		Balance Dec. 31, 2010	
					Funded	Unfunded		Encumbrances	Reimbursed	Paid	Encumbrances	Funded	Unfunded
05-04	Various Improvements to Water/Sewer System	04/14/04	\$ 375,000.00	\$ 10,787.01				\$ 5,539.69		\$ 5,247.32			
21-05	Various Improvements to Water/Sewer System	10/26/05	550,000.00	35,599.55				\$ 3,309.84		32,289.71			
11-06	Water Main/Drywell/Sewer Re-line	07/25/06	440,000.00	56,978.50				45,371.67		4,235.50			
02-08/ 12-08	Various Improvements to Water/Sewer System	02/27/08 09/24/08	900,000.00		\$ 119,723.60			\$ 26,276.97		18,147.83			0.02
03-08	Completion of Stormwater/ Drainage Improvement Work Related to the Settlement of Litigation	03/09/08	495,000.00					375,150.00	\$ 465,000.00	615,941.90	206,650.10		17,558.00
16-10	Seventh Avenue Underdrain	06/23/10	36,348.10			\$ 36,348.40				36,348.40			
18-10	Water Mains / Aerators	07/28/10	71,910.31			71,910.31				71,910.31			
					\$ 103,365.06	\$ 119,723.60	\$ 108,258.71	\$ 401,426.97	\$ 465,000.00	\$ 902,964.69	\$ 235,479.10	\$ 59,330.55	\$
					Ref. D	D	D-21	D-19	D-5	D-5	D-19	D	D

BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance, December 31, 2009	D	\$ 67,663.98
Increased by:		
Budget Appropriation	D-5	40,594.73
		<u>108,258.71</u>
Decreased by:		
Appropriated to Finance Improvement Authorizations	D-20	108,258.71
Balance, December 31, 2010	D	\$ <u><u> </u></u>

SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>Ref.</u>	
Balance, December 31, 2009	D	\$ 6,279,866.58
Increased by:		
Transfer from Deferred Reserve for Amortization	D-23	\$ 108,258.71
Serial Bonds Paid by Operating Budget	D-16	198,647.48
Loans Paid by Operating Budget	D-18	<u>78,492.56</u>
		<u>385,398.75</u>
Balance, December 31, 2010	D	\$ <u><u>6,665,265.33</u></u>

BOROUGH OF ATLANTIC HIGHLANDS
 COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND
 SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Ordinance Number	Improvement Description	Ordinance Date	Balance Dec. 31, 2009	Increased by		Transfer to Reserve for Amortization	Balance Dec. 31, 2010
				Fixed Capital Authorized	Premium on Bonds		
02-08/12-08	Various Improvements to Water/Sewer System	02/27/08 09/24/08	\$ 45,000.00		\$ 50,000.00	\$	95,000.00
03-08	Completion of Stormwater/Drainage Improvement Work Related to the Settlement of Litigation	03/09/08	495,000.00				495,000.00
16-10	Seventh Avenue Underdrain	06/23/10		\$ 36,348.40		\$ 36,348.40	
18-10	Water Mains / Aerators	07/28/10		71,910.31		71,910.31	
			<u>\$ 540,000.00</u>	<u>\$ 108,258.71</u>	<u>\$ 50,000.00</u>	<u>\$ 108,258.71</u>	<u>\$ 590,000.00</u>

D

D-20

D-5

D-22

D

BOROUGH OF ATLANTIC HIGHLANDS
 COUNTY OF MONMOUTH, NEW JERSEY

HARBOR COMMISSION UTILITY FUND
 SCHEDULE OF CASH

	Ref.	Operating	Capital
Balance, December 31, 2009	E	\$ 844,514.78	\$ 846,279.87
Increased by Receipts:			
Accounts Receivable - Operations	E-10	\$ 3,093,553.62	
Accounts Receivable - Building Rental	E-11	412,455.07	
Gas Station Operations	E-3	1,808,343.59	
Miscellaneous	E-3	70,738.37	
Reserve for Debt Service	E-3	63,404.92	
Sales Tax Payable	E-13	31,341.66	
Premium on Sale of Serial Bonds	E-2		2,046.26
Serial Bonds Payable	E-20		1,555,000.00
Reserve for Payment of Debt Service	E-21		57,000.00
Deferred Reserve for Amortization	E-24		98,000.00
Interfund Receivable - Harbor Commission Utility Operating Fund	E-26		10,790.00
		<u>5,479,837.23</u>	<u>1,722,836.26</u>
Decreased by Disbursements:			
2010 Appropriations	E-4	5,213,968.95	
Appropriation Reserves	E-16	288,137.35	
Sales Tax Payable	E-13	35,118.03	
Accrued Interest on Bonds and Notes	E-19	297,126.08	
Accounts Payable	E-12	352.00	
Interfund - Harbor Commission Utility Capital Fund	E-9		10,790.00
Bond Anticipation Notes Payable	E-18		1,653,000.00
Reserve for Payment of Debt Service	E-21		63,404.92
Improvement Authorizations	E-22		110,193.28
		<u>5,845,492.41</u>	<u>1,826,598.20</u>
Balance, December 31, 2010	E	\$ <u>478,859.60</u>	\$ <u>742,517.93</u>

BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY

HARBOR COMMISSION UTILITY CAPITAL FUND
ANALYSIS OF HARBOR COMMISSION UTILITY CAPITAL CASH

		Balance <u>Dec. 31, 2010</u>
Fund Balance		\$ 124,847.40
Capital Improvement Fund		97,212.71
Reserve to Pay Bond Anticipation Notes		57,000.00
Reserve for Heritage Square		26,691.00
Reserve for Encumbrances		178,015.24
<u>Ordinance</u>		
<u>Number</u>	<u>Improvement Description</u>	
09-03	Various Harbor Improvements	(434.33)
13-06	Various Harbor Improvements	88,275.00
18-07	Various Harbor Improvements	66,657.20
13-08	Various Harbor Improvements	<u>104,253.71</u>
		\$ <u>742,517.93</u>
	<u>Ref.</u>	E

BOROUGH OF ATLANTIC HIGHLANDS
 COUNTY OF MONMOUTH, NEW JERSEY

HARBOR COMMISSION UTILITY OPERATING FUND
 SCHEDULE OF CHANGE FUND

	<u>Ref.</u>	
Balance, December 31, 2009 and 2010	E	\$ <u>2,060.00</u>

SCHEDULE OF EMERGENCY AUTHORIZATIONS

	<u>Ref.</u>	
Increased by:		
Emergency Authorization	E-1/E-4	\$ 250,000.00
Balance, December 31, 2010	E	\$ <u>250,000.00</u>

SCHEDULE OF INTERFUND PAYABLE -
 HARBOR COMMISSION UTILITY CAPITAL FUND

	<u>Ref.</u>	
Balance, December 31, 2009	E	\$ 10,790.00
Decreased by:		
Cash Disbursements	E-5	\$ <u>10,790.00</u>

BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY

HARBOR COMMISSION UTILITY OPERATING FUND
SCHEDULE OF ACCOUNTS RECEIVABLE - OPERATIONS

	<u>Ref.</u>	
Balance, December 31, 2009	E	\$ 79,233.73
Increased by:		
Charges		<u>3,096,737.32</u>
		3,175,971.05
Decreased by:		
Collections	E-3/E-5	<u>3,093,553.62</u>
Balance, December 31, 2010	E	\$ <u><u>82,417.43</u></u>

SCHEDULE OF ACCOUNTS RECEIVABLE - BUILDING RENTAL

	<u>Ref.</u>	
Increased by:		
Charges		\$ <u>429,860.21</u>
		429,860.21
Decreased by:		
Collections	E-3/E-5	<u>412,455.07</u>
Balance, December 31, 2010	E	\$ <u><u>17,405.14</u></u>

BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY

HARBOR COMMISSION UTILITY OPERATING FUND
SCHEDULE OF ACCOUNTS PAYABLE

	<u>Ref.</u>		
Balance, December 31, 2009	E		\$ 9,704.25
Decreased by:			
Cash Disbursements	E-5	\$ 352.00	
Canceled to Operations	E-1	<u>5,461.00</u>	
			<u>5,813.00</u>
Balance, December 31, 2010	E		<u><u>\$ 3,891.25</u></u>

BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY

HARBOR COMMISSION UTILITY OPERATING FUND
SCHEDULE OF SALES TAX PAYABLE

	<u>Ref.</u>		
Balance, December 31, 2009	E		\$ 6,415.71
Increased by:			
Cash Receipts	E-5		<u>31,341.66</u>
			37,757.37
Decreased by:			
Cash Disbursed	E-5	\$ 35,118.03	
Canceled to Operations	E-1	<u>1,238.83</u>	
			<u>36,356.86</u>
Balance, December 31, 2010	E		\$ <u><u>1,400.51</u></u>

HARBOR COMMISSION UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	<u>Ref.</u>		
Balance, December 31, 2009	E		\$ 19,502,895.63
Increased by:			
Transfer from Fixed Capital Authorized and Uncompleted	E-15		<u>273,728.02</u>
Balance, December 31, 2010	E		\$ <u><u>19,776,623.65</u></u>

BOROUGH OF ATLANTIC HIGHLANDS
 COUNTY OF MONMOUTH, NEW JERSEY

HARBOR COMMISSION UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2009	Transfer to Fixed Capital	Canceled	Balance Dec. 31, 2010
09-03	Various Harbor Improvements	05/28/03	\$ 2,500,000.00	\$ 2,500,000.00	434.33	\$ 2,499,565.67	
06-04	Various Harbor Improvements	04/14/04	1,000,000.00	74,957.08	28,811.00	46,146.08	
08-06	Various Harbor Improvements	04/26/06	410,000.00	153,737.40	145,493.86	8,243.54	
13-06	Various Harbor Improvements	10/09/06	840,000.00	109,538.70		\$	109,538.70
08-07	Trucking of Dredging Materials	05/24/07	120,000.00	64,835.00	53,635.00	11,200.00	
18-07	Various Harbor Improvements	08/15/07	700,000.00	700,000.00			700,000.00
21-07	Harbor Park Skateboard Facility	09/27/07	100,000.00	99,192.75	45,353.83	53,838.92	
13-08	Various Harbor Improvements	10/08/08	800,000.00	800,000.00			800,000.00
				<u>\$ 4,502,260.93</u>	<u>\$ 273,728.02</u>	<u>\$ 2,618,994.21</u>	<u>\$ 1,609,538.70</u>

Ref.

E

E-14

E-22

E

BOROUGH OF ATLANTIC HIGHLANDS
 COUNTY OF MONMOUTH, NEW JERSEY

HARBOR COMMISSION UTILITY OPERATING FUND
 SCHEDULE OF APPROPRIATION RESERVES

	Balance Dec. 31, 2009	Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Balance Lapsed
Operating:					
Salaries and Wages	\$ 41,973.75	\$	41,973.75	\$ 1,000.00	\$ 40,973.75
Other Expenses	12,509.27	26,061.03	38,570.30	28,723.06	9,847.24
Bank Fees	53.77		53.77		53.77
Gas Station Operations	23,814.47	25,524.47	49,338.94	39,740.97	9,597.97
Insurance	212.46	6,285.00	6,497.46	6,285.00	212.46
Capital Improvements:					
Capital Outlay	6,060.21	207,988.32	214,048.53	212,388.32	1,660.21
Statutory Expenditures:					
Social Security System	<u>11,359.65</u>		<u>11,359.65</u>		<u>11,359.65</u>
	<u>\$ 95,983.58</u>	<u>\$ 265,858.82</u>	<u>\$ 361,842.40</u>	<u>\$ 288,137.35</u>	<u>\$ 73,705.05</u>

Ref.

E

E-17

E-5

E-1

BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY

HARBOR COMMISSION UTILITY OPERATING FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance, December 31, 2009	E	\$ 265,858.82
Increased by:		
Transferred from Budget Appropriations	E-4	<u>53,179.75</u>
		319,038.57
Decreased by:		
Transferred to Appropriation Reserves	E-16	<u>265,858.82</u>
Balance, December 31, 2010	E	\$ <u>53,179.75</u>

BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY

HARBOR COMMISSION UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES

	<u>Ref.</u>	
Balance, December 31, 2009	E	\$ 44,423.86
Increased by:		
Budget Appropriations	E-4	<u>298,758.32</u>
		343,182.18
Decreased by:		
Interest Paid	E-5	<u>297,126.08</u>
Balance, December 31, 2010	E	\$ <u>46,056.10</u>

Analysis of Accrued Interest December 31, 2010

Principal Outstanding <u>Dec. 31, 2010</u>	Interest Rate	From	To	Period	Amount
Serial Bonds:					
\$ 140,000.00	Various	10/01/10	12/31/10	90 Days	\$ 1,400.00
93,000.00	Various	12/01/10	12/31/10	30 Days	387.50
1,490,000.00	Various	12/01/10	12/31/10	30 Days	5,610.11
3,045,470.96	Various	12/01/10	12/31/10	30 Days	11,830.37
1,555,000.00	Various	08/01/10	12/31/10	150 Days	<u>26,828.12</u>
					\$ <u>46,056.10</u>

BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY

HARBOR UTILITY CAPITAL FUND
SCHEDULE OF HARBOR COMMISSION UTILITY SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding December 31, 2010	Interest Rate	Balance Dec. 31, 2009	Issued	Paid by Budget Appropriation	Balance Dec. 31, 2010
Harbor Commission Utility	12/19/97	\$ 1,346,000.00		4.900%	\$ 112,000.00		\$ 112,000.00	
Harbor Commission Utility Refunding	10/01/01	1,398,000.00	\$ 140,000.00	4.000%	286,000.00		146,000.00	\$ 140,000.00
Harbor Commission Utility	12/04/02	2,549,000.00		5.000%			1,000.00	93,000.00
Harbor Commission Utility	12/01/06	1,734,000.00		4.000%				
			68,000.00	4.000%				
			66,000.00	4.000%				
			72,000.00	4.000%				
			73,000.00	5.000%				
			75,000.00	5.000%				
			79,000.00	5.000%				
			85,000.00	5.000%				
			89,000.00	5.000%				
			96,000.00	5.000%				
			97,000.00	5.000%				
			105,000.00	5.000%				
			110,000.00	4.125%				
			115,000.00	4.125%				
			120,000.00	4.125%	1,553,000.00		63,000.00	1,490,000.00

BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY

HARBOR UTILITY CAPITAL FUND
SCHEDULE OF HARBOR COMMISSION UTILITY SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding December 31, 2010	Interest Rate	Balance Dec. 31, 2009	Issued	Paid by Budget Appropriation	Balance Dec. 31, 2010
Harbor Commission Utility Refunding	04/12/07	\$ 3,245,262.60	12/01/11 \$ 171,237.87	4.000%				
			12/01/12 178,637.41	4.000%				
			12/01/13 281,000.00	4.000%				
			12/01/14 293,829.37	5.000%				
			12/01/15 308,045.40	5.000%				
			12/01/16 322,268.90	5.000%				
			12/01/17 346,270.15	5.000%				
			12/01/18 362,881.08	5.000%				
			12/01/19 381,266.46	5.000%				
			12/01/20 400,034.32	4.000%	\$ 3,094,118.44			
Harbor Commission Utility	02/25/10	1,555,000.00	02/01/11 55,000.00	2.000%				
			02/01/12 55,000.00	2.500%				
			02/01/13 55,000.00	3.000%				
			02/01/14 60,000.00	2.000%				
			02/01/15 60,000.00	4.000%				
			02/01/16 65,000.00	3.000%				
			02/01/17 65,000.00	3.000%				
			02/01/18 65,000.00	5.000%				
			02/01/19 70,000.00	3.000%				
			02/01/20 70,000.00	5.000%				
			02/01/21 75,000.00	3.250%				
			02/01/22 80,000.00	5.000%				
			02/01/23 85,000.00	5.000%				
		02/01/24 85,000.00	5.000%					
		02/01/25 90,000.00	4.750%					
		02/01/26 95,000.00	4.750%					
		02/01/27 100,000.00	4.750%					
		02/01/28 105,000.00	4.750%					
		02/01/29 110,000.00	4.750%					
		02/01/30 110,000.00	4.750%					
					\$ 1,555,000.00			1,555,000.00
					\$ 3,094,118.44	\$ 1,555,000.00	\$ 48,647.48	\$ 3,045,470.96
					\$ 5,139,118.44	\$ 1,555,000.00	\$ 370,647.48	\$ 6,323,470.96

Ref. E E-5 E-24 E

BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY

HARBOR COMMISSION UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR PAYMENT OF DEBT SERVICE

	<u>Ref.</u>	
Balance, December 31, 2009	E	\$ 63,404.92
Increased by:		
Cash Receipts	E-5	<u>57,000.00</u>
		120,404.92
Decreased by:		
Realized as Revenue in Operating Budget	E-3	<u>63,404.92</u>
Balance, December 31, 2010	E	<u><u>\$ 57,000.00</u></u>

BOROUGH OF ATLANTIC HIGHLANDS
 COUNTY OF MONMOUTH, NEW JERSEY
 HARBOR COMMISSION UTILITY CAPITAL FUND
 SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance Dec. 31, 2009		Increased by Reserve for Encumbrances	Paid	Decreased by Reserve for Encumbrances	Canceled	Balance Dec. 31, 2010 Funded
				Funded	Unfunded					
09-03	Various Harbor Improvements	05/28/03	\$ 2,500,000.00	\$	\$ 2,499,565.67			\$	2,499,565.67	
06-04	Various Harbor Improvements	04/14/04	1,000,000.00	\$ 71.98	\$	46,074.10			46,146.08	
08-06	Various Harbor Improvements	04/26/06	410,000.00		8,243.54				8,243.54	
13-06	Various Harbor Improvements	09/13/06	840,000.00	139,765.00						
08-07	Trucking of Dredge Material	05/24/07	120,000.00	11,200.00			\$	9,490.00		\$ 88,275.00
18-07	Various Harbor Improvements	08/15/07	700,000.00		66,657.20				11,200.00	
21-07	Harbor Skateboard Facility	09/27/07	100,000.00	53,838.92					53,838.92	66,657.20
13-08	Various Harbor Improvements	10/08/08	800,000.00		169,972.23	171,000.00	100,703.28	136,015.24		104,253.71
				\$ 204,875.90	\$ 2,744,438.64	\$ 217,074.10	\$ 110,193.28	\$ 178,015.24	\$ 2,618,994.21	\$ 259,185.91

Ref.

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E

E

E-5

E

E-15

E

BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY

HARBOR COMMISSION UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance, December 31, 2009 and 2010	E	\$ <u>97,212.71</u>

SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>Ref.</u>	
Balance, December 31, 2009	E	\$ 14,363,777.19
Increased by:		
Serial Bonds Paid by Operating Budget	E-20	\$ 370,647.48
Transfer from Deferred Reserve for Amortization	E-27	238,984.83
Premium on Bond Issue Utilized to Fund Projects	E-5	<u>98,000.00</u>
		<u>707,632.31</u>
		15,071,409.50
Decreased by:		
Funded Improvement Authorizations Canceled	E-2	<u>118,691.14</u>
Balance, December 31, 2010	E	\$ <u>14,952,718.36</u>

BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY

HARBOR COMMISSION UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR HERITAGE SQUARE

	<u>Ref.</u>	
Balance, December 31, 2009 and 2010	E	\$ <u>26,691.00</u>

SCHEDULE OF INTERFUND RECEIVABLE -
HARBOR COMMISSION UTILITY OPERATING FUND

	<u>Ref.</u>	
Balance, December 31, 2009	E	\$ 10,790.00
Decreased by:		
Cash Receipts	E-5	\$ <u>10,790.00</u>

BOROUGH OF ATLANTIC HIGHLANDS
 COUNTY OF MONMOUTH, NEW JERSEY

HARBOR COMMISSION UTILITY CAPITAL FUND
 SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Ordinance Number	Improvement Description	Ordinance Date	Balance Dec. 31, 2009	Transfer to Reserve for Amortization	Balance Dec. 31, 2010
06-04	Various Harbor Improvements	04/14/04	\$ 74,957.08	\$ 74,957.08	
13-06	Various Harbor Improvements	10/09/06	109,538.70		\$ 109,538.70
08-07	Trucking of Dredging Materials	05/24/07	64,835.00	64,835.00	
21-07	Harbor Park Skateboard Facility	09/27/07	99,192.75	99,192.75	
			<u>\$ 348,523.53</u>	<u>\$ 238,984.83</u>	<u>\$ 109,538.70</u>

Ref.

E

E-24

E

BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY

HARBOR COMMISSION UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED
BUT NOT ISSUED

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance, December 31, 2009</u>	<u>Canceled</u>	<u>Balance, December 31, 2010</u>
09-03	Various Harbor Improvements	\$ 2,500,000.00	\$ 2,499,565.67	\$ 434.33
08-06	Various Harbor Improvements	<u>737.40</u>	<u>737.40</u>	
		<u>\$ 2,500,737.40</u>	<u>\$ 2,500,303.07</u>	<u>\$ 434.33</u>

(Footnote E)

BOROUGH OF ATLANTIC HIGHLANDS
 COUNTY OF MONMOUTH, NEW JERSEY

GENERAL FIXED ASSET ACCOUNT GROUP
 SCHEDULE OF INVESTMENTS IN GENERAL FIXED ASSETS

	Balance Dec. 31, 2009	Additions	Deletions	Adjustments	Balance Dec. 31, 2010
General Fixed Assets:					
Land	\$ 20,375,700.00				\$ 8,905,500.00
Building	6,061,100.00			(3,066,200.00)	2,994,900.00
Machinery and Equipment	6,094,156.05	\$ 295,511.00	\$ 183,251.00	(1,420,704.05)	4,785,712.00
	<u>\$ 32,530,956.05</u>	<u>\$ 295,511.00</u>	<u>\$ 183,251.00</u>	<u>\$ (15,957,104.05)</u>	<u>\$ 16,686,112.00</u>

Ref.

G

G

BOROUGH OF ATLANTIC HIGHLANDS

COUNTY OF MONMOUTH

SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2010

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2010</u>	<u>2009</u>	<u>2008</u>
<u>Tax Rate (Per \$100 Assessed Valuation)</u>	<u>\$2.320</u>	<u>\$2.260</u>	<u>\$2.213</u>
<u>Apportionment of Tax Rate</u>			
Municipality	.647	.612	.597
Municipal Open Space	.010	.010	.010
County	.361	.369	.360
Regional High School	.591	.582	.569
Local School	.711	.687	.677
<u>Assessed Valuation</u>			
2010	\$634,407,870.00		
2009		\$635,120,544.00	
2008			\$635,126,242.00

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future levies.

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2010	\$14,762,504.94	\$14,214,964.95	96.29%
2009	14,392,504.98	14,012,611.89	97.36%
2008	14,074,637.88	13,675,270.18	97.16%

DELINQUENT TAXES AND TAX TITLE LIENS

This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens in relation to the tax levies of the last three years.

<u>Year Ended December 31</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2010	\$5,025.86	\$490,756.98	\$495,782.84	3.36%
2009	1,029.28	299,842.03	300,871.31	2.09%
2008	1,029.28	366,806.18	367,835.46	2.61%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

The value of the property acquired by liquidation of tax title liens on December 31st, on the basis of the last assessed valuation of such properties, was as follows:

<u>Year</u>	<u>Amount</u>
2010	\$92,600.00
2009	92,600.00
2008	90,800.00

COMPARISON OF WATER/SEWER UTILITY RENTS LEVIED

<u>Year</u>	<u>Levy</u>	<u>Prior Year Delinquent</u>	<u>Cash Collections</u>
2010	\$2,196,303.01	\$170,393.54	\$2,065,395.65
2009	2,118,058.52	188,607.17	2,136,272.15
2008	2,032,705.17	185,764.39	2,029,862.39

COMPARISON OF HARBOR COMMISSION UTILITY CHARGES

<u>Year</u>	<u>Charges</u>	<u>Prior Year Delinquent</u>	<u>Cash Collections</u>
2010	\$3,526,597.53	\$79,233.73	\$3,506,008.69
2009	3,373,303.35	69,745.44	3,363,815.06
2008	3,185,744.65	54,822.85	3,170,822.06

COMPARATIVE SCHEDULE OF FUND BALANCES

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized In Budget of Succeeding Year</u>
<u>Current Fund</u>		
2010	\$771,643.16	\$725,000.00
2009	987,819.72	950,000.00
2008	519,935.33	400,000.00
2007	202,167.78	122,308.68
2006	615,435.62	505,232.90
		<u>Utilized in Budget of Succeeding Year</u>
<u>Water/Sewer Utility Fund</u>	<u>Balance December 31</u>	
2010	\$ 34,302.55	\$ -
2009	34,302.55	-
2008	74,302.55	40,000.00
2007	150,310.06	98,692.28
2006	77,766.07	62,273.78

COMPARATIVE SCHEDULE OF FUND BALANCES (continued)

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized In Budget of Succeeding Year</u>
<u>Harbor Commission Utility Fund</u>		
2010	\$ 483,061.21	\$227,000.00
2009	411,898.56	400,000.00
2008	1,032,506.84	775,925.00
2007	247,512.73	247,512.73
2006	820,628.49	699,126.00

SUMMARY OF MUNICIPAL DEBT (Excluding Current and Operating Debt and Type I School Debt)

	<u>Year 2010</u>	<u>Year 2009</u>	<u>Year 2008</u>
<u>Issued</u>			
General:			
Bonds, Notes and Loans	\$16,650,732.67	\$ 11,002,181.11	\$11,784,063.77
Water/Sewer Utility:			
Bonds, Notes and Loans	4,441,489.26	4,768,629.30	5,036,137.63
Harbor Commission Utility:			
Bonds	<u>6,323,470.96</u>	<u>6,792,118.44</u>	<u>5,498,995.36</u>
Total Issued	<u>27,415,692.89</u>	<u>22,562,928.85</u>	<u>22,319,196.76</u>
Less:			
Reserve for Debt Service:			
General	4,832.75	179,832.75	729,832.75
Water/Sewer Utility	-	-	-
Harbor Commission Utility	<u>57,000.00</u>	<u>63,404.92</u>	<u>-</u>
	<u>61,832.75</u>	<u>243,237.67</u>	<u>729,832.75</u>
Net Debt Issued	<u>27,353,860.14</u>	<u>22,319,691.18</u>	<u>21,589,364.01</u>
<u>Authorized but not Issued</u>			
General:			
Bonds and Notes	1,066,653.08	7,716,653.08	816,653.08
Water/Sewer Utility:			
Bonds and Notes	-	-	-
Harbor Commission Utility:			
Bonds and Notes	<u>434.33</u>	<u>2,500,737.40</u>	<u>4,153,737.40</u>
Total Authorized but not Issued	<u>1,067,087.41</u>	<u>10,217,390.48</u>	<u>4,970,390.48</u>
Net Bonds, Notes and Loans Issued and Authorized but not Issued	<u>\$28,420,947.55</u>	<u>\$32,537,081.66</u>	<u>\$26,559,754.49</u>

SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENT

The summarization statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a Statutory Net Debt of 2.63%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 3,683,000.00	\$ 3,683,000.00	\$ None
Regional High School District Debt	4,411,843.47	4,411,843.47	None
General Debt	17,717,385.75	4,832.75	17,712,553.00
Water/Sewer Utility Debt	4,441,489.26	-	4,441,489.26
Harbor Commission Utility Debt	<u>6,323,905.29</u>	<u>6,323,905.29</u>	<u>None</u>
	<u>\$36,577,623.77</u>	<u>\$14,423,581.51</u>	<u>\$22,154,042.26</u>

Net Debt \$22,154,042.26 ÷ Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$843,538,551.00 equals 2.63%.

BORROWING POWER UNDER N.J.S.A. 40A:2-6 AS AMENDED

3-1/2% Equalized Valuation Basis Municipal Net Debt	\$29,523,849.29
	<u>22,154,042.26</u>
Remaining Borrowing Power	<u>\$ 7,369,807.03</u>

CALCULATION OF "SELF-LIQUIDATING PURPOSE" - WATER/SEWER UTILITY PER N.J.S. 40A:2-45

Cash Receipts From Fees, Rents or Other Charges for the Year		\$ 2,092,992.97
Deductions:		
Operating and Maintenance Costs	\$1,890,600.00	
Debt Service Per Water/Sewer Account	<u>477,638.40</u>	
Total Deductions		<u>2,368,238.40</u>
Deficit in Revenue		\$ (<u>275,245.43</u>)
Gross Water Sewer Utility Debt		\$ 4,441,489.26
Less: Deficit Capitalized at 5%		
\$275,245.43 times 20		<u>5,504,908.60</u>
		<u>\$(1,063,419.34)</u>

None of the water/sewer utility debt is deductible.

CALCULATION OF "SELF-LIQUIDATING PURPOSE" - HARBOR COMMISSION UTILITY PER N.J.S. 40A:2-45

Cash Receipts From Fees, Rents or Other		
Charges for the Year		\$5,785,090.65
Deductions:		
Operating and Maintenance Costs	\$4,038,755.00	
Debt Service Per Harbor Commission Account	<u>669,405.80</u>	
Total Deductions		<u>4,708,160.80</u>
Excess in Revenue		<u>\$ 1,076,929.85</u>

All Harbor debt is deductible.

The annual debt statement as filed by the Chief Financial Officer is correct.

OFFICIALS IN OFFICE AND SURETY BONDS

The following Officials were in office during the period under audit:

<u>Name</u>	<u>Title</u>
Frederick Rast	Mayor
Peter Doyle	Council Member, President of Council
John C. Archibald, Jr.	Council Member
Roy Delloso	Council Member
Frederick Louis Fligor	Council Member
Jacob Hoffmann	Council Member
Robert Sutton	Council Member
Bernard Reilly	Attorney
Adam Hubeny	Administrator
Lorraine Carafa	Chief Financial Officer
Judith Werchinski	Tax Collector
Debra Hough	Deputy Tax Collector
Debra Hough	Utility Collector
Kathleen Wigginton	Court Administrator
Peter Locascio	Magistrate
Dwayne Harris	Municipal Clerk

All employees are covered by a dishonesty Public Employees' Blanket Bond in the amount of \$50,000.00, written by Monmouth Municipal Joint Insurance Fund. In addition, there are blanket bonds for secondary coverage with the Municipal Excess Liability Joint Insurance Fund in the amount of \$950,000.00 for Public Employees.

BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH
PART II
COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2010

GENERAL COMMENTS

Contracts and Agreements Required To Be Advertised for N.J.S. 40A:11-4

N.J.S. 40-A:11-4 states, "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law".

The Governing Body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year. Where questions arise as to whether any contract or agreement might result in violation of the statute, the Borough Counsel's opinion should be sought before a commitment is made.

The minutes indicate that bids were requested by public advertising for the following items:

- Treated Lumber
- Seventh Avenue Underdrain Diversion Project
- Water Treatment Aerator Rehabilitation
- Bayshore Trail - Phase II Restoration Project
- Authorize Road Improvement Program
- First Avenue Streetscape Phase IV Project
- Launching Ramp Bulkhead Replacement and Repair Project

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violations existed.

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S. 40A:11-5.

Our examination of expenditures did not reveal individual payments in excess of the bid threshold "for the provision or performance of any goods or services" other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of N.J.S. 40A:11-6.

Purchases, Contracts or Agreements Not Required to be Advertised by N.J.S. 40A:11-6.1

N.J.S. 40A:11-6.1 states, "For all contracts that in the aggregate are less than the bid threshold but exceed 15 percent or more of that amount, and for those contracts that are for subject matter enumerated in subsection (1) of section 5 of P.L. 1971, c. 198 (C.40A:11-5), except for paragraph (a) of that subsection concerning professional services and paragraph (b) of that subsection concerning work by employees of the contracting unit, the contracting agent shall award the contract after soliciting at least two competitive quotations, if practicable. The award shall be made to a vendor whose response is most advantageous, price and other factors considered".

GENERAL COMMENTS (continued)

Collection of Interest on Delinquent Taxes, Water/Sewer Utility Rents and Assessments

The statute provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes and assessments on or before the date when they would become delinquent.

The Governing Body, on January 1, 2010, adopted the following resolution authorizing interest to be charged on delinquent taxes, assessments, municipal charges or water/sewer rents:

WHEREAS, N.J.S.A. 54:4-67 permits the governing body to fix the rate of interest to be charged for nonpayment of taxes or assessments, subject to any abatement or discount for the late payment of taxes or assessments as provided by law; and

WHEREAS, any unpaid taxes and municipal charges constitute an unfair burden on those taxpayers who pay their taxes and municipal charges in a timely manner and delinquent taxpayers should be required to carry their share of the tax burden; and

WHEREAS, N.J.S.A. 40-A:5.17.1 allows for the cancellation of property tax delinquent amounts or refunds in the amounts of less than \$10.00 and allows the governing body to authorize a municipal employee to process this cancellation at the end of the tax year.

NOW, THEREFORE, BE IT RESOLVED by the Governing Body of the Borough of Atlantic Highlands, County of Monmouth, State of New Jersey, that property taxes shall be due and payable quarterly on February 1st, May 1st, August 1st, and November 1st for the year 2010 with a ten-day grace period, after which dates, if unpaid, shall become delinquent, with interest charged as set forth below and reverting back to the due date on any quarterly installment of taxes. The Tax Collector is hereby authorized and directed to charge, subject to any abatement or discount for the late payment of taxes as provided by law:

1. Eight percent (8%) per annum on the first \$1,500 of taxes delinquent after due date; and
2. Eighteen percent (18%) per annum on any amount in excess of \$1,500 delinquent after due date; and
3. An additional penalty of six percent (6%) shall be added to any taxes, interest and municipal charges in excess of \$10,000 that remain unpaid at the end of any calendar year. This shall be calculated on the sum of all taxes from year to year and not on an individual year basis.

GENERAL COMMENTS (continued)

Collection of Interest on Delinquent Taxes, Water/Sewer Utility Rents and Assessments(continued)

It appears, from an examination of the Tax Collector's and Water/Sewer Collector's records, that interest was collected in accordance with the foregoing resolution and statute.

Delinquent Taxes, Tax Title Liens, and Delinquent Water / Sewer Rents

The detail of all unpaid taxes for 2010 and prior years is being properly carried in the Tax Collector's records. An abstract taken from these records as of December 31, 2010, covering all unpaid charges on that date, was verified with the accounting control figures shown in this report.

The last tax sale was held on December 9, 2010 and it was complete.

Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit.

The following comparison is made of the number of tax title liens receivable on December 31st of the last three (3) years.

<u>Year</u>	<u>Number of Liens</u>
2010	1
2009	1
2008	1

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a taxpaying basis. This lien has been in existence for greater than two years.

The detail of all unpaid water/sewer rents for 2010 and prior years is being properly carried in the Utility Collector's records. An abstract taken from these records as of December 31, 2010, covering all unpaid charges on that date, was verified with the accounting control figures shown in this report.

Verification of Delinquent Taxes and Other Charges

Verification of delinquent charges and current payments was done for the period under audit in accordance with the regulations of the Division of Local Government Services, on December 31, 2010 and consisted of verification notices as follows:

<u>Type</u>	<u>Number Mailed</u>	<u>Number Returned</u>
Dates of Payments of Taxes	25	7
Delinquent Taxes	30	7
Dates of Payment of Water/Sewer Utility Charges	25	11
Delinquent Water/Sewer Utility Charges	40	11

GENERAL COMMENTS (continued)

Verification of Delinquent Taxes and Other Charges (continued)

Through examination of those notices that were returned, and by alternative procedures for notices unreturned, no irregularities were noted.

OTHER COMMENTS

Cash and Cash Equivalents Balances

The cash and cash equivalents balances in all funds were verified by independent certifications obtained from the depositories as of December 31, 2010.

Cash counts were made at various dates in all departments of the Borough and bank balances were independently reconciled to the books and records or to such schedules of receipts and disbursements provided for audit.

The change funds and petty cash funds were counted.

Revenues

Receipts from licenses, fees, fines and costs, etc. for all departments, including the Municipal Court, were checked to the records maintained to the extent deemed necessary.

Financial Administration

Comment: The General Capital analysis of cash reflects negative cash balances in five ordinances. Some of these negative cash balances are in excess of three years old.

Recommendation: That adequate cash funding be in place prior to commitments being placed against an ordinance.

Expenditures

The vouchers for all funds were examined to the extent deemed necessary to determine that they carried the properly executed certifications as required by statute.

Payroll

An examination was made of the employees' compensation records for the year 2010 to determine that salaries were paid in conformity with the amounts of salaries and wages authorized by ordinance. Vouchers for overtime and part-time wages were checked.

Miscellaneous Comments

The confirmations sent to the Regional High School District Board of Education and Local School District Board of Education verified the correct school tax payable at December 31, 2010.

Appreciation

I desire to express my appreciation for the cooperation received from the Borough Officials and Employees and the courtesies extended during the course of the audit.

RECOMMENDATIONS

It is recommended:

10-01. That adequate cash funding be in place prior to commitments being placed against an ordinance.

Of the above recommendations, number 10-01 is similar to that reported in the 2009 audit.

Should any questions arise as to my comments or recommendations, or should you desire assistance in implementing my recommendations, please do not hesitate to call me.

Very truly yours,



Thomas P. Fallon
Certified Public Accountant
Registered Municipal Accountant # 465
For the Firm
FALLON & LARSEN LLP