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 2012 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

		December 31, 2012		December 31, 2011
<u>ASSETS</u>				
Cash, Cash Equivalents and Investments	\$	5,189,580.11	\$	5,834,223.89
Taxes, Assessments, Liens and Utility Charges Receivable		431,902.00		299,783.69
Property Acquired for Taxes - Assessed Value		92,600.00		92,600.00
Other Accounts Receivable		826,938.96		1,319,265.53
Fixed Capital - Utility		34,312,916.94		33,082,916.94
General Fixed Assets		17,061,657.16		16,675,123.00
Deferred Charges to Revenue of Succeeding Years		748,537.08		250,000.00
Deferred Charges to Future Taxation - General Capital	_	15,778,140.15	_	16,886,219.03
Total Assets	\$	74,442,272.40	\$	74,440,132.08

LIABILITIES, RESERVES AND FUND BALANCE

Bonds, Notes and Loans Payable	\$ 25,493,070.78	\$ 25,841,413.89
Improvement Authorizations	1,407,498.95	1,272,124.67
Other Liabilities and Special Funds	5,308,128.79	4,852,932.97
Amortization of Debt for Fixed Capital	23,784,576.81	23,060,634.67
Investment in General Fixed Assets	17,061,657.16	16,675,123.00
Reserve for Certain Assets Receivable	699,567.88	892,000.87
Fund Balance	687,772.03	1,845,902.01
Total Liabilities, Reserves and Fund Balance	\$ <u>74,442,272.40</u>	\$ 74,440,132.08
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COMPARATIVE STATEMENT OF OPERATIONS AND

<u>CHANGES IN FUND BALANCE - CURRENT FUND</u>

REGULATORY BASIS

REVENUE AND OTHER INCOME REALIZED		<u>Year 2012</u>		<u>Year 2011</u>
Fund Balance Utilized Miscellaneous, From Other Than Local	\$	890,000.00	\$	725,000.00
Property Tax Levies		2,245,787.78		2,522,541.24
Collection of Delinquent Taxes and Tax Title Liens		295,377.97		492,128.90
Collection of Current Tax Levy	•	14,845,610.31	_	14,778,046.61
Total Revenues		18,276,776.06	_	18,517,716.75
EXPENDITURES				
Budget Expenditures:				
Municipal Purpose		7,426,001.51		6,686,847.94
County Taxes		2,342,882.69		2,300,092.92
Local and Regional School Taxes		8,336,860.66		8,289,850.17
Municipal Open Space Tax		63,370.00		63,470.83
Other Expenditures		5,875.04	-	241,106.87
Total Expenditures		18,174,989.90		17,581,368.73
Excess in Revenue		101,786.16		936,348.02
Add: Expenditures deferred to future years		100,000.00		
Fund Balance January 1		982,991.18	_	771,643.16
		1,184,777.34		1,707,991.18
Less: Utilization as Anticipated Revenue	•	890,000.00	_	725,000.00
Fund Balance December 31	\$	294,777.34	\$_	982,991.18

COMPARATIVE STATEMENT OF OPERATIONS AND

CHANGES IN FUND BALANCE - WATER/SEWER UTILITY FUND

REGULATORY BASIS

REVENUE AND OTHER INCOME REALIZED		<u>Year 2012</u>		<u>Year 2011</u>
Fund Balance Utilized	\$	26,454.73		
Collection of Water/Sewer Rents		2,452,942.92	\$	2,531,327.01
Miscellaneous: From Other than Water/Sewer Rents	=	194,824.83		133,621.25
Total Revenues	_	2,674,222.48		2,664,948.26
EXPENDITURES				
Budget Expenditures:				
Operating		2,130,300.00		1,997,182.80
Capital Improvements		90,000.00		
Debt Service		434,601.04		497,596.75
Deferred Charges and Statutory Expenditures		117,000.00		120,801.73
Other Expenditures	-	858.52		49,366.98
Total Expenditures	_	2,772,759.56		2,664,948.26
Excess / (Deficit) in Revenue		(98,537.08)		
Adjustments to Income Before Fund Balance	-	22,764.23		
Operating Deficit to be Raised in Budget	\$_	(75,772.85)	ı	
Fund Balance January 1	<u>-</u>	34,302.55		34,302.55
Decreased by: Utilization as Anticipated Revenue	_	26,454.73		
Fund Balance December 31	\$_	7,847.82	\$	34,302.55

COMPARATIVE STATEMENT OF OPERATIONS AND

CHANGES IN FUND BALANCE - HARBOR COMMISSION UTILITY FUND

REGULATORY BASIS

DEVENUE AND OTHER INCOME BEALIZED		<u>Year 2012</u>	<u>Year 2011</u>
REVENUE AND OTHER INCOME REALIZED			
Fund Balance Utilized	\$	241,287.41	\$ 227,000.00
Harbor Operations		3,138,651.76	3,334,153.07
Gas Station Operations		1,889,175.50	2,116,529.02
Miscellaneous - Other		237,076.06	353,014.04
Other Credits		129,018.39	73,191.70
Total Revenues	-	5,635,209.12	6,103,887.83
EXPENDITURES			
Budget Expenditures:			
Operating		4,683,086.00	4,132,170.87
Capital Improvements		29,414.00	102,000.00
Debt Service		656,781.90	715,951.13
Deferred Charges and Statutory Expenditures		510,000.00	565,878.00
Surplus (General Budget)	-	305,927.22	600,000.00
Total Expenditures	•	6,185,209.12	6,116,000.00
Excess / (Deficit) in Revenue		(550,000.00)	(12,112.17)
Adjustment to Income Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budgets of Succeeding Years		550,000.00	250,000.00
Statutory Excess to Fund Balance			237,887.83
Fund Balance January 1		493,949.04	483,061.21
		493,949.04	720,949.04
Less: Utilization as Anticipated Revenue		241,287.41	227,000.00
Fund Balance December 31	\$	252,661.63	\$ 493,949.04

RECOMMENDATIONS

It is recommended:

- 12-1. That adequate cash funding be in place prior to commitments being placed against an ordinance.
- 12-2. That all interfunds be liquidated prior to year end.

Of the above recommendations, number 12-1 is similar to that reported in the 2011 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 2012. 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