

SUMMARY OF AUDIT REPORT FOR PUBLICATION

Summary of 2023 Audit Report of the
Borough of Atlantic Highlands
As Required by N.J.S.A. 40A:5-7

Combined Comparative Balance Sheet - Regulatory Basis

	Dec. 31, 2023	Dec. 31, 2022
<u>ASSETS</u>		
Cash, cash equivalents and investments	\$14,883,314.95	\$14,586,927.06
Taxes, liens and utility charges receivable	1,417,973.19	1,490,681.78
Other receivables and assets	2,419,761.78	2,779,001.84
Fixed assets	17,952,435.70	17,659,793.89
Fixed utility capital	40,518,960.19	40,245,066.83
Fixed utility capital authorized and uncompleted	21,050,000.00	21,050,000.00
Deferred charges - other	303,402.17	150,807.53
Deferred charges to future taxation - funded	4,180,000.00	5,007,000.00
Deferred charges to future taxation - unfunded	700,000.00	861,617.01
	<u>\$103,425,847.98</u>	<u>\$103,830,895.94</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Bonds, notes and loans payable	\$8,941,485.68	\$12,102,292.34
Improvement authorizations	2,005,235.66	2,322,590.17
Other liabilities and reserves	11,971,034.62	32,674,500.55
Reserve for amortization	36,507,474.51	13,016,772.21
Deferred reserve for amortization	19,400,000.00	19,400,000.00
Investment in fixed assets	17,952,435.70	17,659,793.89
Reserve for receivables	378,689.28	2,189,058.79
Fund balance	6,269,492.53	4,465,887.99
	<u>\$103,425,847.98</u>	<u>\$103,830,895.94</u>

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

	<u>2023</u>	<u>2022</u>
<u>REVENUE REALIZED</u>		
Fund balance	\$1,072,560.00	\$1,019,000.00
Miscellaneous from other than local property tax levies	3,239,029.81	3,570,909.52
Collection of delinquent taxes	98,422.90	174,073.23
Collection of current tax levy	18,594,744.43	18,413,105.18
Total Income	<u>23,004,757.14</u>	<u>23,177,087.93</u>
<u>EXPENDITURES</u>		
Municipal purposes	8,648,284.66	9,156,282.16
County taxes	2,619,968.44	2,654,884.35
School taxes	10,130,362.00	10,033,157.00
Municipal open space taxes	110,006.47	105,882.53
Other	170,577.74	602,042.56
Total Expenditures	<u>21,679,199.31</u>	<u>22,552,248.60</u>
Excess in revenue	1,325,557.83	624,839.33
Adjustments to income before fund balance:		
Expenditures included above which are by statute		
deferred charges to budget of succeeding year	<u>70,577.74</u>	<u>-</u>
	1,396,135.57	624,839.33
Fund Balance, January 1	<u>1,093,861.58</u>	<u>1,488,022.25</u>
	2,489,997.15	2,112,861.58
Less, utilized as anticipated revenue	<u>1,072,560.00</u>	<u>1,019,000.00</u>
Fund balance, December 31	<u><u>\$1,417,437.15</u></u>	<u><u>\$1,093,861.58</u></u>

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

	<u>2023</u>	<u>2022</u>
<u>REVENUE REALIZED</u>		
Fund balance	\$92,437.72	\$40,464.27
Collection of rents	2,438,126.58	2,433,263.37
Capital fund balance	-	35,798.14
Miscellaneous	41,659.51	211,483.13
Other	212,839.38	77,815.62
Total Income	<u>2,785,063.19</u>	<u>2,798,824.53</u>
<u>EXPENDITURES</u>		
Operating	1,754,917.02	1,736,917.02
Capital Improvements	208,000.00	147,165.00
Debt service	502,177.48	558,697.60
Statutory expenditures	93,298.39	84,097.83
Other	37,650.46	-
Total Expenditures	<u>2,596,043.35</u>	<u>2,526,877.45</u>
Excess in revenue	189,019.84	271,947.08
Adjustments to income before fund balance:		
Expenditures included above which are by statute		
deferred charges to budget of succeeding year	<u>37,650.46</u>	<u>-</u>
	226,670.30	271,947.08
Fund Balance, January 1	<u>581,818.75</u>	<u>350,335.94</u>
	808,489.05	622,283.02
Less, utilized as anticipated revenue	<u>92,437.72</u>	<u>40,464.27</u>
Fund balance, December 31	<u><u>\$716,051.33</u></u>	<u><u>\$581,818.75</u></u>

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

	2023	2022
<u>REVENUE REALIZED</u>		
Harbor operations	\$4,773,734.21	\$4,662,802.80
Gas station operations	2,325,655.92	2,270,905.07
Miscellaneous	106,956.14	98,448.14
Other	52,914.47	21,165.93
Total Income	<u>7,259,260.74</u>	<u>7,053,321.94</u>
<u>EXPENDITURES</u>		
Operating	4,510,740.00	4,381,415.00
Capital improvements	125,000.00	361,342.44
Debt service	270,128.80	478,315.79
Deferred charges	-	4,015.15
Statutory expenditures	307,595.55	296,456.77
Surplus (general budget)	700,000.00	700,000.00
Total Expenditures	<u>5,913,464.35</u>	<u>6,221,545.15</u>
Excess in revenue	1,345,796.39	831,776.79
Fund Balance, January 1	<u>2,716,837.16</u>	<u>1,885,060.37</u>
	4,062,633.55	2,716,837.16
Less, utilized as anticipated revenue	-	-
Fund balance, December 31	<u><u>\$4,062,633.55</u></u>	<u><u>\$2,716,837.16</u></u>

RECOMMENDATIONS

It is recommended that:

- internal control procedures be enhanced to avoid overexpenditures of appropriation reserves.
 - internal control procedures be enhanced to avoid expenditures without an appropriation.
 - clearing account bank reconciliations be accurately reconciled to the general ledger on a current and timely basis.
 - * -where practicable, interfund balances be liquidated prior to year-end or subsequently liquidated on a timely basis in the following year.
 - * -where required, dedication by rider resolutions be adopted and submitted to the Division of Local Government Services for approval.
 - * -internal control procedures be enhanced to ensure the maintenance of complete and accurate general ledgers for all funds on a current and timely basis.
 - * -a detailed payroll account balance analysis be performed on a monthly basis.
- *A similar recommendation was made in the prior year.

A corrective action plan, which will outline actions the Borough of Atlantic Highlands will take to implement the audit recommendations listed above, will be prepared in accordance with applicable requirements.

The accompanying summary was prepared from the 2023 audit report of the Borough of Atlantic Highlands, County of Monmouth. The 2023 audit report, submitted by Robert S. Oliwa, CPA, RMA #414, of Oliwa & Company, is on file at the Borough Clerk's office, and may be inspected by any interested person.

Borough Clerk