

BOROUGH OF 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 the SFY 2012 Audit Report of the Borough of Highlands, County of Monmouth as required by N.J.S. 40A:5-7.

COMBINED COMPARATIVE BALANCE SHEET

REGULATORY BASIS

	<u>June 30,</u>	<u>June 30,</u>
	<u>2012</u>	<u>2011</u>
<u>ASSETS</u>		
Cash, Cash Equivalents and Investments	\$ 4,578,079.27	\$ 3,367,335.48
Taxes, Liens and Utility Charges Receivable	547,911.51	727,988.90
Property Acquired for Taxes - Assessed Value	215,100.00	215,100.00
Other Accounts Receivable	828,279.65	1,993,237.60
Fixed Capital - Utility	1,349,459.48	1,349,459.48
General Fixed Assets	9,544,352.89	9,519,687.37
Deferred Charges to Revenue of Succeeding Years	202,000.00	290,000.00
Deferred Charges to Future Taxation - General Capital	6,062,363.40	5,666,310.00
Total Assets	\$ <u><u>23,327,546.20</u></u>	\$ <u><u>23,129,118.83</u></u>

LIABILITIES, RESERVES AND FUND BALANCE

Bonds, Notes and Loans Payable	\$ 5,293,375.00	\$ 5,519,775.00
Improvement Authorizations	1,302,935.37	2,770,071.41
Other Liabilities and Special Funds	3,959,604.21	2,335,063.84
Amortization of Debt for Fixed Capital	1,055,459.48	1,038,459.48
Investment in General Fixed Assets	9,544,352.89	9,519,687.37
Reserve for Certain Assets Receivable	1,020,195.60	956,726.68
Fund Balance	1,151,623.65	989,335.05
Total Liabilities, Reserves and Fund Balance	\$ <u><u>23,327,546.20</u></u>	\$ <u><u>23,129,118.83</u></u>

BOROUGH OF HIGHLANDS

COMPARATIVE STATEMENT OF OPERATIONS AND

CHANGES IN FUND BALANCE - CURRENT FUND

REGULATORY BASIS

	<u>Year Ended June 30, 2012</u>	<u>Year Ended June 30, 2011</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>		
Fund Balance Utilized	\$ 651,000.00	\$ 953,000.00
Miscellaneous, From Other Than Local		
Property Tax Levies	1,463,721.93	1,413,604.35
Collection of Delinquent Taxes and Tax Title Liens	452,762.58	457,469.85
Collection of Current Tax Levy	<u>14,599,559.72</u>	<u>14,606,946.80</u>
 Total Revenues	 <u>17,167,044.23</u>	 <u>17,431,021.00</u>
<u>EXPENDITURES</u>		
Budget Expenditures:		
Municipal Purpose	7,185,069.17	7,490,213.87
County Taxes	1,983,549.06	2,230,339.30
Local and Regional School Taxes	7,155,200.83	7,305,026.34
Business Improvement District Tax	27,500.00	10,000.00
Local Municipal Open Space Tax	31,582.45	27,123.18
Other Expenditures	<u>23.10</u>	<u>3,405.17</u>
 Total Expenditures	 <u>16,382,924.61</u>	 <u>17,066,107.86</u>
 Excess in Revenue	 784,119.62	 364,913.14
 Add: Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Years	 <u>290,000.00</u>	 <u>290,000.00</u>
 Statutory Excess to Fund Balance	 784,119.62	 654,913.14
 Fund Balance July 1	 <u>700,103.46</u>	 <u>998,190.32</u>
	1,484,223.08	1,653,103.46
 Less: Utilization as Anticipated Revenue	 <u>651,000.00</u>	 <u>953,000.00</u>
 Fund Balance June 30	 <u><u>\$ 833,223.08</u></u>	 <u><u>\$ 700,103.46</u></u>

BOROUGH OF HIGHLANDS

COMPARATIVE STATEMENT OF OPERATIONS AND

CHANGES IN FUND BALANCE - WATER/SEWER UTILITY FUND

REGULATORY BASIS

	<u>Year Ended June 30, 2012</u>	<u>Year Ended June 30, 2011</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>		
Fund Balance Utilized	\$ 214,000.00	\$ 200,060.00
Collection of Sewer Rents	1,661,411.03	1,496,547.79
Miscellaneous: From Other than Sewer Rents	85,976.11	50,409.15
	<u>1,961,387.14</u>	<u>1,747,016.94</u>
Total Revenues	<u>1,961,387.14</u>	<u>1,747,016.94</u>
<u>EXPENDITURES</u>		
Budget Expenditures:		
Operating	1,655,107.47	1,484,165.00
Debt Service	30,746.25	18,830.96
Deferred Charges and Statutory Expenditures	35,380.00	29,541.00
	<u>1,721,233.72</u>	<u>1,532,536.96</u>
Total Expenditures	<u>1,721,233.72</u>	<u>1,532,536.96</u>
Statutory Excess to Fund Balance	240,153.42	214,479.98
Fund Balance July 1	214,483.64	200,063.66
	<u>454,637.06</u>	<u>414,543.64</u>
Less: Utilization as Anticipated Revenue	<u>214,000.00</u>	<u>200,060.00</u>
Fund Balance June 30	<u>\$ 240,637.06</u>	<u>\$ 214,483.64</u>

RECOMMENDATIONS

It is recommended:

12-1. That the Borough amend the Borough code to establish billing dates and due dates for residential customers and adhere to the billing dates for non-residential customers.

The above recommendation is similar to that reported in the SFY 2011 audit.

A Corrective Action Plan, which will outline the actions the Borough of 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 Highlands, County of Monmouth for the year ended June 30, 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.

Carolyn Cummins
Borough Clerk