

**BOROUGH OF HIGHLANDS, COUNTY OF MONMOUTH  
AS REQUIRED BY N.J.S.A. 40A:5-7  
COMBINED BALANCE SHEET  
REGULATORY ACCOUNTING BASIS**

<u>Assets</u>	2019	2018
Cash and Investments	\$ 15,149,101.01	\$13,487,311.70
Due from State	-	
Receivables Other Than Taxes	1,839,208.43	257,360.28
Taxes Receivable & Tax Title Liens	1,075,392.21	4,914,816.42
Fixed Assets	12,491,876.21	536,929.26
Fixed Capital	7,126,859.48	11,180,898.73
Fixed Capital Authorized & Uncompleted Deferred Charges To Future Taxation:	5,550,000.00	668,685.48
Funded	3,410,000.00	460,675.00
Unfunded	8,887,968.49	13,607,485.40
Other	- <u>2,382,207.55</u>	<u>2,587,070.35</u>
Total Assets	<u>\$ 57,912,613.38</u>	<u>\$ 57,865,481.62</u>

Liabilities, Reserves and Fund Balance

Serial Bonds & Loans Payable	\$ 14,694,781.19	\$ 13,281,131.56
Improvement Authorizations	9,847,255.64	12,829,050.27
Other Liabilities & Special Funds	11,390,245.96	10,111,085.87
Reserve for Amortization	2,394,310.29	1,730,706.92
Reserve for Receivables	1,405,520.29	3,874,229.37
Fund Balance	5,688,623.80	4,858,378.90
Investment in Fixed Assets	- 12,491,876.21	- 11,180,898.73
Total Liabilities, Reserves and Fund Balance	<u>\$ 57,912,613.38</u>	<u>\$ 57,865,481.62</u>

**CHANGES IN FUND BALANCE - CURRENT FUND  
REGULATORY ACCOUNTING BASIS**

<u>Revenue and Other Income Realized</u>	2019	2018
Fund Balance Utilized	\$ 1,300,000.00	\$ 1,250,000.00
Miscellaneous Revenue Anticipated	1,753,814.09	1,357,749.41
Collection of Delinquent Taxes	824,130.51	737,544.52
Collection of Current Taxes	16,758,741.78	16,320,159.81
Non-Budget Revenue	113,308.95	84,075.66

Other Credits to Income	-	<u>789,298.38</u>	-	<u>705,136.69</u>
Total Revenues	-	<u>21,539,293.71</u>	-	<u>20,454,666.09</u>

Expenditures

Budget Expenditures	10,572,595.50		9,843,495.09	
County Taxes	1,954,424.59		1,909,999.31	
Local and Regional School Taxes	7,464,870.50		7,344,048.00	
Business Improvement District Taxes	54,750.00		70,000.00	
Municipal Open Space Tax	30,916.92		30,401.98	
Other Debits to Income	-	<u>13,642.80</u>	-	<u>232,500.00</u>
Total Expenditures	-	<u>20,091,200.31</u>	-	<u>19,430,444.38</u>
Excess in Revenue	1,448,093.40		1,024,221.71	
Fund Balance, January 1	-	<u>3,724,192.27</u>	-	<u>3,949,970.56</u>
Decreased By:	5,191,391.22		4,974,192.27	
Utilized as Anticipated Revenue	-	<u>1,300,000.00</u>	-	<u>1,250,000.00</u>
Fund Balance, December 31	-	<u>\$ 3,891,391.22</u>	-	<u>\$ 3,724,192.27</u>

**CHANGES IN FUND BALANCE - SEWER UTILITY OPERATING FUND  
REGULATORY ACCOUNTING BASIS**

	2019	2018
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 200,000.00	\$ 300,000.00
Sewer Rents & Charges	1,673,512.28	1,784,258.07
Miscellaneous Revenue	62,699.79	48,035.09
Other Credits to Income	-	<u>159,121.32</u>
Total Revenues	-	<u>2,291,414.48</u>
<u>Expenditures</u>		
Budget Expenditures: Operating	1,165,900.00	1,287,800.00
Debt Service	368,600.37	403,839.26

Capital Improvements Deferred Charges and Statutory Expenditures	125,000.00 - <u>14,312.50</u>	100,000.00 - <u>14,312.50</u>
Total Expenditures	- <u>1,673,812.87</u>	- <u>1,805,951.76</u>
Excess in Revenue	412,009.53	485,462.72
Fund Balance, January 1	- <u>1,261,390.68</u>	- <u>1,075,927.96</u>
Decreased By:	1,673,400.21	1,561,390.68
Utilized as Anticipated Revenue	- <u>200,000.00</u>	<u>300,000.00</u>
Fund Balance, December 31	<u>\$ 1,473,400.21</u>	<u>\$ 1,261,390.68</u>

Recommendations

**Finding 2019-001**

That the Borough should implement controls to ensure payments to vendors are monitored for compliance with N.J.S.A. 40A:11-4.

**Finding 2019-002**

That the Borough, prior to the encumbering of purchase orders, verify that sufficient funds are available in the applicable budget appropriation line item in order to prevent the over-expenditure of funds.

The above Synopsis was prepared from the report of audit of the Borough of Highlands, County of Monmouth, State of New Jersey for the calendar year 2019. This report of audit, submitted by Robert W. Allison, Registered Municipal Accountant, is on file at the Borough Clerk's office and may be inspected by any interested person.