

**SYNOPSIS OF 2020 AUDIT REPORT OF  
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>	<u>2020</u>	<u>2019</u>
Cash and Investments	\$ 14,311,786.68	\$ 13,481,437.65
Due from State	-	257,360.28
Receivables Other Than Taxes	1,900,752.34	4,914,816.42
Taxes Receivable & Tax Title Liens	1,025,754.61	536,929.26
Fixed Assets	13,018,670.86	11,180,898.73
Fixed Capital	7,126,859.48	6,686,859.48
Fixed Capital Authorized & Uncompleted	5,550,000.00	-
Deferred Charges To Future Taxation:		
Funded	2,980,000.00	4,606,750.00
Unfunded	10,303,298.49	13,607,485.40
Other	2,382,207.55	2,587,070.35
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Total Assets	<u>\$ 58,599,330.01</u>	<u>\$ 57,859,607.57</u>
<u>Liabilities, Reserves and Fund Balance</u>		
Serial Bonds & Loans Payable	\$ 13,533,284.40	\$ 13,281,131.56
Improvement Authorizations	10,177,772.12	12,829,050.27
Other Liabilities & Special Funds	11,758,922.97	10,105,211.82
Reserve for Amortization	2,673,578.08	1,730,706.92
Reserve for Receivables	1,437,150.53	3,874,229.37
Fund Balance	5,999,951.05	4,858,378.90
Investment in Fixed Assets	13,018,670.86	11,180,898.73
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Total Liabilities, Reserves and Fund Balance	<u>\$ 58,599,330.01</u>	<u>\$ 57,859,607.57</u>

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BOROUGH OF HIGHLANDS, COUNTY OF MONMOUTH**

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**STATEMENT OF OPERATIONS AND  
CHANGES IN FUND BALANCE - CURRENT FUND  
REGULATORY ACCOUNTING BASIS**

	2020	2019
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 1,500,000.00	\$ 1,300,000.00
Miscellaneous Revenue Anticipated	985,267.19	1,753,814.09
Collection of Delinquent Taxes	708,588.60	824,130.51
Collection of Current Taxes	17,672,645.23	16,758,741.78
Non-Budget Revenue	90,756.93	113,308.95
Other Credits to Income	926,935.27	789,298.38
	21,884,193.22	21,539,293.71
<u>Expenditures</u>		
Budget Expenditures	10,629,175.31	10,572,595.50
County Taxes	2,042,602.09	1,954,424.59
Local and Regional School Taxes	7,773,197.90	7,464,870.50
Business Improvement District Taxes	-	54,750.00
Municipal Open Space Tax	36,873.04	30,916.92
Other Debits to Income	15,344.43	13,642.80
	20,497,192.77	20,091,200.31
Excess in Revenue	1,387,000.45	1,448,093.40
Add: Expenditures Included		
Above Which Are By Statute		
Deferred Charges To Budgets of		
Succeeding Years:		
Overexpenditure of Appropriation	-	19,105.55
	1,387,000.45	1,467,198.95
Statutory Excess To Fund Balance	1,387,000.45	1,467,198.95
Fund Balance, January 1	3,891,391.22	3,724,192.27
	5,278,391.67	5,191,391.22
Decreased By:		
Utilized as Anticipated Revenue	1,500,000.00	1,300,000.00
	3,778,391.67	3,891,391.22
Fund Balance, December 31	\$ 3,778,391.67	\$ 3,891,391.22

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**STATEMENT OF OPERATIONS AND  
CHANGES IN FUND BALANCE - SEWER UTILITY OPERATING FUND  
REGULATORY ACCOUNTING BASIS**

	2020	2019
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 200,000.00	\$ 200,000.00
Sewer Rents & Charges	1,744,737.54	1,673,512.28
Miscellaneous Revenue	34,402.85	62,699.79
Other Credits to Income	351,716.45	149,610.33
	2,330,856.84	2,085,822.40
<u>Expenditures</u>		
Budget Expenditures:		
Operating	1,210,000.00	1,165,900.00
Debt Service	437,276.89	368,600.37
Capital Improvements	50,000.00	125,000.00
Deferred Charges and Statutory Expenditures	14,312.50	14,312.50
	1,711,589.39	1,673,812.87
Total Expenditures	1,711,589.39	1,673,812.87
Excess in Revenue	619,267.45	412,009.53
Fund Balance, January 1	1,473,400.21	1,261,390.68
	2,092,667.66	1,673,400.21
Decreased By:		
Utilized as Anticipated Revenue	200,000.00	200,000.00
	200,000.00	200,000.00
Fund Balance, December 31	\$ 1,892,667.66	\$ 1,473,400.21

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Recommendations

**Finding 2020-001**

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

**Finding 2020-002**

That the Borough make timely pension payments.