

BOROUGH OF NORTH ARLINGTON

SYNOPSIS OF AUDIT

FOR THE YEAR ENDED

DECEMBER 31, 2018

SYNOPSIS OF 2018 AUDIT REPORT OF

BOROUGH OF NORTH ARLINGTON

AS REQUIRED BY N.J.S. 40A:5-7

COMBINED COMPARATIVE BALANCE SHEET

	<u>DECEMBER 31,</u> <u>2018</u>	<u>DECEMBER 31,</u> <u>2017</u>
ASSETS		
Cash and Investments	\$15,985,589	\$13,924,715
Taxes and Liens Receivable	1,004,197	820,811
Grants and Accounts Receivable	1,278,425	1,212,647
Land, Buildings, Machinery and Equipment	23,280,915	22,172,394
Deferred Charges to Revenue of Succeeding Years	130,000	195,000
Deferred Charges to Future Taxation-General Capital	<u>14,592,584</u>	<u>16,454,388</u>
TOTAL ASSETS	<u><u>\$56,271,710</u></u>	<u><u>\$54,779,955</u></u>
LIABILITIES, RESERVES AND FUND BALANCE		
Bonds, Notes and Loans Payable	\$14,189,000	\$14,980,500
Improvement Authorizations	2,104,581	2,402,586
Other Liabilities and Special Funds	9,613,456	9,897,275
Reserve for Certain Assets Receivable	1,077,562	902,090
Investments in General Fixed Assets	23,280,915	22,172,394
Fund Balance	<u>6,006,196</u>	<u>4,425,110</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE	<u><u>\$56,271,710</u></u>	<u><u>\$54,779,955</u></u>

BOROUGH OF NORTH ARLINGTON
COMPARATIVE STATEMENT OF OPERATIONS
AND CHANGES IN FUND BALANCE - CURRENT FUND

	<u>YEAR 2018</u> <u>AMOUNT</u>	<u>YEAR 2017</u> <u>AMOUNT</u>
REVENUE AND OTHER INCOME REALIZED		
Surplus Anticipated	\$ 1,400,000	\$ 805,219
Miscellaneous-From Other Than Local Property Taxes	5,667,178	4,882,797
Collection of Delinquent Taxes and Tax Title Liens	438,464	544,878
Collection of Current Tax Levy	47,235,428	46,203,969
Other Credits to Income	<u>540,282</u>	<u>1,102,514</u>
TOTAL INCOME	<u>55,281,352</u>	<u>53,539,377</u>
 EXPENDITURES		
Budget Appropriations:		
Municipal Purposes	22,445,856	22,282,006
County Taxes	4,091,396	3,995,870
Local School Taxes	25,868,925	25,043,339
Other Expenditures	<u>33,797</u>	<u>236,750</u>
TOTAL EXPENDITURES	<u>52,439,974</u>	<u>51,557,965</u>
Excess (Deficiency) in Revenue	2,841,378	1,981,412
Expenditures Included Above Which by Statute are Required to Be Provided for in Succeeding Year's Budget	<u>0</u>	<u>0</u>
Statutory Excess to Fund Balance	2,841,378	1,981,412
Fund Balance, January 1	<u>3,833,075</u>	<u>2,656,882</u>
	6,674,453	4,638,294
Less: Utilization as Anticipated Revenue	<u>1,400,000</u>	<u>805,219</u>
Fund Balance, December 31	<u><u>\$ 5,274,453</u></u>	<u><u>\$ 3,833,075</u></u>

RECOMMENDATIONS

It is recommended that:

1. Pension eligibility of Borough employees be reviewed to ensure all required individuals are enrolled in the appropriate pension plan.
2. Purchase orders be issued prior to goods being ordered or services being rendered.
3. The Borough maintain a financial reporting software system that provides for the maintenance of a general ledger.
4. Reconciling items reported on the monthly bank account reconciliations be reviewed and be appropriately cleared.
5. With respect to the municipal court, it is recommended that:
 - a. The fines and bail bank accounts be reconciled with the ATS/ACS system on a monthly basis.
 - b. Tickets assigned to officers in excess of 6 months in age be recalled.
6. A daily cash receipts ledger be maintained by the recreation department.
7. The Current Fund trial balance be reconciled with the respective subsidiary reports.
8. Capital ordinance balances on the Borough's improvement authorization report be adjusted and reflect audited balances.
9. In all instances, contract awards be approved by resolution and be included in the official minutes.

A Corrective Action Plan, which outlines actions the Borough of North Arlington 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 in the Borough of North Arlington within 45 days of this notice.

The above synopsis was prepared from the audit of the Borough of North Arlington, County of Bergen, for the calendar year 2018. This report of audit, submitted by Paul J. Lerch, Registered Municipal Accountant, is on file at the Borough Clerk's office and may be inspected by any interested person.

Borough Clerk