

**SYNOPSIS OF 2024 REPORT OF AUDIT OF THE BOROUGH OF HIGHTSTOWN**

**COMBINED COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES  
AND FUND BALANCE--REGULATORY BASIS**

**ALL FUNDS**

<u>ASSETS</u>	<u>Dec. 31 2024</u>	<u>Dec. 31 2023</u>
Cash and Investments	\$ 8,608,656.70	\$ 7,523,152.79
Taxes and Liens and Utility Charges Receivable	610,216.12	671,199.43
Accounts Receivable	6,874,074.25	6,613,876.25
Fixed Capital - Utility	16,555,516.65	15,336,516.65
Fixed Capital Authorized and Uncompleted	17,306,500.00	16,952,500.00
Deferred Charges to Future Taxation -- General Capital	9,494,151.76	8,922,126.50
Deferred Charges to Revenue of Succeeding Years	64,196.77	64,196.77
Fixed Assets	<u>7,148,891.87</u>	<u>7,148,891.87</u>
 Total Assets	 <u>\$ 66,662,204.12</u>	 <u>\$ 63,232,460.26</u>

LIABILITIES, RESERVES  
AND FUND BALANCE

Bonds, Notes and Loans Payable	\$ 12,590,822.37	\$ 12,742,111.91
Improvement Authorizations	11,292,593.87	9,842,990.43
Other Liabilities and Special Funds	11,876,786.71	8,391,914.69
Reserve for Certain Assets Receivable	2,021,313.63	4,003,269.89
Amortization of Debt for Fixed Capital Acquired or Authorized	20,236,361.29	19,743,857.49
Fund Balance	1,495,434.38	1,359,423.98
Investment in Fixed Assets	<u>7,148,891.87</u>	<u>7,148,891.87</u>
 Total Liabilities, Reserves and Fund Balance	 <u>\$ 66,662,204.12</u>	 <u>\$ 63,232,460.26</u>

**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN  
FUND BALANCE -- REGULATORY BASIS**

**CURRENT FUND**

<u>Revenue and Other Income Realized</u>	<u>Year 2024</u>	<u>Year 2023</u>
Fund Balance Utilized	\$ 1,030,874.00	\$ 898,000.00
Miscellaneous -- From Other Than Local Property Tax Levies	2,232,766.33	1,773,709.50
Collection of Delinquent Taxes and Tax Title Liens	292,345.61	228,230.69
Collection of Current Tax Levy	19,137,066.75	18,903,259.58
Interfund Loans Returned		231.68
Other Credits to Income	621,259.81	721,328.06
	23,314,312.50	22,524,759.51
<u>Expenditures</u>		
Budget Expenditures:		
Municipal Purposes	8,631,312.42	8,288,789.61
County Taxes	3,644,131.44	3,316,487.06
Regional School Taxes	9,253,387.00	9,637,902.00
Interfund Loans Made	655,895.94	400,497.71
Other Debits to Income	39,592.56	40,901.07
	22,224,319.36	21,684,577.45
Total Expenditures	22,224,319.36	21,684,577.45
Statutory Excess to Fund Balance	1,089,993.14	840,182.06
Fund Balance Jan. 1	1,324,585.16	1,382,403.10
	2,414,578.30	2,222,585.16
Less:		
Utilized as Revenue	1,030,874.00	898,000.00
	1,383,704.30	1,324,585.16
Fund Balance Dec. 31	\$ 1,383,704.30	\$ 1,324,585.16

**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN  
FUND BALANCE -- REGULATORY BASIS**

**WATER-SEWER UTILITY FUND**

<u>Revenue and Other Income Realized</u>	<u>Year 2024</u>	<u>Year 2023</u>
Fund Balance	\$ 48,000.00	\$ 200,000.00
Collection of Water-Sewer Rents	2,895,641.12	2,843,739.19
Miscellaneous -- From Other than Rents	149,341.51	80,954.49
Other Credits to Income	184,883.73	212,464.48
	3,277,866.36	3,337,158.16
<u>Expenditures</u>		
Operating	2,364,149.00	2,559,017.00
Capital Appropriations	20,000.00	18,776.00
Debt Service	608,471.10	596,590.00
Deferred Charges and Statutory Expenditures	162,500.00	155,500.00
Other Debits to Income	7,870.40	7,870.40
	3,155,120.10	3,337,753.40
Adjustment in Income before Fund Balance:		
Deferred Charges to Budget of Succeeding Years	595.24	595.24
	3,155,120.10	3,337,158.16
Statutory Excess to Fund Balance	122,746.26	
Fund Balance Jan. 1	25,021.42	225,021.42
	147,767.68	225,021.42
Less:		
Utilized as Revenue	48,000.00	200,000.00
Fund Balance Dec. 31	\$ 99,767.68	\$ 25,021.42

## **RECOMMENDATIONS**

That the Borough establishes controls to ensure all fixed assets acquired, sold, or retired are recorded in the fixed asset system.

That health insurance deductions be made on a pretax basis in accordance with Section 125 of the Internal Revenue Code.

That internal controls be established to ensure that purchase orders are created prior to the commitment of funds.

That the bank reconciliations and ledgers be properly maintained and closed out in a timely manner.

The above synopsis was prepared from the Report of Audit of the Borough of Hightstown, County of Mercer, for the calendar year 2024, submitted by Daniel M. DiGangi, Registered Municipal Accountant, Certified Public Accountant of Bowman & Company LLP, Certified Public Accountants & Consultants. The information included therein is not intended to represent complete financial information as presented in the Report of Audit. A copy of the Report of Audit is on file at the Municipal Clerk's Office and may be inspected by any interested person.

A Corrective Action Plan, which outlines the remedial actions the management of the Borough of Hightstown will take in response to the recommendation contained in the Schedule of Audit Findings and Recommendations included in the Report of Audit, will be prepared in accordance with federal and state guidelines. A copy of the Corrective Action Plan will be placed on file and be made available for public inspection in the office of the Municipal Clerk in compliance with the Division of Local Government Services directives.

Peggy Riggio, RMC  
Borough Clerk