SYNOPSIS OF 2025 REPORT OF AUDIT OF THE BOROUGH OF HIGHTSTOWN

COMBINED COMPARATIVE BALANCE SHEETS
REGULATORY BASIS

ALL FUNDS

ASSETS	Dec. 31 2025	Dec. 31 2024
Cash and Investments	$ 9,385,498.80	$ 8,608,656.70
Taxes and Liens and Utility Charges Receivable	662,595.82	610,216.12
Property Acquired for Taxes--Assessed Valuation	109,200.00	
Accounts Receivable	5,998,642.63	6,874,074.25
Fixed Capital – Utility	16,555,516.65	16,555,516.65
Fixed Capital Authorized and Uncompleted	20,021,500.00	17,306,500.00
Deferred Charges to Future Taxation -- General Capital	10,105,414.38	9,494,151.76
Deferred Charges to Revenue of Succeeding Years		64,196.77
Fixed Assets	7,148,891.87	7,148,891.87
Total Assets	$ 69,987,260.15	$ 66,662,204.12

LIABILITIES, RESERVES AND FUND BALANCE		
Bonds, Notes and Loans Payable	$ 12,804,089.60	$ 12,590,822.37
Improvement Authorizations	10,859,214.52	11,292,593.87
Other Liabilities and Special Funds	13,699,641.87	11,876,786.71
Reserve for Certain Assets Receivable	1,742,271.79	2,021,313.63
Amortization of Debt for Fixed Capital Acquired or Authorized	20,789,753.14	20,236,361.29
Fund Balance	2,943,397.36	1,495,434.38
Investment in Fixed Assets	7,148,891.87	7,148,891.87
Total Liabilities, Reserves and Fund Balance	$ 69,987,260.15	$ 66,662,204.12

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

CURRENT FUND

Revenue and Other Income Realized	Year 2025	Year 2024
Fund Balance Utilized	$ 1,072,619.00	$ 1,030,874.00
Miscellaneous -- From Other Than Local Property Tax Levies	1,734,518.73	2,232,766.33
Collection of Delinquent Taxes and Tax Title Liens	222,461.40	292,345.61
Collection of Current Tax Levy	19,909,941.06	19,137,066.75
Interfund Loans Returned	669,533.45	
Other Credits to Income	776,466.96	621,259.81
Total Income	24,385,540.60	23,314,312.50
Expenditures		
Budget Expenditures:		
Municipal Purposes	8,782,135.80	8,631,312.42
County Taxes	3,971,411.55	3,644,131.44
Regional School Taxes	9,421,908.00	9,253,387.00
Interfund Loans Made	300,000.00	655,895.94
Other Debits to Income	43,900.06	39,592.56
Total Expenditures	22,519,355.41	22,224,319.36
Statutory Excess to Fund Balance	1,866,185.19	1,089,993.14
Fund Balance Jan. 1	1,383,704.30	1,324,585.16
	3,249,889.49	2,414,578.30
Less: Utilized as Revenue	1,072,619.00	1,030,874.00
Fund Balance Dec. 31	$ 2,177,270.49	$ 1,383,704.30

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

WATER-SEWER UTILITY FUND

Revenue and Other Income Realized	Year 2025	Year 2024
Fund Balance	$ 59,646.00	$ 48,000.00
Collection of Water-Sewer Rents	3,691,862.27	2,895,641.12
Miscellaneous -- From Other than Water Rents	125,467.45	149,341.51
Other Credits to Income	144,784.89	184,883.73
Total Income	4,021,760.61	3,277,866.36
Expenditures		
Operating	2,607,803.31	2,364,149.00
Capital Appropriations	40,000.00	20,000.00
Debt Service	615,242.69	608,471.10
Deferred Charges and Statutory Expenditures	245,796.77	162,500.00
Other Debits to Income	51,335.82	
Total Expenditures	3,560,178.59	3,155,120.10
Adjustment in Income before Fund Balance: Deferred Charges to Budget of Succeeding Years		
Total Adjusted Expenditures	3,560,178.59	3,155,120.10
Statutory Excess to Fund Balance	461,582.02	122,746.26
Fund Balance Jan. 1	99,767.68	25,021.42
	561,349.70	147,767.68
Less: Utilized as Revenue	59,646.00	48,000.00
Fund Balance Dec. 31	$ 501,703.70	$ 99,767.68

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RECOMMENDATIONS

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

The above synopsis was prepared from the Report of Audit of the Borough of Hightstown, County of Mercer, for the calendar year 2025, submitted by Daniel M. DiGangi, Registered Municipal Accountant, Certified Public Accountant of PKF O'Connor Davies, LLP, Certified Public Accountants. 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.

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Margaret Riggio, RMC/CMC
Borough Clerk

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