

**SYNOPSIS OF 2025 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>2025</u>	<u>2024</u>
<u>Assets</u>		
Cash and Investments	\$ 15,921,045.05	\$ 14,859,116.24
Receivables Other Than Taxes	4,979,303.76	5,316,540.06
Taxes Receivable & Tax Title Liens	803,098.27	642,630.06
Fixed Assets	31,204,943.34	27,772,778.22
Fixed Capital	7,626,859.48	7,626,859.48
Fixed Capital Authorized & Uncompleted	12,636,250.00	12,550,000.00
Deferred Charges To Future Taxation:		
Funded	5,985,000.00	6,610,000.00
Unfunded	14,764,877.05	14,868,935.05
Total Assets	<u>\$ 93,921,376.95</u>	<u>\$ 90,246,859.11</u>
<u>Liabilities, Reserves and Fund Balance</u>		
Serial Bonds & Loans Payable	\$ 21,938,142.32	\$ 19,922,410.24
Improvement Authorizations	4,639,917.33	6,380,739.41
Other Liabilities & Special Funds	19,820,278.21	19,246,812.43
Reserve for Amortization	4,973,717.16	4,699,449.24
Deferred Reserve for Amortization	493,407.56	493,407.56
Reserve for Receivables	2,869,248.99	3,083,520.21
Fund Balance	7,981,722.04	8,647,741.80
Investment in Fixed Assets	31,204,943.34	27,772,778.22
Total Liabilities, Reserves and Fund Balance	<u>\$ 93,921,376.95</u>	<u>\$ 90,246,859.11</u>

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

	2025	2024
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 1,900,000.00	\$ 1,900,000.00
Miscellaneous Revenue Anticipated	1,883,588.23	2,000,997.78
Collection of Delinquent Taxes	456,913.85	625,248.16
Collection of Current Taxes	22,354,596.43	21,250,121.36
Non-Budget Revenue	164,412.10	189,060.72
Other Credits to Income	<u>390,947.75</u>	<u>672,537.14</u>
Total Revenues	<u>27,150,458.36</u>	<u>26,637,965.16</u>
<u>Expenditures</u>		
Budget Expenditures	13,715,183.36	13,394,030.30
County Taxes	2,631,655.20	2,370,445.40
Local and Regional School Taxes	9,381,348.00	8,995,648.00
Municipal Open Space Tax	67,452.80	54,742.60
Other Debits to Income	<u>129,592.60</u>	<u>81,908.32</u>
Total Expenditures	<u>25,925,231.96</u>	<u>24,896,774.62</u>
Excess in Revenue	1,225,226.40	1,741,190.54
Fund Balance, January 1	<u>4,485,982.60</u>	<u>4,644,792.06</u>
	5,711,209.00	6,385,982.60
Decreased By:		
Utilized as Anticipated Revenue	<u>1,900,000.00</u>	<u>1,900,000.00</u>
Fund Balance, December 31	<u><u>\$ 3,811,209.00</u></u>	<u><u>\$ 4,485,982.60</u></u>

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BOROUGH OF HIGHLANDS, COUNTY OF MONMOUTH**

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

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

	2025	2024
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 200,000.00	\$ 200,000.00
Sewer Rents & Charges	1,687,490.40	1,747,060.08
Miscellaneous Revenue	121,524.42	199,853.61
Other Credits to Income	<u>98,391.29</u>	<u>142,316.40</u>
Total Revenues	<u>2,107,406.11</u>	<u>2,289,230.09</u>
<u>Expenditures</u>		
Budget Expenditures:		
Operating	1,432,159.30	1,357,000.00
Debt Service	348,340.70	343,632.37
Capital Improvements	100,000.00	100,000.00
Deferred Charges and Statutory Expenditures	<u>19,500.00</u>	<u>15,312.50</u>
Total Expenditures	<u>1,900,000.00</u>	<u>1,815,944.87</u>
Excess in Revenue	207,406.11	473,285.22
Fund Balance, January 1	<u>3,818,592.93</u>	<u>3,545,307.71</u>
	4,025,999.04	4,018,592.93
Decreased By:		
Utilized as Anticipated Revenue	<u>200,000.00</u>	<u>200,000.00</u>
Fund Balance, December 31	<u><u>\$ 3,825,999.04</u></u>	<u><u>\$ 3,818,592.93</u></u>

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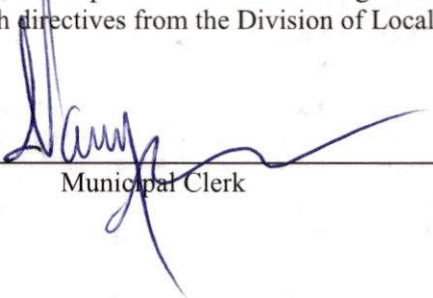
Recommendations

Finding 2025-001

That the Borough establish procedures to ensure volunteers that have earned the required number of points in a given year receive a contribution to their Length of Service Award Program.

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 2025. 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.

A Corrective Action Plan outlining actions to be taken by the Borough of Highlands to correct the above findings will be prepared in accordance with federal and state guidelines. A copy of the plan will be on file and available for public inspection with the Borough Clerk's office no later than August 26, 2026 in compliance with directives from the Division of Local Government Services.



Municipal Clerk