

BOROUGH OF HAMBURG  
SUMMARY OR SYNOPSIS OF AUDIT REPORT FOR PUBLICATION

Attention is directed to the fact that a Summary or Synopsis of the Audit Report together with the recommendations is the minimum required to be published pursuant to N.J.S. 40A:5-7.

Summary or Synopsis of 2025 Audit report of the Borough of Hamburg as required by N.J.S. 40A:5-7.

COMBINED COMPARATIVE BALANCE SHEET

	December 31,	
	2025	2024
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 8,214,747.93	\$ 8,209,118.60
Taxes, Liens and Assessment Receivable	994,071.35	958,622.08
Accounts Receivable	500,491.55	884,650.85
Fixed Capital - Utility	11,917,815.13	10,999,378.17
Fixed Capital Authorized and Uncompleted - Utility	350,868.62	1,185,868.62
Deferred Charges	219,836.15	
Deferred Charges to Future Taxation		25,305.00
General Fixed Assets	6,692,250.23	6,586,828.00
<u>TOTAL ASSETS</u>	<u>\$ 28,890,080.96</u>	<u>\$ 28,849,771.32</u>
<u>LIABILITIES, RESERVES AND FUND BALANCES</u>		
Bonds, Notes and Loans Payable	\$ 1,072,220.23	\$ 1,251,524.14
Improvement Authorizations	211,990.04	263,612.55
Other Liabilities and Special Funds	4,318,518.90	3,821,164.68
Deferred Reserve for Amortization	350,868.62	300,868.62
Reserve for Amortization	10,787,049.90	10,576,053.03
Reserve for Debt Service	78,227.96	78,227.96
Investment in General Fixed Assets	6,692,250.23	6,586,828.00
Reserve for Receivables	1,416,687.63	1,410,048.82
Fund Balances	3,962,267.45	4,561,443.52
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCES</u>	<u>\$ 28,890,080.96</u>	<u>\$ 28,849,771.32</u>

BOROUGH OF HAMBURG  
SUMMARY OR SYNOPSIS OF AUDIT REPORT FOR PUBLICATION  
(Continued)

Comparative Schedule of Operations and Change in Fund Balance - Current Fund

	Year Ended December 31,	
	2025	2024
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 434,666.00	\$ 560,000.00
Miscellaneous Revenue Anticipated	758,309.09	941,977.43
Receipts from:		
Delinquent Taxes	170,706.74	185,568.55
Current Taxes	12,982,445.27	12,466,719.47
Nonbudget Revenue	31,030.17	141,562.78
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	22,495.39	173,351.83
Tax Overpayments Cancelled	107.33	
Due to State Marriage Licenses Canceled	250.00	
Interfunds Returned	171,388.57	224,758.50
	<u>14,571,398.56</u>	<u>14,693,938.56</u>
<u>Expenditures</u>		
Budget and Emergency Appropriations:		
Municipal Purposes	4,059,091.16	4,033,077.41
County Taxes	1,939,467.10	1,772,072.82
Local School District Taxes	5,916,240.00	5,864,404.00
Regional School District Taxes	2,443,935.00	2,224,198.00
Municipal Open Space Tax Levy	7,712.85	7,704.11
Prepaid Local School District Taxes	58,545.00	
Interfunds Advanced	8,967.44	171,388.57
Prior Year Senior Citizens' and Veterans' Deductions Disallowed	750.00	500.00
	<u>14,434,708.55</u>	<u>14,073,344.91</u>
Excess in Revenue	136,690.01	620,593.65
Adjustment to Excess Before Fund Balance:		
Expenditures included above which are by Statute		
Deferred Charges to Budget of Succeeding Year	200,125.01	25,305.00
	<u>336,815.02</u>	<u>645,898.65</u>
Statutory Excess to Fund Balance	336,815.02	645,898.65
<u>Fund Balance</u>		
Balance January 1	2,103,983.72	2,018,085.07
	<u>2,440,798.74</u>	<u>2,663,983.72</u>
Decreased by:		
Utilized as Anticipated Revenue	434,666.00	560,000.00
	<u>434,666.00</u>	<u>560,000.00</u>
Balance December 31	<u>\$ 2,006,132.74</u>	<u>\$ 2,103,983.72</u>

BOROUGH OF HAMBURG  
SUMMARY OR SYNOPSIS OF AUDIT REPORT FOR PUBLICATION  
(Continued)

Comparative Schedule of Operations and Change in Fund Balance - Water/Sewer Utility Operating Fund

	Year Ended December 31,	
	2025	2024
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 939,251.00	\$ 834,500.00
Rents	1,708,288.34	1,851,217.53
Miscellaneous Revenue Not Anticipated	199,994.85	259,567.60
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	361,604.72	418,887.79
Total Income	<u>3,209,138.91</u>	<u>3,364,172.92</u>
 <u>Expenditures</u>		
Budget Expenditures:		
Operating	2,020,000.00	1,965,000.00
Capital Improvements	475,000.00	326,500.00
Debt Service	81,711.14	85,847.46
Deferred Charges and Statutory Expenditures	82,251.00	72,599.00
Total Expenditures	<u>2,658,962.14</u>	<u>2,449,946.46</u>
Excess in Revenue	550,176.77	914,226.46
Adjustment to Excess Before Fund Balance:		
Expenditures included above which are by Statute		
Deferred Charges to Budget of Succeeding Year	19,711.14	
Statutory Excess to Fund Balance	569,887.91	914,226.46
<u>Fund Balance</u>		
Balance January 1	2,304,441.75	2,324,715.29
	<u>2,874,329.66</u>	<u>3,238,941.75</u>
Decreased by:		
Utilized as Anticipated Revenue	939,251.00	834,500.00
Surplus Anticipated in Current Fund	131,962.00	100,000.00
Balance December 31	<u>\$ 1,803,116.66</u>	<u>\$ 2,304,441.75</u>

BOROUGH OF HAMBURG  
SUMMARY OR SYNOPSIS OF RECOMMENDATIONS

It is recommended that:

1. Adequate segregation of duties is maintained with respect to the recording and treasury functions.
2. Cash activities are properly recorded in the receipts and disbursements journals.
3. Expenditures be monitored more closely to ensure that there are no budget over-expenditures.
4. Extra care be taken to ensure that interfund balances between the various funds' balance sheets as well as outstanding wires in transit between the different bank accounts' bank reconciliations are reconciled on a monthly basis.
5. Grant expenses and receipts are posted to the proper account.

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A corrective action plan, which outlines actions the 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 Municipal Clerk of the Borough of Hamburg within 45 days of this notice.

The above summary or synopsis was prepared from the Report of Audit of the Borough of Hamburg, County of Sussex, for the calendar year 2025. This Report of Audit, submitted by Man C. Lee, Registered Municipal Accountant, of Nisivoccia, is on file at the Borough Clerk's office and may be inspected by any interested person.

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Clerk