

PUBLIC NOTICE

BOROUGH OF SURF CITY, COUNTY OF OCEAN

NOTICE OF AUDIT ACKNOWLEDGEMENT

Public Notice is hereby given that, on July 8, 2026, the Governing Body of the Borough of Surf City acknowledged that they have reviewed the 2025 Annual Report of Audit “Comments & Recommendations.” The synopsis is published on the following pages.

CHRISTINE HANNEMANN, RMC/CMR/QPA

Municipal Clerk/Administrator

SYNOPSIS OF AUDIT REPORT FOR PUBLICATION

Synopsis of 2025 Audit Report for the Borough of Surf City as required by N.J.S.40A:5-7.

COMBINED COMPARATIVE BALANCE SHEET

(Condensed Form)

ASSETS	2025	2024
Cash & Investments	\$ 15,978,639.56	\$ 16,993,636.93
Taxes, Assessments, Liens & Utility Charges Receivable	187,875.66	186,187.65
Accounts Receivable & Other	176,332.36	432,044.25
General Fixed Assets	6,232,147.32	6,066,829.20
Deferred Charges to Future Taxation:		
Funded & Unfunded	9,214,404.01	4,102,147.71
Fixed Capital	11,806,476.14	11,056,476.14
Total	<u>\$ 43,595,875.05</u>	<u>\$ 38,837,321.88</u>
LIABILITIES, RESERVES & FUND BALANCE		
Bonds & Notes Payable	\$ 500,000.00	\$ 500,000.00
Improvement Authorizations	9,213,478.18	4,788,933.20
Other Liabilities & Special Funds	9,396,335.03	9,347,006.92
Investment in Fixed Assets	6,232,147.32	6,066,829.20
Reserve for Amortization & Deferred Amortization	9,765,505.82	9,421,702.52
Fund Balance	8,488,408.70	8,712,850.04
Total	<u>\$ 43,595,875.05</u>	<u>\$ 38,837,321.88</u>

BOROUGH OF SURF CITY
COMMENTS
YEAR ENDED DECEMBER 31, 2025

Comparative Statement of Operations
and Changes in Fund Balance - Current Fund

	2025		2024	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$ 2,574,500.00	9.32%	\$ 2,385,000.00	8.93%
Collection of Current Tax Levy	22,317,882.40	80.76%	21,559,255.42	80.73%
Collection of Delinquent Taxes	131,190.75	0.47%	190,359.38	0.71%
Miscellaneous - From Other Than Local Property Tax Levies	2,609,890.08	9.44%	2,572,044.63	9.63%
Total Revenues	27,633,463.23	100.00%	26,706,659.43	100.00%
<u>Expenditures</u>				
Budget Expenditures:				
Municipal Purposes	8,220,510.74	31.99%	7,983,092.11	32.29%
County Taxes	11,062,901.26	43.05%	10,300,827.22	41.66%
Local & Regional School Tax	6,375,039.00	24.81%	6,436,598.00	26.03%
Other Expenditures	39,329.66	0.15%	2,895.44	0.01%
Total Expenditures	25,697,780.66	100.00%	24,723,412.77	100.00%
Excess in Revenue	1,935,682.57		1,983,246.66	
Add: Expenditures Included Above Which Are By Statute Deferred Charges To Budgets of Succeeding Years	1,230.30		-	
Statutory Excess To Fund Balance	1,936,912.87		1,983,246.66	
Fund Balance, January 1	5,650,955.20		6,052,708.54	
	7,587,868.07		8,035,955.20	
Decreased By:				
Utilized as Anticipated Revenue	2,574,500.00		2,385,000.00	
Fund Balance, December 31	\$ 5,013,368.07		\$ 5,650,955.20	

BOROUGH OF SURF CITY
COMMENTS
YEAR ENDED DECEMBER 31, 2025

Comparative Statement of Operations
and Changes in Fund Balance - Water/Sewer Utility Fund

	2025		2024	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$ 1,100,000.00	23.84%	\$ 1,100,000.00	24.39%
Collection of Utility Rents	2,363,116.38	51.23%	2,312,286.67	51.27%
Miscellaneous - From Other Than Utility Rents	<u>1,150,029.41</u>	<u>24.93%</u>	<u>1,097,770.22</u>	<u>24.34%</u>
Total Revenues	<u>4,613,145.79</u>	<u>100.00%</u>	<u>4,510,056.89</u>	<u>100.00%</u>
<u>Expenditures</u>				
Budget Expenditures				
Operating	2,600,000.00	83.87%	2,450,000.00	82.35%
Capital Improvements	110,000.00	3.55%	110,000.00	3.70%
Deferred Charges & Statutory Expenditures	<u>390,000.00</u>	<u>12.58%</u>	<u>415,000.00</u>	<u>13.95%</u>
Total Expenditures	<u>3,100,000.00</u>	<u>100.00%</u>	<u>2,975,000.00</u>	<u>100.00%</u>
Excess in Revenue	1,513,145.79		1,535,056.89	
Fund Balance, January 1	<u>2,971,965.70</u>		<u>2,536,908.81</u>	
	4,485,111.49		4,071,965.70	
Decreased By:				
Utilized as Anticipated Revenue	<u>1,100,000.00</u>		<u>1,100,000.00</u>	
Fund Balance, December 31	<u>\$ 3,385,111.49</u>		<u>\$ 2,971,965.70</u>	

RECOMMENDATION

Finding No. 2025-001

That the Borough raise the deferred charges in the respective funds.

Finding No. 2025-002

That internal control policies and procedures should be developed to properly maintain a single general ledger system.

The above synopsis was prepared from the report on examination of the financial statements and supplementary data of the Borough of Surf City, for the year ended December 31, 2025. This report was submitted by Holman Frenia Allison, P.C., Certified Public Accountants, 1985 Cedar Bridge Avenue, Suite 3, Lakewood, New Jersey 08701 and 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 Surf City 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 17, 2026 in compliance with directives from the Division of Local Government Services.

Christine Hannemann, Borough Clerk