

**COMPREHENSIVE ANNUAL FINANCIAL REPORT OF
BOROUGH OF SOUTH RIVER**

**48 Washington Street
South River, NJ 08882**

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

**Presented by
Joseph Zanga
Chief Financial Officer
Borough of South River**

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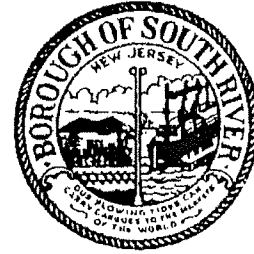
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INTRODUCTORY SECTION

BOROUGH OF SOUTH RIVER
MIDDLESEX COUNTY
NEW JERSEY
08882-1247



September 28, 2021

Honorable Mayor and Members
of the Borough Council
Borough of South River
County of Middlesex, New Jersey

The Comprehensive Annual Financial Report for the Borough of South River, County of Middlesex, State of New Jersey, for the year ended December 31, 2020 is submitted herewith and includes financial statements and supplemental schedules. I believe it is accurate in all material respects; that it is presented in a manner designated to set forth fairly the financial position and results of operations of the Borough of South River as measured by the financial activity of its various funds and account groups; and that all disclosures necessary to enable the reader to gain an understanding of the Borough's financial affairs have been included.

The Comprehensive Annual Financial Report is presented in four (4) sections: Introductory, Financial, Statistical, and Auditor's Comments and Recommendations. The Introductory Section includes this transmittal letter, the Borough's organizational chart and a list of principal officials. The Financial Section includes the annual financial statements and individual fund financial schedules, as well as the independent auditor's report. The Statistical Section includes selected financial, economic and demographic information, generally presented on a multi-year basis. The fourth and final section is prepared by the Independent Auditor and contains their required annual comments and recommendations, if any, to the Mayor and Council. The Mayor and Council are required to adopt a plan of action on the implementation of any audit recommendations. Responsibility for completeness and clarity of the report, including disclosures, rests with the Chief Financial Officer and, ultimately, with the Mayor and Council.

The financial statements have been audited by Gerard Stankiewicz, Certified Public Accountant, Registered Municipal Accountant of Samuel Klein and Company, Freehold, New Jersey, independent certified public accountants whose opinion is expressed in the Financial Section. Please note that the auditor's report is unqualified and states that the financial statements are presented fairly in conformity with the basis of accounting as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

PRESENT AND FUTURE CHALLENGES

Current Fund

The Current Fund, which finances most of the operational areas of our local government, had total revenues exclusive of fund balance of \$18,665,742.90, total expenditures of \$18,759,031.96, and a fund balance decrease of \$97,751.38 as of December 31, 2020. The following schedule summarizes revenues and expenses for 2020 and 2019.

	<u>2020</u>	<u>2019</u>	<u>Increase/(Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
<u>Revenues</u>				
Fund Balance	\$ 1,708,796.50	\$ 1,344,844.98	\$ 363,951.52	27.06 %
Real Estate Taxes	11,133,073.04	10,853,377.66	279,695.38	2.58
Delinquent Tax Receipts	524,498.97	583,780.85	(59,281.88)	(10.15)
Miscellaneous Anticipated Revenue	1,330,485.83	1,502,933.95	(172,448.12)	(11.47)
Construction Code	131,612.00	236,664.00	(105,052.00)	(44.39)
Miscellaneous - Electric Utility Surplus	3,200,000.00	3,978,500.00	(778,500.00)	(19.57)
Grants	194,379.46	193,795.40	584.06	0.30
Intergovernmental Revenue	825,291.01	825,291.00	0.01	0.00
Other Credits to Income	547,941.94	852,899.37	(304,957.43)	(35.76)
Nonbudget Revenue	<u>778,460.65</u>	<u>571,170.89</u>	<u>207,289.76</u>	<u>36.29</u>
	<u>\$ 20,374,539.40</u>	<u>\$ 20,943,258.10</u>	<u>\$ (568,718.70)</u>	<u>(2.72) %</u>

1. Real Estate Taxes - These are the taxes levied on all real property within the Borough.
2. Delinquent Tax Receipts - This represents receipts from delinquent taxes and tax title liens.
3. Intergovernmental Revenue - This represents funds received from the State of New Jersey and the Federal Government in the form of grants or direct aid.
4. Miscellaneous Anticipated Revenues - This represents all of the miscellaneous revenues of the Borough including fees, fines, licenses, interest and other direct user charges, except those detailed separately above.

Current Fund (Continued)

The increase in budgetary expenditures in 2020 over 2019 was as follows:

<u>Expenditures</u>	<u>2020</u>	<u>2019</u>	<u>Increase/(Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
General Government	\$ 908,100.00	\$ 851,800.00	\$ 56,300.00	6.61 %
Public Safety	4,932,850.00	4,712,850.00	220,000.00	4.67
Public Works	2,376,000.00	2,156,000.00	220,000.00	10.20
Utility Expense and Bulk Purchases	431,000.00	358,000.00	73,000.00	20.39
Land Use	60,000.00	56,000.00	4,000.00	7.14
Sanitary Landfill	570,000.00	535,000.00	35,000.00	6.54
Insurance	1,750,000.00	1,788,000.00	(38,000.00)	(2.13)
Health and Human Services	234,312.00	248,990.00	(14,678.00)	(5.90)
Parks and Recreation	422,317.00	432,317.00	(10,000.00)	(2.31)
Education - Library	490,181.00	483,281.00	6,900.00	1.43
Construction Code	151,000.00	191,000.00	(40,000.00)	(20.94)
Deferred Charges and Statutory Expenditures	1,712,000.00	1,665,000.00	47,000.00	2.82
Grants	209,579.46	208,995.40	584.06	0.28
Capital Improvements	200,000.00	130,000.00	70,000.00	53.85
Debt Service	2,110,128.50	3,076,318.98	(966,190.48)	(31.41)
Sewer	1,321,064.00	1,356,353.00	(35,289.00)	(2.60)
Contingent	500.00	500.00	0.00	0.00
Reserve for Uncollected Taxes	880,000.00	870,000.00	10,000.00	1.15
	<u>\$ 18,759,031.96</u>	<u>\$ 19,120,405.38</u>	<u>\$ (361,373.42)</u>	<u>(1.89) %</u>

The Borough operates Electric, Parking and Water Utilities. These utilities are budgetary entities that allow for the segregation of the revenue and expenses of the utilities. The utilities are under the operational control of the Mayor and Council.

Electric Utility Fund

The Electric Utility serves the entire Borough, which encompasses approximately 5,768 residential and 673 commercial accounts. Revenues in 2020 exclusive of fund balance utilized were \$15,191,003.58 and expenditures exclusive of the transfer to the general budget were \$11,464,600.00. Fund balance increased \$526,403.58. The Electric Utility debt was considered to be self-liquidating for 2020, and, as a result, the Fund's debt is not factored into the Borough's net debt. The following schedule summarizes revenue and expenses for 2020 and 2019.

	<u>2020</u>	<u>2019</u>	<u>Increase/(Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
<u>Revenues</u>				
Fund Balance Utilized	\$ 3,039,000.00	\$ 3,978,500.00	\$ (939,500.00)	(23.61) %
Electric Charges	13,793,119.25	14,230,911.16	(437,791.91)	(3.08)
Nonbudget Revenues	140,862.42	190,832.27	(49,969.85)	(26.19)
Other Credits to Income	<u>1,257,021.91</u>	<u>414,702.74</u>	<u>842,319.17</u>	<u>203.11</u>
	<u>\$ 18,230,003.58</u>	<u>\$ 18,814,946.17</u>	<u>\$ (584,942.59)</u>	<u>(3.11) %</u>
<u>Expenditures</u>				
Operating Expenses	\$ 10,388,000.00	\$ 10,685,000.00	\$ (297,000.00)	(2.78) %
Capital Improvements	220,000.00	275,000.00	(55,000.00)	(20.00)
Debt Service	543,600.00	536,884.00	6,716.00	1.25
Deferred Charges	313,000.00	321,000.00	(8,000.00)	(2.49)
Surplus (General Budget)	<u>3,200,000.00</u>	<u>3,978,500.00</u>	<u>(778,500.00)</u>	<u>(19.57)</u>
	<u>\$ 14,664,600.00</u>	<u>\$ 15,796,384.00</u>	<u>\$ (1,131,784.00)</u>	<u>(7.16) %</u>

Parking Utility Fund

The Borough created a utility operating fund to meet the parking needs of the downtown area, which has 141 street slots and 69 parking lot spot permits. Revenues in 2020 exclusive of fund balance utilized were \$68,144.53 and expenditures were \$72,500.00. Fund balance decreased \$4,355.47. The following schedule summarizes revenue and expenses for 2020 and 2019.

	<u>2020</u>	<u>2019</u>	<u>Increase/(Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
<u>Revenues</u>				
Fund Balance Utilized	\$ 32,500.00	\$ 30,500.00	\$ 2,000.00	6.56 %
Parking Permit Fee	39,877.82	55,134.91	(15,257.09)	(27.67)
Miscellaneous Revenue	0.00	1,000.00	(1,000.00)	(100.00)
Nonbudget Revenue	2,019.00	1,935.27	83.73	4.33
Other Credits to Income	26,247.71	12,439.36	13,808.35	111.01 %
	<u>\$ 100,644.53</u>	<u>\$ 101,009.54</u>	<u>\$ (365.01)</u>	<u>(0.36) %</u>
<u>Expenditures</u>				
Operating Expenses	\$ 39,000.00	\$ 38,000.00	\$ 1,000.00	2.63 %
Capital Improvements	6,500.00	6,500.00	0.00	0.00
Debt Service	22,000.00	22,000.00	0.00	0.00
Deferred Charges	5,000.00	5,000.00	0.00	0.00
	<u>\$ 72,500.00</u>	<u>\$ 71,500.00</u>	<u>\$ 1,000.00</u>	<u>1.40 %</u>

Water Utility Fund

The Water Utility serves the entire Borough which encompasses approximately 4,939 accounts. Revenues exclusive of fund balance were \$4,324,793.96 and expenditures were \$4,041,625.00. Fund balance increased \$283,168.96. The Water Utility Fund was considered to be self-liquidating for 2020 and, as a result, the Fund's debt is not factored into the Borough's net debt. The following schedule summarizes revenues and expenses for 2020 and 2019.

	<u>2020</u>	<u>2019</u>	<u>Increase/(Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
<u>Revenues</u>				
Fund Balance Utilized	\$ 57,625.00	\$ 288,935.00	\$ (231,310.00)	(80.06) %
Water Rents	4,082,784.76	3,543,873.23	538,911.53	15.21
Miscellaneous Revenue	26,000.00	34,300.00	(8,300.00)	(24.20)
Nonbudget Revenue	70,736.44	52,815.79	17,920.65	33.93
Other Credits to Income	<u>145,272.76</u>	<u>98,281.08</u>	<u>46,991.68</u>	<u>47.81</u>
	<u>\$ 4,382,418.96</u>	<u>\$ 4,018,205.10</u>	<u>\$ 364,213.86</u>	<u>9.06 %</u>
<u>Expenditures</u>				
Operating Expenses	\$ 2,851,000.00	\$ 2,954,000.00	\$ (103,000.00)	(3.49) %
Capital Improvements	325,000.00	326,000.00	(1,000.00)	(0.31)
Debt Service	463,125.00	485,735.00	(22,610.00)	(4.65)
Deferred Charges	<u>402,500.00</u>	<u>195,500.00</u>	<u>207,000.00</u>	<u>105.88</u>
	<u>\$ 4,041,625.00</u>	<u>\$ 3,961,235.00</u>	<u>\$ 80,390.00</u>	<u>2.03 %</u>

MAJOR ACTIVITIES AFFECTING BUDGET/FINANCIAL CONDITIONS

The Borough of South River encompasses 2.87 square miles. The Borough is a fully developed mature community comprised of mostly residential dwellings. The Borough has eleven apartment complexes and is densely populated. The Borough relies heavily on its Electric Utility and thus dramatic changes in the weather pattern effect the Borough's revenues dramatically.

The Borough Council has, in recent years, become aggressive in their Capital Program of improvements. The Borough, annually, has appropriated monies for Parks and Recreation Equipment, Roadway Resurfacing and Improvements to the Infrastructure.

PROSPECTS FOR THE FUTURE

The 2021 Municipal Budget as adopted reflects a rate of \$0.701, representing an increase from the prior year in the Local Purpose Tax Rate. The 2021 Budget as adopted will have increase of \$308,205, or 3.0% compared to 2020 appropriations exclusive of the Library.

In 2020, the Borough is continuing a several year plan of beautifying the downtown area. In addition, park improvements are in process using a combination of grants and local funds. Initial plans for a Redevelopment program in the business district have advanced to the serious conceptual stage and a number of professionals have been consulted in this process.

LOCAL ECONOMIC EVENTS

Major infrastructure improvements were undertaken in a number of areas including:

- Road resurfacing and intersection improvements with local funds as well as a variety of other governmental sources to reduce the local financial burden of such work. Being a crossroads community in such a busy part of the region, South River has an unusually large infrastructure renewal burden for a community our size. By taking advantage of multiple sources and continuing to maintain our existing programs, South River is responsibly tending to the transportation needs of our citizens and visitors.
- Improvements to the Borough's parks and recreational facilities continue.
- Upgrade to various aspects of the Borough's water, electric and sewer system continue.
- Various equipment, vehicles and building improvements are being purchased for all departments in order to provide a better level of service to the residents.
- Improvements to Albourne Street funded by the NJDOT and other roads are substantially complete.
- The Governing Body is in constant pursuit of grants from the federal, state and county governments in order to improve the Borough at minimal cost to the local residents.
- Curb and sidewalk improvements funded by the Housing and Community Development Grant funds and residential assessment continues.
- Ongoing computer equipment and network upgrades,
- Improvements to the Borough's downtown area continues.

CASH MANAGEMENT

The Borough invests all surplus funds for appropriate periods of time as determined by the Chief Financial Officer. During 2020, funds were deposited in interest bearing accounts.

DEBT ADMINISTRATION

The current outstanding net debt of the Borough is \$25,108,829.09 which represents 1.718% of its average equalized value. Debt Service appropriations for 2020 were \$3,138,853.50 for all Borough funds.

RISK MANAGEMENT

The Borough is a member of the Middlesex County Joint Insurance Fund along with the statewide Municipal Excess Liability Joint Insurance Fund, Municipal Excess Liability Residual Claims Fund and Environmental Joint Insurance Fund, as well as a Private Insurance Plan for Volunteer Firemen. The Borough is well insured. These funds provide professional risk management, legal defense, loss prevention, claims management and actuarial services and are regulated by the New Jersey Department of Insurance.

The Borough is a member of the Central Jersey Health Insurance Fund as of April 1, 2016, as well as having a dental plan with Blue Cross and Blue Shield of New Jersey and prescription plan with Bollinger Insurance.

ACKNOWLEDGMENTS

The preparation of this report on a timely basis could not be accomplished without the help and dedicated services of the entire staff of the Finance Department and the Administration of the Borough.

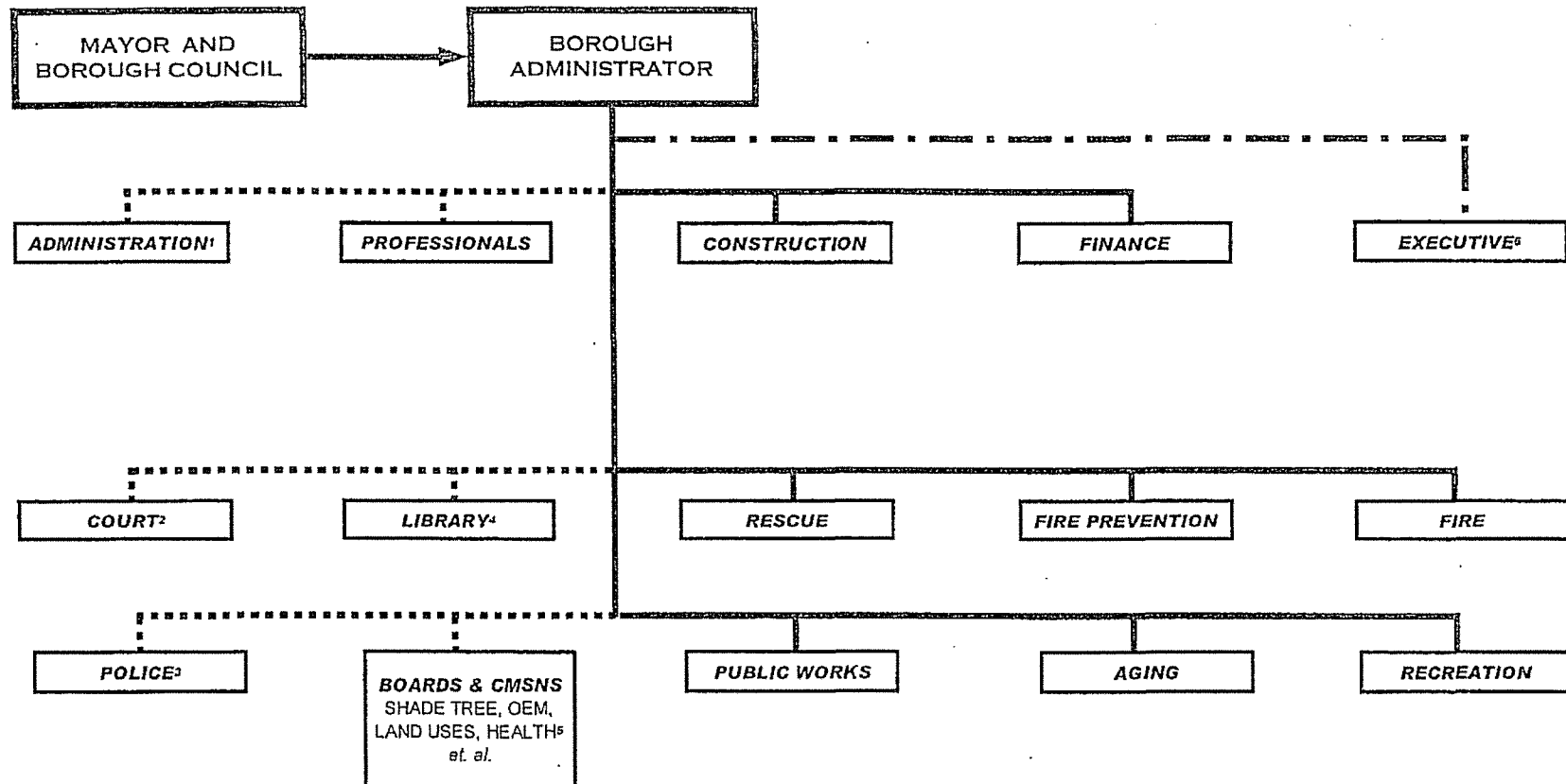
Respectfully submitted,

Arthur Londensky

Arthur Londensky
Borough Administrator

Joseph Zanga

Joseph Zanga
Chief Financial Officer



- Direct Report
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- Indirect Report—See notes above
- . - . Divisions within Departments

- 1 - By Ordinance reports directly to the Administration & Finance Committee
- 2 - By Statute reports directly to the Municipal Court Judge and NJAOC
- 3 - By Ordinance reports directly to the Public Safety Committee
- 4 - By Ordinance reports directly to the Free Public Library Board of Trustees
- 5 - Under Interlocal Agreement reports directly to the MCBOH
- 6 - The Borough Administrator serves as the Director of Executive

BOROUGH OF SOUTH RIVER
ROSTER OF OFFICIALS
DECEMBER 31, 2020

Governing Body

John M. Krenzel, Mayor
Raymond Eppinger, Council President
Sandra Adelino, Councilwoman
Donna Balazs, Councilwoman
Tony Ciulla, Councilman
Peter Guindi, Councilman
James Gurchensky, Councilman

Other Officials

Arthur Londensky, Business Administrator
William Bray, Borough Clerk
Tamar Lawful, Deputy Borough Clerk
Deborah Jones, Registrar of Vital Statistics
Joseph Zanga, Chief Financial Officer, Director of Finance
Richard Dudas, Tax Collector, Tax Search Officer, Utility Collector
Michael Frangella, Tax Assessor
Tina Martins Cruz, Magistrate
Cassandra Garrick, Court Administrator
Grace Marmero, Prosecutor
Andrea Wyatt, Esq., Borough Attorney
David Samuel, Borough Engineer

BOROUGH OF SOUTH RIVER
CONSULTANTS AND ADVISORS
DECEMBER 31, 2020

AUDIT FIRM

Gerard Stankiewicz, CPA, RMA
of the firm
Samuel Klein and Company
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Freehold, New Jersey 07728

ATTORNEYS

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OFFICIAL DEPOSITORIES

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6 Jackson Street
South River, NJ 08882

PNC Bank
55 Main Street
South River, NJ 08882

Northfield Bank
1410 St. Georges Avenue
Avenel, NJ 07001

FINANCIAL SECTION

SAMUEL KLEIN AND COMPANY, LLP

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INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Members
of the Borough Council
Borough of South River
County of Middlesex
State of New Jersey

To the Honorable Mayor and Members of the Borough Council:

Report on the Financial Statements

We have audited the financial statements – regulatory basis of the various funds and account groups of the Borough of South River, County of Middlesex, State of New Jersey as of December 31, 2020, and the related statement of operations and change in fund balance – regulatory basis for the year then ended, the related statement of revenues – regulatory basis, statement of expenditures – regulatory basis, and the related notes to the financial statements for the year then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements – regulatory basis, in accordance with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements – regulatory basis, based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and auditing standards prescribed by the Division of Local Government Service, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements – regulatory basis, the financial statements are prepared by the Borough on a basis of the financial reporting provisions of the regulatory basis of the accounting and budget laws of the Division of Local Government Services, Department of Community Affairs, State of Jersey which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matters discussed in the “Basis for Adverse Opinion on the United States Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of South River, County of Middlesex, State of New Jersey as of December 31, 2020, and change in financial position or cash flows thereof for the year then ended.

Basis for Disclaimer of Opinion on Length of Service Award Program Fund (“LOSAP”)

As discussed in Note 1, the financial statements of the Length of Service Award Program Fund (“LOSAP”) have not been audited, and we were not required by the Division to audit nor were we engaged to audit the LOSAP financial statements as part of our audit of the Borough's financial statements. The LOSAP financial activities are included in the Borough's Trust Fund, and represent 37.83% and 36.70% of the assets and liabilities, respectively, of the Borough's Trust Funds as of December 31, 2020 and 2019.

Disclaimer of Opinion on Length of Service Award Program Fund (“LOSAP”)

Due to the fact that we were not required by the Division to audit nor were we engaged to audit the LOSAP financial statements as part of our audit of the Borough's financial statements, we do not express an opinion of the LOSAP financial statements.

Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP financial statements been audited, the financial statements – regulatory basis referred to above present fairly, in all material respects the financial statements – regulatory basis of the various funds and account groups of the Borough of South River, County of Middlesex, State of New Jersey, as of December 31, 2020, and the results of its operations and change in fund balance of such funds – regulatory basis for the year then ended, and the revenues – regulatory basis, expenditures – regulatory basis of the various funds and account groups for the year ended December 31, 2020 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that pension plan information, including the Notes thereto, (Required Supplementary Information – RSI Schedules), as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context.

Other Information

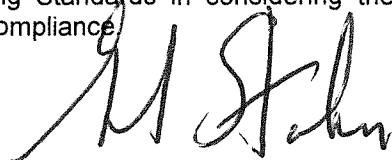
Our audit was made for the purpose of forming an opinion on the financial statements – regulatory basis of the Borough of South River, County of Middlesex, New Jersey. This information included in the introductory section as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements – regulatory basis of the Borough. The information included Single Audit section – the accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Uniform Guidance and is also not a required part of the basic financial statements.

The Supplementary Schedules and Individual Fund Statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements – regulatory basis. The information has been subjected to auditing procedures applied in the audit of the financial statements – regulatory basis and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements – regulatory basis taken as a whole.

The schedules and information contained in the Introductory Section and in the Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2021 on our consideration of the Borough of South River's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of South River's internal control over financial reporting and compliance.



Gerard Stankiewicz, CPA
Registered Municipal Accountant #431



SAMUEL KLEIN AND COMPANY, LLP

Freehold, New Jersey
September 28, 2021

SAMUEL KLEIN AND COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITORS REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Mayor and Members
of the Borough Council
Borough of South River
County of Middlesex
State of New Jersey

To the Honorable Mayor and Members of the Borough Council:

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements – regulatory basis of the Borough of South River (herein referred to as “the Borough”), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Borough’s financial statements – regulatory basis, and have issued our report thereon dated September 28, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements – regulatory basis, we considered the Borough’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

**INDEPENDENT AUDITORS REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(CONTINUED)**

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough's financial statements - regulatory basis are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Borough of South River's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of South River's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Gerard Stankiewicz
Certified Public Accountant
Registered Municipal Accountant #431



SAMUEL KLEIN AND COMPANY, LLP

Freehold, New Jersey
September 28, 2021

GENERAL PURPOSE FINANCIAL STATEMENTS

BOROUGH OF SOUTH RIVER
COMBINED STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE -
ALL FUND TYPES AND ACCOUNTS - REGULATORY BASIS
DECEMBER 31, 2020
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2019)

	Governmental Funds		Trust Funds	Utilities *		General Capital Asset Account	Totals	
	Current	General Capital		Operating	Capital		(Memorandum Only)	
							2020	2019
<u>ASSETS AND OTHER DEBITS</u>								
Cash and Cash Equivalents	\$ 5,459,115.94	\$ 478,478.14	\$ 2,382,931.66	\$ 6,149,996.96	\$ 1,681,625.05	\$ 16,152,147.75	\$ 13,816,762.26	
Investment				64,000.00		64,000.00	85,000.00	
Amount Held by Plan Administrator (unaudited)			1,453,429.16			1,453,429.16	1,284,407.17	
Intergovernmental Accounts Receivable		1,209,533.84				1,209,533.84	1,025,033.52	
Interfunds Receivable							109,014.98	
Receivables and Other Assets:								
Delinquent Property Taxes	445,456.12					445,456.12	476,554.51	
Consumer Accounts Receivable				2,268,648.56		2,268,648.56	1,905,157.64	
Liens Receivable	656,174.25			51,933.85		708,108.10	693,535.80	
Inventory				394,662.24		394,662.24	400,723.27	
Property Acquired for Taxes -								
Assessed Valuation	47,300.00					47,300.00	47,300.00	
Other Accounts Receivable	2,322.38		5,538.29	57,812.00		65,672.67	72,411.37	
Deferred Charges	100,000.00	25,108,829.09				25,208,829.09	26,674,520.26	
Fixed Capital					41,292,048.90	41,292,048.90	41,331,966.71	
Fixed Assets						\$ 35,222,705.38	34,910,350.79	
Grant Fund:								
Grants Receivable	45,616.54					45,616.54	51,392.48	
Interfund Receivable	89,059.42					89,059.42	46,710.66	
	<u>\$ 6,845,044.65</u>	<u>\$ 26,796,841.07</u>	<u>\$ 3,841,899.11</u>	<u>\$ 8,987,053.61</u>	<u>\$ 42,973,673.95</u>	<u>\$ 35,222,705.38</u>	<u>\$ 124,667,217.77</u>	
							<u>\$ 122,930,841.42</u>	

* Electric, Water and Parking Utility

BOROUGH OF SOUTH RIVER
COMBINED STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE -
ALL FUND TYPES AND ACCOUNTS - REGULATORY BASIS
DECEMBER 31, 2020
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2019)

	Governmental Funds			Trust Funds	Utilities *	General Capital Asset Account	Totals	
	Current	General Capital	Operating		Capital		(Memorandum Only)	
							2020	2019
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>								
Liabilities and Reserves:								
Appropriation Reserves	\$ 1,069,174.86			\$ 1,013,972.98		\$ 2,083,147.84	\$ 1,771,157.91	
Reserve for Losap (unaudited)			\$ 1,453,429.16			1,453,429.16	1,284,407.17	
Other Liabilities and Reserves	2,344,025.22	\$ 480,917.57	2,383,589.88	994,890.44	\$ 1,778,382.03	7,981,805.14	7,550,175.14	
Improvement Authorizations		3,246,287.58			3,680,052.17	6,926,339.75	10,397,475.15	
Accrued Interest on Bonds, Loans and Notes				9,235.06		9,235.06	14,601.81	
Interfunds Payable	89,059.42					89,059.42	155,725.64	
Serial Bonds		11,370,000.00			3,490,000.00	14,860,000.00	16,755,000.00	
Bond Anticipation Notes		2,335,000.00			1,414,000.00	3,749,000.00	85,000.00	
Loans Payable		8,857,957.56				8,857,957.56	9,341,875.16	
Reserve for Receivables and Other Assets	1,151,252.75			2,773,056.65		3,924,309.40	3,591,099.30	
Reserve for Amortization					32,012,048.90	32,012,048.90	30,781,966.71	
Deferred Reserve for Amortization					178,000.00	178,000.00	178,000.00	
Grant Fund:								
Reserve for Encumbrances	8,420.04					8,420.04	40,338.40	
Unappropriated/Appropriated Reserves	<u>126,255.92</u>					<u>126,255.92</u>	<u>57,764.74</u>	
Total Liabilities and Reserves	\$ <u>4,788,188.21</u>	\$ <u>26,290,162.71</u>	\$ <u>3,837,019.04</u>	\$ <u>4,791,155.13</u>	\$ <u>42,552,483.10</u>	\$ <u>82,259,008.19</u>	\$ <u>82,004,587.13</u>	
Equity and Other Credits:								
Fund Balance	\$ 2,056,856.44	\$ 506,678.36	\$ 4,880.07	\$ 4,195,898.48	\$ 421,190.85	\$ 7,185,504.20	\$ 6,015,903.50	
Investment in General Capital Assets						\$ 35,222,705.38	35,222,705.38	
							34,910,350.79	
Total Equity and Other Credits	\$ <u>2,056,856.44</u>	\$ <u>506,678.36</u>	\$ <u>4,880.07</u>	\$ <u>4,195,898.48</u>	\$ <u>421,190.85</u>	\$ <u>35,222,705.38</u>	\$ <u>42,408,209.58</u>	
Total Liabilities, Reserves and Fund Balance	\$ <u>6,845,044.65</u>	\$ <u>26,796,841.07</u>	\$ <u>3,841,899.11</u>	\$ <u>8,987,053.61</u>	\$ <u>42,973,673.95</u>	\$ <u>35,222,705.38</u>	\$ <u>124,667,217.77</u>	
							\$ <u>122,930,841.42</u>	

* Electric, Water and Parking Utility

BOROUGH OF SOUTH RIVER
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
CURRENT AND UTILITY OPERATING FUNDS - REGULATORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

	Current Fund			Utility Operating Funds *		
	Final Budget	Actual	Variance Favorable/ (Unfavorable)	Final Budget	Actual	Variance Favorable/ (Unfavorable)
Revenues:						
Fund Balance Anticipated	\$ 1,708,796.50	\$ 1,708,796.50		\$ 3,129,125.00	\$ 3,129,125.00	
Rents				15,623,600.00	17,915,781.83	\$ 2,292,181.83
Miscellaneous Revenues	4,812,118.00	4,662,097.83	\$ (150,020.17)	26,000.00	26,000.00	
State Aid	825,291.00	825,291.01	0.01			
Grants	194,379.46	194,379.46				
	\$ 7,540,584.96	\$ 7,390,564.80	\$ (150,020.16)	\$ 18,778,725.00	\$ 21,070,906.83	\$ 2,292,181.83
Receipts from Delinquent Taxes	470,000.00	524,498.97	54,498.97			
Amount to be Raised by Taxes for Support of Municipal Budget:						
Local Tax for Municipal Purposes						
Including Reserve for Uncollected Taxes	10,268,266.00	10,652,892.04	384,626.04			
Municipal Library Tax	480,181.00	480,181.00				
Budget Totals	\$ 18,759,031.96	\$ 19,048,136.81	\$ 289,104.85	\$ 18,778,725.00	\$ 21,070,906.83	\$ 2,292,181.83
Nonbudget Revenues		778,460.65	778,460.65		213,617.86	213,617.86
Other Credits to Income		547,941.94	547,941.94		1,428,542.38	1,428,542.38
Taxes Allocated to School and County	23,806,630.62	23,806,630.62				
Total Revenues	\$ 42,565,662.58	\$ 44,181,170.02	\$ 1,615,507.44	\$ 18,778,725.00	\$ 22,713,067.07	\$ 3,934,342.07

* Electric, Water and Parking Utility

BOROUGH OF SOUTH RIVER
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
CURRENT AND UTILITY OPERATING FUNDS - REGULATORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

	Current Fund			Utility Operating Funds *		
	Final Budget	Actual	Variance Favorable/ (Unfavorable)	Final Budget	Actual	Variance Favorable/ (Unfavorable)
Expenditures:						
Current:						
Within "CAPS":						
General Government	\$ 908,100.00	\$ 908,100.00				
Public Safety	4,962,350.00	4,962,350.00				
Public Works	2,036,000.00	2,036,000.00				
Health and Human Services	234,312.00	234,312.00				
Utility Expense and Bulk Purchases	431,000.00	431,000.00				
Sanitary Landfill	570,000.00	570,000.00				
Land Use	60,000.00	60,000.00				
Insurance	1,750,000.00	1,750,000.00				
Parks and Recreation	422,317.00	422,317.00				
Contingent	500.00	500.00				
Deferred Charges and Statutory Expenditures	1,612,000.00	1,612,000.00				
Excluded from "CAPS":						
Public Safety	121,500.00	121,500.00				
Public Works	340,000.00	340,000.00				
Education - Library	490,181.00	490,181.00				
Sewer	1,321,064.00	1,321,064.00				
Grants	209,579.46	209,579.46				
Operating - Utility				\$ 13,278,000.00	\$ 13,278,000.00	
Deferred Charges and Statutory Expenditures	100,000.00	100,000.00		720,500.00	720,500.00	
Capital Improvements	200,000.00	200,000.00		551,500.00	551,500.00	
Debt Service	2,110,128.50	2,110,128.50		1,028,725.00	1,028,725.00	
Budget - Anticipated Surplus to Current				3,200,000.00	3,200,000.00	
Reserve for Uncollected Taxes	880,000.00	880,000.00				
Total Budget Expenditures	\$ 18,759,031.96	\$ 18,759,031.96		\$ 18,778,725.00	\$ 18,778,725.00	

* Electric, Water and Parking Utility

BOROUGH OF SOUTH RIVER
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
CURRENT AND UTILITY OPERATING FUNDS - REGULATORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

	Current Fund			Utility Operating Funds *		
	Final Budget	Actual	Variance Favorable/ (Unfavorable)	Final Budget	Actual	Variance Favorable/ (Unfavorable)
Expenditures (Continued):						
County and School Taxes	\$ 23,806,630.62	\$ 23,806,630.62				
Other Expenses		4,462.32	\$ (4,462.32)			
Total Expenditures	\$ 42,565,662.58	\$ 42,570,124.90	\$ (4,462.32)	\$ 18,778,725.00	\$ 18,778,725.00	
Excess in Revenues over Expenditures		\$ 1,611,045.12	\$ 1,611,045.12		\$ 3,934,342.07	\$ 3,934,342.07
Fund Balance, January 1, 2020		2,154,607.82	2,154,607.82		3,390,681.41	3,390,681.41
		\$ 3,765,652.94	\$ 3,765,652.94		\$ 7,325,023.48	\$ 7,325,023.48
Decreased by:						
Utilization as Anticipated Revenue		\$ 1,708,796.50	\$ 1,708,796.50		\$ 3,129,125.00	\$ 3,129,125.00
Fund Balance, December 31, 2020		\$ 2,056,856.44	\$ 2,056,856.44		\$ 4,195,898.48	\$ 4,195,898.48

* Electric, Water and Parking Utility

BOROUGH OF SOUTH RIVER
TRUST OTHER FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>Trust Other Fund #1</u>	<u>Trust Other Fund #2</u>	<u>Total</u>
<u>BALANCE, DECEMBER 31, 2019</u>	\$ 598.22	\$ 4,281.85	\$ 4,880.07
<u>BALANCE, DECEMBER 31, 2020</u>	\$ <u>598.22</u>	\$ <u>4,281.85</u>	\$ <u>4,880.07</u>

BOROUGH OF SOUTH RIVER
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS

<u>BALANCE, DECEMBER 31, 2019</u>	\$ 333,114.43
<u>INCREASED BY</u>	
Premium on Sale of Bond Anticipation Notes	23,789.91
Residents Contribution to Funded Ordinance	26,190.72
Funded Improvement Authorizations Canceled	<u>223,583.30</u>
	\$ 606,678.36
<u>DECREASED BY</u>	
Transferred to Current Fund as Anticipated Revenue	<u>100,000.00</u>
<u>BALANCE, DECEMBER 31, 2020</u>	<u>\$ 506,678.36</u>

BOROUGH OF SOUTH RIVER
UTILITY CAPITAL FUNDS
COMBINED STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>Electric Utility</u>	<u>Parking Utility</u>	<u>Water Utility</u>	<u>Total</u>
<u>BALANCE, DECEMBER 31, 2019</u>	\$ 89,888.12	\$ 15,663.00	\$ 27,068.65	\$ 132,619.77
<u>INCREASED BY</u>				
Premium on Sale of Bond Anticipation Notes			13,757.29	13,757.29
Funded Improvement Authorizations Canceled	<u>195,312.85</u>		<u>105,500.94</u>	<u>300,813.79</u>
	\$ 285,200.97	\$ 15,663.00	\$ 146,326.88	\$ 447,190.85
<u>DECREASED BY</u>				
Transferred to Operating Fund as Anticipated Revenue			<u>26,000.00</u>	<u>26,000.00</u>
<u>BALANCE, DECEMBER 31, 2020</u>	<u>\$ 285,200.97</u>	<u>\$ 15,663.00</u>	<u>\$ 120,326.88</u>	<u>\$ 421,190.85</u>

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020

Note 1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- A. Reporting Entity - The Borough of South River is located in Middlesex County, just outside the City of New Brunswick, approximately 65 miles north of Philadelphia and approximately 35 miles south of New York City and 5 miles east of New Brunswick. The population, according to the 2010 census, is 16,008.

The Borough of South River operates under the Borough form of government. The governing body consists of a Mayor and six Council members. All action is passed by a majority or, when required, a 2/3 vote of Council. The Mayor votes only in the event of a tie. The Mayor has veto power over all ordinances passed by the Borough Council. This veto can be overridden by a two-thirds (2/3) vote of the Council.

The financial statements do not include the operations of the Municipal Library and Volunteer Fire Company, which are separate entities subject to separate reporting requirements.

- B. Description of Funds - The Governmental Accounting Standards Board (GASB) is the recognized standard setting body for establishing governmental accounting and financial reporting principles. However, the accounting policies of the Borough conform to the accounting principles applicable to municipalities that have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. These principles are on the regulatory basis which differs from accounting principles generally accepted in the United States of America ("GAAP") for governmental entities. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough accounts for its financial transactions through the following separate funds and an account which differs from GAAP.

Current Fund - Encompasses resources and expenditures for basic governmental operations. Fiscal activity of Federal, State, County and Local grant programs are reflected in a segregated section of the Current Fund.

Trust Fund - The records of receipts, disbursement and custodianship of monies in accordance with the purpose for which each reserve was created are maintained in Trust Funds. These include the Animal Control Trust Fund, Trust Other Fund, Electric Consumer Deposits, Tax Title Lien Premiums/Redemption, Unemployment, and the Length of Service Awards Plan ("LOSAP") and other required funds.

General Capital Fund - The receipts and expenditure records for the acquisition of general infrastructure and other capital facilities, other than those acquired in the Current Fund, are maintained in this Fund, as well as related long-term debt accounts.

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

Utilities Funds – Water, Parking and Electric Utilities are treated as separate entities. Each maintains its own Operating and Capital Funds which reflect revenues, expenditures, stewardship, acquisitions of utility infrastructure and other capital facilities, debt service, long-term debt and other related activity.

Free Public Library – The municipal library levy through budget appropriations and state aid are transferred to the Free Public Library Trust Fund account and are expended with the approval of the Library for its purposes. Interest on investments, Library fines and other revenue are financial retained by the Library and expended there from. The Library is subjected to separate audit report.

Payroll Trust Fund - Net salaries, certain payroll deductions and social security contributions of municipal and utility operations are deposited into bank accounts of the Payroll Fund. Other deductions are retained by the operating funds and paid directly there from. A Payroll Fund does not exist under GAAP.

Capital Asset Accounts - These accounts reflect estimated valuations of land, buildings and certain moveable fixed assets of the Borough as discussed under the caption of "Basis of Accounting".

- C. Basis of Accounting - The accounting principles and practices prescribed for municipalities by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, differ in certain respects from GAAP. The accounting system is maintained on the modified accrual basis with certain exceptions. Significant accounting policies in New Jersey are summarized as follows:

Property Taxes and Other Revenue - Property Taxes and other revenue are realized when collected in cash or approved by regulation for accrual from certain sources of the State of New Jersey and the Federal Government. Accruals of taxes and other revenue are otherwise deferred as to realization by the establishment of offsetting reserve accounts. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Grant Revenue – Federal, State, County and Local grants, entitlements or shared revenue received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough of South River's budget. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual.

Expenditures - Expenditures for general and utility operations are generally recorded on the accrual basis. Unexpended appropriation balances, except for amounts that may have been canceled by the governing body or by statutory regulation, are automatically recorded as liabilities at December 31st of each year, under the title of "Appropriation Reserves".

Grant appropriations are charged upon budget adoption to create spending reserves.

Budgeted transfers to the Capital Improvement Fund are recorded as expenditures to the extent permitted by law.

Expenditures from Trust and Capital Funds are recorded upon occurrence and charged to accounts statutorily established for specific purposes.

Budget Appropriations for interest on General Capital Long-Term Debt is raised on the cash basis and is not accrued on the records; interest on Utility Debt is raised on the accrual basis and so recorded.

GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Encumbrances - As of January 1, 1986 all local units were required by Technical Accounting Directive No. 85-1, as promulgated by the Division of Local Government Services, to maintain an encumbrance accounting system. The directive states that contractual orders outstanding at December 31 are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

Note 1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

C. **Basis of Accounting (Continued)**

Appropriation Reserves - Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

Compensated Absences - Expenditures relating to obligations for unused vested accumulated sick, vacation and compensatory pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

Property Acquired for Taxes - Property Acquired for Taxes (Foreclosed Property) is recorded in the Current Fund at the assessed valuation during the year when such property was acquired by deed or foreclosure and is offset by a corresponding reserve account. GAAP requires such property to be recorded in the general fixed assets account group at market value on the date of acquisition.

Interfund Accounts Receivable - Interfund Accounts Receivable in the Current Fund are generally recorded with offsetting reserves that are established by charges to operations. Collections are recognized as income in the year that the receivables are realized. Interfund Accounts Receivable of all other funds are recorded as accrued and are not offset with reserve accounts. Interfund Accounts Receivable of one fund are offset with Interfund Accounts Payable of the opposite fund. GAAP does not require the establishment of an offsetting reserve.

Inventories of Supplies - Materials and supplies purchased by all funds are recorded as expenditures.

An annual inventory of materials and supplies for the Water, Parking and Electric utilities is required, by regulation, to be prepared by Borough personnel for inclusion on the Fund balance sheets. Annual changes in valuations, offset with a Reserve Account, are not considered as affecting results of operations. Materials and supplies of other funds are not inventoried nor included on their respective balance sheets.

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Fixed Assets

General - In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from GAAP, the Borough of South River has developed a fixed asset accounting and reporting system.

GAAP requires that fixed assets be capitalized at historical or estimated historical cost if actual historical cost is not available. Depreciation on utility fixed assets should also be recorded.

Fixed assets used in governmental operations (capital assets) are accounted for in the Capital Asset Account Group. Public domain ("infrastructure") capital assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

Acquisition of land, buildings, machinery, equipment and other capital assets are recorded on a perpetual fixed asset record.

Vehicles, furniture, equipment and other items are reflected at replacement values at time of inventory preparation. Additions to the established fixed assets are valued at cost.

Depreciation of assets is not recorded as an operating expense of the Borough.

Utilities - Capital acquisitions, including utility infrastructure costs of the Water, Parking and Electric Utilities, are recorded at cost upon purchase or project completion in the Fixed Capital account of the utilities. The Fixed Capital Accounts are adjusted for dispositions or abandonments. The accounts include moveable fixed assets of the Utility but are not specifically identified and are considered as duplicated in the Capital Asset Group of Accounts. The duplication is considered as insignificant on its effect on the financial statements taken as a whole.

Utility improvements that may have been constructed by developers are not recorded as additions to Fixed Capital.

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Fixed Assets (Continued)

Fixed Capital of the Utilities are offset by accumulations in Amortization Reserve Accounts. The accumulations represent costs of fixed assets purchased with budgeted funds or acquired by gift as well as grants, developer contributions or liquidations of related bonded debt and other liabilities incurred upon fixed asset acquisition.

The Fixed Capital Accounts reflected herein are recorded in the records of the municipality and do not necessarily reflect the true condition of such Fixed Capital. The records consist of a control account only. Detailed records are not maintained.

Volunteer Length of Service Award Plan (LOSAP)

The Borough has established a volunteer Length of Service Award Plan ("LOSAP")("Plan") to ensure retention of the Borough's volunteer fire department. The Plan shall be construed under the laws of the State of New Jersey and is established with the intent that it meets the requirements of a "Length of service award plan under section 457(e)11 of the Internal Revenue Code". The LOSAP financial statements have not been nor are they required to be audited.

Total Columns on Combined Statements - Total columns are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

- D. Basic Financial Statements - The GASB Codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Borough presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

Note 1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

E. **Other Accounting Standards**

The Borough is currently reviewing the following for applicability and potential impact on the financial statements:

- GASB Statement No. 84. *Fiduciary Activities*. This objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify component units and postemployment benefit arrangements that are fiduciary activities.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The Borough does not expect this Statement to impact its financial statements.

- GASB Statement No. 87. *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The Borough does not expect this Statement to impact its financial statements.

- GASB Statement No. 88. *Certain Disclosure Related to Debt, including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Other Accounting Standards (Continued)

- GASB Statement No. 88. (Continued)

This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2019. The Borough does not expect this Statement to impact its financial statements.

- GASB Statement No. 89. *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encourage. The requirements of this Statement should be applied prospectively. The Borough does not expect this Statement to impact its financial statements.

- GASB Statement No. 90. *Majority Equity Interests – an Amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Other Accounting Standards (Continued)

- **GASB Statement No. 90. (Continued)**

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis. The Borough does not expect this Statement to impact its financial statements.

- *GASB Statement No. 91. Conduit Debt Obligations.* The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. The Borough does not expect this Statement to impact its financial statements.

- *GASB Statement 92. Omnibus 2020.* The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

Effective Date: The requirements of this Statement are effective as follows:

(a) The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.

(b) The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021.

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

Note 1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

E. **Other Accounting Standards (Continued)**

- *GASB Statement 92. (Continued)*

(c) The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021.

(d) The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2020. Implementation has been postponed to June 15, 2021. The Borough does not expect this Statement to impact its financial statement.

- *GASB Statement 93. Replacement of Interbank Offered Rates.* The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR) – most notably, the London Interbank Offered Rate (LIBOR).

Effective Date: The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Earlier application is encouraged. The Borough does not expect this Statement to impact its financial statement.

- *GASB Statement 94. Public-Private and Public-Public Partnerships and Availability Payment Arrangements.* The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs).

Effective Date: The requirements of this Statement are effective for fiscal years beginning after June 15, 2022 and all PPPs should be recognized and measured using the facts and circumstances that exist at the beginning of the period of implementation (or if applicable to earlier periods, the beginning of the earliest period restated). Implementation has been postponed to June 15, 2021. The Borough does not expect this Statement to impact its financial statement.

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

Note 1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

E. **Other Accounting Standards (Continued)**

- *GASB Statement 95. Postponement of the Effective Dates of Certain Authoritative Guidance.* The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2019 and later.

Effective Date: The requirements of this Statement are effective immediately. The Borough does not expect this Statement to impact its financial statement.

- *GASB Statement 96. Subscription-Based Information Technology Arrangements.* This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

Effective Date: The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement.

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

Note 1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

E. **Other Accounting Standards (Continued)**

- *GASB Statement 97. Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32.* The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

Effective Date: The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this Statement.

The Board considered the effective dates for the requirements of this Statement in light of the COVID-19 pandemic and in concert with Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*.

F. **Subsequent Events**

Management has reviewed and evaluated all events and transactions from December 31, 2020 through September 28, 2021, the date that the financial statements are issued for possible disclosure and recognition in the financial statements, and no items have come to the attention of the Borough that would require disclosure.

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

Note 2. CASH, CASH EQUIVALENTS AND INVESTMENTS

A. Cash and Cash Equivalents

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC) or any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund.

The State of New Jersey Cash Management Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities that mature or are redeemed within one year. Twenty-five percent of the Fund may be invested in eligible securities that mature within two years provided, however, the arbitrage maturity of all investments in the Fund shall not exceed one year. Collateralization of Fund investments is generally not required.

In addition, by regulation of the Division of Local Government Services, municipalities are allowed to deposit funds in the Municipal Bond Insurance Association (MBIA) through their investment management company, the Municipal Investors Service Corporation.

In accordance with the provisions of the Governmental Unit Deposit Protection Act of New Jersey, public depositories are required to maintain collateral for deposits of public funds that exceed insurance limits as follows:

The market value of the collateral must equal five percent of the average daily balance of public funds or

If the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

All collateral must be deposited with the Federal Reserve Bank, The Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

B. Investments

New Jersey statutes permit the Borough to purchase the following types of securities:

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America. This includes instruments such as Treasury bills, notes and bonds.
- Government money market mutual funds.

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

Note 2. CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

- Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.
- Bonds or other obligations of the local unit or school districts of which the local unit is a part.
- Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments.
- Local government investment pools, such as New Jersey CLASS and the New Jersey Arbitrage Rebate Management Program.
- New Jersey State Cash Management Fund.
- Repurchase agreements of fully collateralized securities, subject to special conditions.

In addition, a variety of State laws permit local governments to invest in a wide range of obligations issued by State governments and its agencies.

The Borough's Electric Utility Operating Fund holds an Investment of a Parking Utility Capital Fund Bond Anticipation Note ("BAN") of \$64,000.00 with no interest and a maturity date of November 17, 2021.

C. Risk

As of December 31, 2020, the Borough had funds on deposit in checking and statement savings accounts. The carrying amount of the Borough's Cash and Cash Equivalents as of December 31, 2020 was \$17,276,005.38. The funds were covered by the Government Unit Deposit Protection Act "GUDPA". These funds constitute "deposits with financial institutions" as defined by GASB Statement #3 as amended by GASB Statement No. 40. There were no securities that the Borough held that could be categorized as investments.

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

Note 3. **TAXES AND TAX TITLE LIENS RECEIVABLE**

Property assessments are determined on true values and taxes are assessed based upon these values. The residential tax bill includes the levies for the Borough, County and School purposes. Certified adopted budgets are submitted to the County Board of Taxation by each taxing district. The tax rate is determined by the Board upon the filing of these budgets.

The tax bills are mailed by the Tax Collector annually in June and are payable in four quarterly installments due the first of August and November of the current year and a preliminary billing due the first of February and May of the subsequent year. The August and November billings represent the third and fourth quarter installments and are calculated by taking the total year tax levy less the preliminary first and second quarter installments due February and May. The preliminary levy is based on one-half of the current year's total tax.

Tax installments not paid by the above due dates are subject to interest penalties determined by a resolution of the governing body. The rate of interest in accordance with the aforementioned resolution is 8% per annum on the first \$1,500.00 of delinquency and 18% on any delinquency in excess of \$1,500.00. The governing body may also fix a penalty to be charged to a taxpayer with a delinquency in excess of \$10,000.00 who fails to pay that delinquency as billed prior to the end of the fiscal year. The penalty so fixed shall not exceed 6% of the amount of the delinquency with respect to each most recent fiscal year only. The resolution also sets a grace period of ten days before interest is calculated.

Taxes unpaid on the 11th day of the eleventh month in the fiscal year when the taxes became in arrears are subject to the tax sale provisions of the New Jersey statutes. The municipality may institute in rem foreclosure proceedings after six months from the date of the sale if the lien has not been redeemed.

The following is a five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four years.

Comparative Schedule of Tax Rates

	<u>2020</u> *	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Tax Rate	\$ 2.287	\$ 8.237	\$ 8.039	\$ 7.745	\$ 7.452
Apportionment of Tax Rate:					
Municipal	0.680	2.443	2.331	2.254	2.073
Library	0.031	0.115	0.112	0.109	0.108
County:					
Regular	0.346	1.240	1.240	1.215	1.178
Open Space	0.029	0.105	0.102	0.099	0.098
Local School	1.201	4.334	4.254	4.068	3.995

* Revaluation effective for 2020

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

Note 3. **TAXES AND TAX TITLE LIENS RECEIVABLE (CONTINUED)**

Assessed Valuation

2020 *	\$ 1,511,133,400.00
2019	409,978,600.00
2018	410,476,700.00
2017	411,212,600.00
2016	411,689,000.00

* Revaluation effective for 2020

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collections</u>
2020	\$ 34,572,066.72	\$ 34,060,000.24	98.52%
2019	33,823,850.99	33,266,659.54	98.35%
2018	33,031,600.85	32,381,285.91	98.03%
2017	31,882,585.24	31,128,301.33	97.63%
2016	30,696,741.03	30,044,663.91	97.88%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2020	\$ 656,174.25	\$ 445,456.12	\$ 1,101,630.37	3.19%
2019	641,601.95	476,554.51	1,118,156.46	3.31%
2018	579,203.13	572,030.65	1,151,233.78	3.49%
2017	522,627.14	687,883.62	1,210,510.76	3.80%
2016	458,642.83	575,742.35	1,034,385.18	3.37%

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

Note 4. **PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION**

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties, was as follows:

<u>Year</u>	<u>Amount</u>
2020	\$ 47,300.00
2019	47,300.00
2018	47,300.00
2017	47,300.00
2016	47,800.00

Note 5. **UTILITY RECEIVABLES AND COLLECTIONS**

The Borough operates an Electric Utility, Parking Utility and a Water Utility for the benefit of its residents.

Comparison of Electric Utility Levies and Collections

The Borough's Electric Utility Customers are billed monthly based on usage.

<u>Year</u>	<u>Levy **</u>	<u>Cash Collections *</u>
2020	\$ 14,124,712.47	\$ 13,793,119.25
2019	14,124,357.67	14,230,911.16
2018	14,585,087.52	14,471,870.53
2017	14,028,417.66	14,081,441.84
2016	14,620,880.06	14,401,911.84

* Cash collections include amounts that were levied in prior years.

** In 2011 the Borough effected an Annual Power Cost Adjustment ("APCA") which essentially is an automatic pass-through adjustment based on the cost of power purchased.

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

Note 5. UTILITY RECEIVABLES AND COLLECTIONS (CONTINUED)

Comparison of Water Utility Levies and Collections

The Borough's Water Utility Customers are billed based on usage quarterly on a cycle basis.

<u>Year</u>	<u>Levy</u> **	<u>Cash Collections</u> *
2020	\$ 4,134,468.25	\$ 4,082,784.76
2019	3,660,044.87	3,543,873.23
2018	3,175,538.28	3,041,152.72
2017	3,129,151.21	3,096,284.18
2016	3,306,917.76	3,364,302.73

* Cash collections include amounts that were levied in prior years.

** In 2019 and 2020 the Borough adopted Water rate increases.

Any unpaid levies are subject to the same provision as unpaid taxes under the provision of the New Jersey Statutes.

Comparison of Parking Utility Collections

<u>Year</u>	<u>Cash Collections</u>
2020	\$ 39,877.82
2019	55,134.91
2018	59,728.79
2017	54,832.40
2016	58,401.32

Note 6. CAPITAL (GENERAL FIXED) ASSETS

During 2020 the following changes occurred in the capital assets of the Borough:

<u>CAPITAL ASSETS:</u>	<u>Dec 31, 2019</u>	<u>Increased by</u>	<u>Decreased by</u>	<u>Dec 31, 2020</u>
Land	\$ 4,848,616.00			\$ 4,848,616.00
Buildings	19,670,226.98			19,670,226.98
Vehicles	8,125,526.56	\$ 449,410.63	\$ 513,922.87	8,061,014.32
Equipment	2,265,981.25	386,671.91	9,805.08	2,642,848.08
	<u>\$ 34,910,350.79</u>	<u>\$ 836,082.54</u>	<u>\$ 523,727.95</u>	<u>\$ 35,222,705.38</u>

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

Note 7. **FUND BALANCES APPROPRIATED**

The following schedule details the amount of fund balances available at the end of each year and the amounts utilized in the subsequent year's budget.

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Transferred to Current Fund as Revenue in Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
<u>Current Fund</u>				
2020	\$ 2,056,856.44	\$ 1,934,711.00	N/A	94.06%
2019	2,154,607.82	1,708,796.50	N/A	79.31%
2018	1,680,979.17	1,344,844.98	N/A	80.00%
2017	1,879,432.09	1,419,581.07	N/A	75.53%
2016	1,929,750.65	1,404,582.00	N/A	72.79%
<u>Electric Utility Operating Fund</u>				
2020	\$ 3,565,531.44	\$ 3,150,000.00	None	88.35%
2019	3,039,127.86	3,039,000.00	None	100.00%
2018	3,999,065.69	3,978,500.00	None	99.49%
2017	3,846,272.31	3,250,000.00	None	84.50%
2016	4,150,723.49	3,250,000.00	None	78.30%
<u>Parking Utility Operating Fund</u>				
2020	\$ 89,409.47	\$ 32,500.00	None	36.35%
2019	93,764.94	32,500.00	None	34.66%
2018	94,755.40	30,500.00	None	32.19%
2017	83,930.57	25,200.00	None	30.02%
2016	70,841.08	22,000.00	None	31.06%
<u>Water Utility Operating Fund</u>				
2020	\$ 540,957.57	\$ 275,000.00	None	50.84%
2019	257,788.61	57,625.00	None	22.35%
2018	289,753.51	288,935.00	None	99.72%
2017	344,383.32	344,319.00	None	99.98%
2016	830,265.17	610,613.00	None	73.54%

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

Note 8. **DEFERRED CHARGES**

The Borough reflects Deferred Charges resulting from 2020 that must be raised in the subsequent year annual budgets.

	Original	1/5 of	Balance	Resulting	Raised in	Appropriated *
	<u>Amount</u>	<u>Amount</u>	<u>December 31,</u>	<u>from</u>	<u>2020 Budget</u>	<u>in 2021</u>
<u>Current Fund</u>			<u>2019</u>	<u>2020</u>		
Special Emergency - 40A:4-53						
Revaluation of Real						
Property and Update						
of Tax Maps	\$ 500,000	\$ 100,000	\$ <u>200,000</u>	None	\$ <u>100,000</u>	\$ <u>100,000</u>
<u>Water Utility Operating Fund</u>						
Emergency per						
NJSA 40A:4-46	200,000	N/A	\$ <u>200,000</u>	None	\$ <u>200,000</u>	None

* Funds were provided in the 2021 budget to finance these Deferred Charges.

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

Note 9. **MUNICIPAL DEBT**

The Local Bond Law governs the issuance of bonds and notes to finance general capital expenditures. All bonds are retired in serial installments with the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within ten years and five months or retired by the issuance of bonds.

During 2020 the following changes occurred in the debt of the Borough:

	Balance <u>Dec 31, 2019</u>	Increased <u>by</u>	Decreased <u>by</u>	Balance <u>Dec 31, 2020</u>
General Capital Fund:				
Serial Bonds	\$ 12,645,000.00		\$ 1,275,000.00	\$ 11,370,000.00
USDA Loan	9,101,875.16		243,917.60	8,857,957.56
NJEIT Loan	35,000.00		35,000.00	-
Bond Anticipation Notes	-	\$ 2,335,000.00		2,335,000.00
	<u>\$ 21,781,875.16</u>	<u>\$ 2,335,000.00</u>	<u>\$ 1,553,917.60</u>	<u>\$ 22,562,957.56</u>
Electric Utility Capital Fund:				
Serial Bonds	<u>\$ 1,505,000.00</u>		<u>\$ 480,000.00</u>	<u>\$ 1,025,000.00</u>
Parking Utility Capital Fund:				
Bond Anticipation Notes	<u>\$ 85,000.00</u>		<u>\$ 21,000.00</u>	<u>\$ 64,000.00</u>
Water Utility Capital Fund:				
Serial Bonds	\$ 2,605,000.00		\$ 140,000.00	\$ 2,465,000.00
NJEIT Loan	205,000.00		205,000.00	-
Bond Anticipation Notes	-	\$ 1,350,000.00		1,350,000.00
	<u>\$ 2,810,000.00</u>	<u>\$ 1,350,000.00</u>	<u>\$ 345,000.00</u>	<u>\$ 3,815,000.00</u>
	<u><u>\$ 26,181,875.16</u></u>	<u><u>\$ 3,685,000.00</u></u>	<u><u>\$ 2,399,917.60</u></u>	<u><u>\$ 27,466,957.56</u></u>

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

Note 9. **MUNICIPAL DEBT (CONTINUED)**

Summary of Municipal Debt (Excluding Current and Operating Debt)

	<u>Year 2020</u>	<u>Year 2019</u>	<u>Year 2018</u>
Issued:			
General:			
Bonds, Loans and Notes	\$ 22,562,957.56	\$ 21,781,875.16	\$ 24,106,049.76
Electric Utility:			
Bonds and Notes	1,025,000.00	1,505,000.00	1,960,000.00
Parking Utility:			
Bonds and Notes	64,000.00	85,000.00	103,000.00
Water Utility:			
Bonds, Loans and Notes	<u>3,815,000.00</u>	<u>2,810,000.00</u>	<u>3,184,000.00</u>
Total Issued	<u>\$ 27,466,957.56</u>	<u>\$ 26,181,875.16</u>	<u>\$ 29,353,049.76</u>
Authorized But Not Issued:			
General:			
Bonds and Notes	\$ 2,545,871.53	\$ 4,492,645.10	\$ 3,525,335.05
Electric Utility:			
Bonds and Notes	761,000.00	1,161,000.00	1,161,000.00
Parking Utility:			
Bonds and Notes	15,000.00	15,000.00	15,000.00
Water Utility:			
Bonds and Notes	<u>3,422,000.00</u>	<u>4,796,000.00</u>	<u>2,091,000.00</u>
Total Authorized But Not Issued	<u>\$ 6,743,871.53</u>	<u>\$ 10,464,645.10</u>	<u>\$ 6,792,335.05</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 34,210,829.09</u>	<u>\$ 36,646,520.26</u>	<u>\$ 36,145,384.81</u>

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

Note 9. **MUNICIPAL DEBT (CONTINUED)**

Summary of Statutory Debt Condition, Annual Debt Statement

The summarized statement of debt condition that follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicated a statutory net debt of 1.718%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 6,258,000.00	\$ 6,258,000.00	\$ None
Electric Utility Debt	1,786,000.00	1,786,000.00	None
Parking Utility Debt	79,000.00	79,000.00	None
Water Utility Debt	7,237,000.00	7,237,000.00	None
General Debt	<u>25,108,829.09</u>	<u>None</u>	<u>25,108,829.09</u>
	<u>\$ 40,468,829.09</u>	<u>\$ 15,360,000.00</u>	<u>\$ 25,108,829.09</u>

Net Debt \$25,108,829.09 divided by Equalized Valuation basis per N.J.S. 40A:2-2 As Amended, \$1,461,235,495.33 equals 1.718%. The Annual Debt Statement has been filed.

Borrowing Power Under N.J.S. 40A:2-6 As Amended

3½% of Average Equalized Valuation Basis (Municipal)	\$ 51,143,242.34
Net Debt	<u>25,108,829.09</u>
Remaining Borrowing Power	<u>\$ 26,034,413.25</u>

School Debt Deduction

School debt is deductible up to the extent of 4.0% of the Average Equalized Assessed Valuation of real property for the Local School District.

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

Note 9. **MUNICIPAL DEBT (CONTINUED)**

Calculation of "Self-Liquidating Purpose", Electric Utility Per N.J.S. 40A:2-45

Cash Receipts for Fees, Rents and Other Charges for the Year	\$ 16,965,617.15
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Deductions:

Operating and Maintenance Costs	\$ 10,701,000.00	
Debt Service	<u>538,600.00</u>	
Total Deductions		<u>11,239,600.00</u>

Excess in Revenue	\$ <u>5,726,017.15</u>
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There being an excess in revenue for the Electric Utility, the fund was self-liquidating and therefore, the related debt is deductible for purposes of the annual debt statement and resultant net debt calculation.

Calculation of "Self-Liquidating Purpose", Water Utility Per N.J.S. 40A:2-45

Cash Receipts for Fees, Rents and Other Charges for the Year	\$ 4,197,912.28
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Deductions:

Operating and Maintenance Costs	\$ 3,053,500.00	
Debt Service	<u>325,303.57</u>	
Total Deductions		<u>3,378,803.57</u>

Excess in Revenue	\$ <u>819,108.71</u>
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There being an excess in revenue for the Water Utility, the fund was self-liquidating and therefore, the related debt is deductible for purposes of the annual debt statement and resultant net debt calculation.

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

Note 9. **MUNICIPAL DEBT (CONTINUED)**

Calculation of "Self-Liquidating Purpose", Parking Utility Per N.J.S. 40A:2-45

Cash Receipts for Fees, Rents and Other Charges for the Year		\$ 74,396.82
Deductions:		
Operating and Maintenance Costs	\$ 44,000.00	
Debt Service	<u>21,000.00</u>	
		<u>65,000.00</u>
Excess in Revenue		\$ <u>9,396.82</u>

There being an excess in revenue for the Parking Utility, the fund was self-liquidating and therefore, the related debt is deductible for purposes of the annual debt statement and resultant net debt calculation.

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

Note 9. **MUNICIPAL DEBT (CONTINUED)**

Long-Term Debt

General Capital Fund:

\$10,500,000 General Obligation Bonds, Series 2019A
Annual maturities of \$645,000.00 to \$725,000.00 through
December 1, 2034 at interest rates of 2.00% to 3.00%. \$ 9,945,000.00 **

\$3,630,000.00 General Improvement Refunding Bonds,
Series 2016A - Refunding of 2007 Series.
Annual maturities of \$710,000.00 to \$715,000.00 through
December 1, 2022 at an annual interest rate of 4.0%. 1,425,000.00 *

\$ 11,370,000.00

Electric Utility Capital Fund:

\$2,415,000.00 Electric Utility Refunding Bonds, Series 2016B
Refunding of 2007 Series.
Annual maturities of \$500,000.00 to \$525,000 through
December 1, 2022 at an annual interest rate of 4.0%. \$ 1,025,000.00 *

Water Utility Capital Fund

\$2,605,000.00 Water Utility Bonds, Series 2019B
Annual maturities of \$260,000 to \$280,000 through
December 1, 2029 at interest rates of 2.00% to 3.00%. \$ 2,465,000.00 **

\$ 14,860,000.00

* The 2016 Series A & B Refunding Bonds are not subject to redemption prior to maturity.

** The \$10,500,000.00 General Improvement Bonds, Series 2019A and \$2,605,000.00 Water Improvement Bonds, Series 2019B – the Bonds maturing prior to December 1, 2027 are not subject to optional redemption. The Bonds maturing on or after December 1, 2027 shall be subject to redemption at the option of the Borough, in whole or in part, on any date on or after December 1, 2026 at a price of 100% of the principal amount being redeemed, plus unpaid accrued interest to the date fixed for redemption.

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

Note 9. **MUNICIPAL DEBT (CONTINUED)**

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding

Serial Bonds:

<u>Calendar Year</u>	<u>General Capital Fund</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 1,360,000.00	\$ 295,256.26	\$ 1,655,256.26
2022	1,410,000.00	246,706.26	1,656,706.26
2023	725,000.00	197,906.26	922,906.26
2024	725,000.00	183,406.26	908,406.26
2025	725,000.00	168,906.26	893,906.26
	<u>4,945,000.00</u>	<u>1,092,181.30</u>	<u>6,037,181.30</u>
2026	725,000.00	147,156.26	872,156.26
2027	725,000.00	125,406.26	850,406.26
2028	725,000.00	110,906.26	835,906.26
2029	725,000.00	96,406.26	821,406.26
2030	725,000.00	81,906.26	806,906.26
	<u>3,625,000.00</u>	<u>561,781.30</u>	<u>4,186,781.30</u>
2031	700,000.00	66,500.00	766,500.00
2032	700,000.00	50,750.00	750,750.00
2033	700,000.00	34,125.00	734,125.00
2034	700,000.00	17,500.00	717,500.00
	<u>2,800,000.00</u>	<u>168,875.00</u>	<u>2,968,875.00</u>
	<u>\$ 11,370,000.00</u>	<u>\$ 1,822,837.60</u>	<u>\$ 13,192,837.60</u>

<u>Calendar Year</u>	<u>Electric Utility Capital Fund</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 500,000.00	\$ 41,000.00	\$ 541,000.00
2022	525,000.00	21,000.00	546,000.00
	<u>\$ 1,025,000.00</u>	<u>\$ 62,000.00</u>	<u>\$ 1,087,000.00</u>

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

Note 9. **MUNICIPAL DEBT (CONTINUED)**

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding (Continued)

Serial Bonds (Continued)

<u>Calendar Year</u>	<u>Water Utility Capital Fund</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 280,000.00	\$ 60,500.00	\$ 340,500.00
2022	280,000.00	52,100.00	332,100.00
2023	280,000.00	43,700.00	323,700.00
2024	280,000.00	38,100.00	318,100.00
2025	280,000.00	32,500.00	312,500.00
	<u>1,400,000.00</u>	<u>226,900.00</u>	<u>1,626,900.00</u>
2026	280,000.00	24,100.00	304,100.00
2027	265,000.00	15,700.00	280,700.00
2028	260,000.00	10,400.00	270,400.00
2029	260,000.00	5,200.00	265,200.00
	<u>1,065,000.00</u>	<u>55,400.00</u>	<u>1,120,400.00</u>
	<u>\$ 2,465,000.00</u>	<u>\$ 282,300.00</u>	<u>\$ 2,747,300.00</u>

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

Note 9. **MUNICIPAL DEBT (CONTINUED)**

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding (Continued)

Serial Bonds (Continued)

<u>Calendar Year</u>	<u>Total for all Funds - Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 2,140,000.00	\$ 396,756.26	\$ 2,536,756.26
2022	2,215,000.00	319,806.26	2,534,806.26
2023	1,005,000.00	241,606.26	1,246,606.26
2024	1,005,000.00	221,506.26	1,226,506.26
2025	1,005,000.00	201,406.26	1,206,406.26
	<u>7,370,000.00</u>	<u>1,381,081.30</u>	<u>8,751,081.30</u>
2026	1,005,000.00	171,256.26	1,176,256.26
2027	990,000.00	141,106.26	1,131,106.26
2028	985,000.00	121,306.26	1,106,306.26
2029	985,000.00	101,606.26	1,086,606.26
2030	725,000.00	81,906.26	806,906.26
	<u>4,690,000.00</u>	<u>617,181.30</u>	<u>5,307,181.30</u>
2031	700,000.00	66,500.00	766,500.00
2032	700,000.00	50,750.00	750,750.00
2033	700,000.00	34,125.00	734,125.00
2034	700,000.00	17,500.00	717,500.00
	<u>2,800,000.00</u>	<u>168,875.00</u>	<u>2,968,875.00</u>
	<u>\$ 14,860,000.00</u>	<u>\$ 2,167,137.60</u>	<u>\$ 17,027,137.60</u>

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

Note 9. **MUNICIPAL DEBT (CONTINUED)**

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding (Continued)

United States Department of Agriculture – Community Facilities Loan

General Capital Fund

Original Loan Amount - 2016	<u>\$ 9,800,000.00</u>
Balance December 31, 2020	<u>\$ 8,857,957.56</u>
Interest Rate:	2.375%
Due Dates:	June 15 and December 15
Final Maturity:	December 15, 2046
Purpose:	Construction of a Firehouse
Semi-annual Payment	\$ 229,320.00
Source of Repayment Funds	Current Fund

Bond Anticipation Notes

At December 31, 2020, the Borough's outstanding Bond Anticipation Notes (BAN) are as follows:

	Interest Rate	Original Issue Date	Amount	Payment Required	
				First	Final
General Capital Fund	1.50%	2020	\$ 2,335,000.00	2023	2031
Parking Utility Capital Fund *	0.00%	2014	64,000.00	2017	2025
Water Utility Capital Fund	1.50%	2020	<u>1,350,000.00</u>	2023	2031
			<u>\$ 3,749,000.00</u>		

The budget for 2021 with regards to the minimum annual required BAN paydown has been met.

* The Parking Utility Capital BAN is held by the Electric Utility Operating Fund as an Investment and is due to mature on November 17, 2021 at no interest.

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

Note 9. **MUNICIPAL DEBT (CONTINUED)**

Bonds and Notes Authorized But Not Issued

At December 31, 2020, the Borough had authorized but not issued bonds and notes as follows:

General Capital Fund	\$ 2,545,871.53
Electric Utility Capital Fund	761,000.00
Water Utility Capital Fund	3,422,000.00
Parking Utility Capital Fund	<u>15,000.00</u>
	<u>\$ 6,743,871.53</u>

Due to Bond Registrar/Paying Agent

The Water Utility Operating Fund Balance Sheet reflects an amount of due from Bond Registrar/Paying Agent of \$57,812.00 and due to Bond Registrar/Paying Agent of \$81,840.00. These balances represent amounts that were paid (due from) in prior year and a liability (due to) for the current and prior years. The amounts were possibly never invoiced properly by the Paying Agent. These amounts were being reviewed on an ongoing basis for liquidation.

Continuing Disclosure Requirement

As a result of the General Obligation Refunding Bonds, Series 2016 A and B and General Obligation Bond Series 2019, the Borough is required to comply with the Securities and Exchange Commission Rule 15c2-12, which is related to the Annual Continuing Disclosure Requirement. The Borough complied with the requirement.

Subsequent Event

The Borough adopted three (3) improvement authorizations totaling \$2,506,841.00 for various capital improvements, sanitary sewer system improvements, various roof replacements and park improvements, which are funded by the capital improvement fund of \$96,425.00, CDBG of \$81,841.00, NJDOT Grant of \$475,575.00, Recycling Tonnage Grant of \$34,500.00 and Bonds and Notes Authorized in the amount of \$1,818,500.00.

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

Note 10. **DEFERRED SCHOOL DISTRICT TAXES**

The Local School District Tax was raised on the school year basis and liability deferred by statute, resulting in school tax payable set forth in liabilities computed as follows.

The Borough of South River has elected to defer school taxes as follows:

	Local School District Taxes		
	Balance, December 31		
	<u>2020</u>	<u>2019</u>	<u>Increase/ (Decrease)</u>
Balance of Tax*	\$ 8,694,849.00	\$ 8,475,649.00	\$ 219,200.00
Deferred	<u>7,559,686.00</u>	<u>7,559,686.00</u>	<u>None</u>
Payable	\$ <u><u>1,135,163.00</u></u>	\$ <u><u>915,963.00</u></u>	\$ <u><u>219,200.00</u></u>

* Required for school operations for the six-month period following December 31st.

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

Note 11. PENSION PLANS

Description of Systems

Substantially all of the Borough's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Public Employees' Retirement System (PERS) or the Police and Firemen's Pension Fund (PFRS). These systems are sponsored and administered by the New Jersey Division of Pensions and Benefits. The Public Employees' Retirement System and the Police and Firemen's Retirement System are considered cost sharing multiple-employer plans.

The PERS and PFRS issue a publicly available financial report that includes financial statements and required supplementary information and separate actuarial valuations. Those reports are available by visiting their website at www.state.nj.us/treasury/pensions/actuarial-valuations.shtml.

Public Employees' Retirement System

The Public Employees' Retirement System (PERS) was established January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement health care, to substantially all full-time employees and all that qualify of the State or any county, municipality, school district or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after eight to ten years of service and twenty-five years for health care coverage. The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

Note 11. PENSION PLANS (CONTINUED)

Description of Systems (Continued)

Public Employees' Retirement System (Continued)

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 or more years of service credit before age 62 and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Police and Firemen's Retirement System

The Police and Firemen's Retirement System (PFRS) was established July 1, 1944 under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firemen and State firemen appointed after June 30, 1944. The following represents the membership tiers for PFRS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to May 22, 2010
2	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
3	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years, but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

Note 11. **PENSION PLANS (CONTINUED)**

Description of Systems (Continued)

In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Contributions Required to be Made

The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 an option for local employers of PERS and PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Employee contributions for 2020 were 7.50% for PERS and 10% for PFRS of the employee's base wages. Employer's contributions are actuarially determined annually by the Division of Pensions. The Borough's contributions to the plan for the past three (3) years are as follows:

	PERS		
	<u>2020</u>	<u>2019</u>	<u>2018</u>
Covered Payroll	\$ 4,085,029	\$ 4,227,550	\$ 4,443,829
Actuarial Contribution Requirements	632,568	678,187	641,814
Total Contributions Employer Share	632,568	678,187	641,814
Percent of Covered Payroll	15.49 %	16.04 %	14.44 %
Employee's Share	306,377	317,066	326,177
Percent of Covered Payroll	7.50 %	7.50 %	7.34 %

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

Note 11. PENSION PLANS (CONTINUED)

Pension (PERS) Accrual

The Borough is required to report on its financial statements on an "Other Comprehensive Basis of Accounting" (OCBOA) Regulatory Basis, which does not require an accrual for its obligations inclusive of pension. If the Borough were required to reflect the obligation under Generally Accepted Accounting Principles (GAAP) then an accrual for the PERS obligation due April 1, 2021 would be needed in the amount of \$661,098 since the obligation relates to the period December 31, 2020 and prior. The accrual (under GAAP) would affect the fund balance at yearend.

Contributions Required to be Made (Continued)

	PFRS		
	2020	2019	2018
Covered Payroll	\$ 3,445,878	\$ 3,427,899	\$ 3,355,148
Actuarial Contribution Requirements	1,001,490	937,614	774,675
Total Contributions Employer Share	1,001,490	937,614	774,675
Percent of Covered Payroll	29.06 %	27.35 %	23.09 %
Employee's Share	344,588	342,790	335,515
Percent of Covered Payroll	10.00 %	10.00 %	10.00 %

All contributions were equal to the required contributions for each of the three (3) years, respectively.

Pension (PFRS) Accrual

The Borough is required to report on its financial statements on an "Other Comprehensive Basis of Accounting" (OCBOA) Regulatory Basis, which does not require an accrual for its obligations inclusive of pension. If the Borough were required to reflect the obligation under Generally Accepted Accounting Principles (GAAP) then an accrual for the PFRS obligation due April 1, 2021 would be needed in the amount of \$1,134,797 since the obligation relates to the period December 31, 2020 and prior. The accrual (under GAAP) would affect the fund balance at yearend.

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

Note 11. **PENSION PLANS (CONTINUED)**

Public Employees Retirement System (PERS)

The information for PERS was abstracted from State of New Jersey Public Employees' Retirement System Schedules of Employer Allocations and Schedules of Pension Amounts by Employer as of June 30, 2020 and June 30, 2019 Independent Auditor's Report dated June 4, 2021 and June 5, 2020, respectively.

The Borough's reported liability of \$9,854,915 and \$11,717,747 for its proportionate share of the net pension liability at December 31, 2020 (*measurement date of June 30, 2020*) and December 31, 2019 (*measurement date of June 30, 2019*), respectively. The net pension liability was measured as of June 30, 2020 and June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined.

	June 30, (<i>Measurement Date</i>)	
	<u>2020</u>	<u>2019</u>
Local Group Share	\$ 16,435,616,426	\$ 18,143,832,135
Borough Proportionate Percentage	0.0604322194 %	0.0650318150 %
Difference - Increase/(Decrease)	(0.0045995956) %	

For the year ended December 31, 2020, the Borough's recognizable (under GAAP) pension benefit was \$733,426. At December 31, 2020, the Borough reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ 319,705	\$ 4,126,346
Net difference between expected and actual experience	179,442	34,851
Net difference between projected and actual investment earnings on pension plan investments	336,849	
Changes in proportion	50,372	1,390,280
Borough contributions made subsequent to yearend	661,098	
Total	<u>\$ 1,547,466</u>	<u>\$ 5,551,477</u>

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

Note 11. PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

The \$661,098 reported as deferred outflows of resources related to pensions resulting from entities contributions subsequent to the measurement date (i.e. for the Borough year ending December 31, 2020, the plan measurement date is June 30, 2020) would be recognized (under GAAP) as a reduction of the net pension liability in the Borough year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense based on local share is as follows:

<u>Year Ended December 31,</u>	<u>Amount</u>
2021	\$ (1,226,966)
2022	(1,118,620)
2023	(639,263)
2024	(258,507)
2025	(55,910)

Additional Information:

Collective (local employers) balances at June 30, 2020 and June 30, 2019 are as follows:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Collective deferred outflows of resources	\$ 2,347,583,337	\$ 3,149,522,616
Collective deferred inflows of resources	7,849,949,467	7,645,087,574
Collective net pension liability	16,435,616,426	18,143,832,135
Collective pension expenses	407,705,399	974,471,686
Borough's proportion (of Local Group)	0.0604322194 %	0.0650318150 %

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which rolled forward to June 30, 2020. This actuarial valuation used the following assumptions:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00 – 6.00% (based on years of service)
Thereafter	3.00 – 7.00% (based on years of service)
Investment Rate of Return	7.00%

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

Note 11. PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2000 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

Note 11. PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
U.S. Equity	27.00 %	7.71 %
Non-U.S. Developed Market Equity	13.50	8.57
Emerging Market Equity	5.50	10.23
Private Equity	13.00	11.42
Real Assets	3.00	9.73
Real Estate	8.00	9.56
High Yield	2.00	5.95
Private Credit	8.00	7.59
Investment Grade Credit	8.00	2.67
Cash Equivalents	4.00	0.50
U.S. Treasuries	5.00	1.94
Risk Mitigation Strategies	3.00	3.40
	<u>100.00 %</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on 78% of the actuarially determined contributions for the State employer and 100% of the actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

Note 11. **PENSION PLANS (CONTINUED)**

Public Employees Retirement System (PERS) (Continued)

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate.

The following presents the collective net pension liability of the participating employers as of (*measurement dates*) June 30, 2020 and June 30, 2019, respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

		December 31, 2020		
		<i>[Measurement Date June 30, 2020]</i>		
		1% Decrease	At Current	1% Increase
		<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Borough's proportionate share				
of the pension liability	\$	12,405,719	\$ 9,854,915	\$ 7,690,525

		December 31, 2019		
		<i>[Measurement Date June 30, 2019]</i>		
		1% Decrease	At Current	1% Increase
		<u>5.28%</u>	<u>6.28%</u>	<u>7.28%</u>
Borough's proportionate share				
of the pension liability	\$	14,800,056	\$ 11,717,747	\$ 9,118,478

Pension Plan Fiduciary Net Position.

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS).

Police and Firemen's Retirement System (PFRS)

The information for PFRS was abstracted from State of New Jersey Public Employees' Retirement System Schedules of Employer Allocations and Schedules of Pension Amounts by Employer as of June 30, 2020 and June 30, 2019 Independent Auditor's Report dated June 4, 2021 and June 5, 2020, respectively.

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

Note 11. **PENSION PLANS (CONTINUED)**

Police and Firemen's Retirement System (PFRS) (Continued)

The Borough's reported liability of \$13,125,185 and \$12,133,377 for its proportionate share of the net pension liability at December 31, 2020 (*measurement date of June 30, 2020*) and December 31, 2019 (*measurement date of June 30, 2019*), respectively. The net pension liability was measured as of June 30, 2020 and June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined.

	<u>June 30, (Measurement Date)</u>	
	<u>2020</u>	<u>2019</u>
Local Group Share	\$ 14,926,648,722	\$ 12,237,818,793
Borough Proportionate Percentage	0.1015777485 %	0.0991465691 %
Difference - Increase	0.0024311794	

For the year ended December 31, 2020, the Borough's recognizable (under GAAP) pension expense was \$889,194. At December 31, 2020, the Borough reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ 33,029	\$ 3,518,784
Net difference between expected and actual experience	132,324	47,105
Net difference between projected and actual investment earnings on pension plan investment	769,591	
Changes in proportion	1,289,739	147,747
Borough contributions made subsequent to measurement date	<u>1,134,797</u>	
Total	<u>\$ 3,359,480</u>	<u>\$ 3,713,636</u>

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

Note 11. **PENSION PLANS (CONTINUED)**

Police and Firemen's Retirement System (PFRS) (Continued)

The \$1,134,797 reported as deferred outflows of resources related to pensions resulting from entities contributions subsequent to the measurement date (i.e. for the Borough year ending December 31, 2020, the plan measurement date is June 30, 2020) would be recognized (under GAAP) as a reduction of the net pension liability in the Borough year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense based on local share is as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>Amount</u>
2021	\$ (1,062,881)
2022	(717,316)
2023	(292,024)
2024	(110,316)
2025	(95,070)

Additional Information:

Collective (local employers) balances at June 30, 2020 and June 30, 2019 are as follows:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Collective deferred outflows of resources	\$ 1,601,195,680	\$ 1,198,936,924
Collective deferred inflows of resources	4,191,274,402	4,874,748,912
Collective pension expenses	949,220,570	1,325,963,796
Collective net pension liability		
Local Group	14,926,648,722	14,170,193,618
Less: Special Funding Situation (1)	<u>2,005,329,818</u>	<u>1,932,374,825</u>
	<u>\$ 12,921,318,904</u>	<u>\$ 12,237,818,793</u>
Borough's proportion (of Local Group)	0.1015777485 %	0.0991145690 %

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

Note 11. **PENSION PLANS (CONTINUED)**

Additional Information: (Continued)

(1) Special Funding Situation

Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. The State special funding situation net pension liability amount of \$2,005,329,818 and \$1,932,374,825 as of June 30, 2020 and June 30, 2019, respectively, are the accumulated difference between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

	State Proportionate Share Net Pension Liability <u>Attributed to Borough</u>	State Pension <u>Expense Proportion</u>
June 30, 2020	\$ 2,036,969.00	\$ 230,850.00
June 30, 2019	1,915,883.00	222,610.00
June 30, 2018	1,762,785.00	208,799.00

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

Note 11. PENSION PLANS (CONTINUED)

Police and Firemen's Retirement System (PFRS) (Continued)

Actuarial Assumptions

The collective total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which rolled forward to June 30, 2020. This actuarial valuation used the following assumptions.

Inflation rate:

Price	2.75%
Wage	3.25%

Salaries Increase:

Through all Future Years	3.25 – 15.25% (based on years of services)
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Investment Rate of Return	7.00%
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Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

Note 11. **PENSION PLANS (CONTINUED)**

Police and Firemen's Retirement System (PFRS) (Continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00 %	7.71 %
Non-U.S. Developed Market Equity	13.50	8.57
Emerging Market Equity	5.50	10.23
Private Equity	13.00	11.42
Real Assets	3.00	9.73
Real Estate	8.00	9.56
High Yield	2.00	5.95
Private Credit	8.00	7.59
Investment Grade Credit	8.00	2.67
Cash Equivalents	4.00	0.50
U.S. Treasuries	5.00	1.94
Risk Mitigation Strategies	<u>3.00</u>	3.40
	<u>100.00 %</u>	

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

Note 11. PENSION PLANS (CONTINUED)

Police and Firemen's Retirement System (PFRS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on 78% of the actuarially determined contributions for the State employer and 100% of the actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate.

The following presents the collective net pension liability of the participating employers as of (*measurement dates*) June 30, 2020 and June 30, 2019, respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

December 31, 2020			
<u>[Measurement Date June 30, 2020]</u>			
	1% Decrease	At Current	1% Increase
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Borough's proportionate share			
of the pension liability	\$ 17,454,714	\$ 13,125,185	\$ 9,530,446

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

Note 11. PENSION PLANS (CONTINUED)

Police and Firemen's Retirement System (PFRS) (Continued)

Sensitivity of The Collective Net Pension Liability to Changes in the Discount Rate.
(Continued)

	December 31, 2019 [Measurement Date June 30, 2019]		
	1% Decrease <u>5.85%</u>	At Current Discount Rate <u>6.85%</u>	1% Increase <u>7.85%</u>
Borough's proportionate share of the pension liability	\$ 16,399,316	\$ 12,133,377	\$ 8,601,902

Pension Plan Fiduciary Net Position.

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System (PFRS).

Note 12. POST EMPLOYMENT RETIREMENT BENEFITS

In addition to the pension benefits described in Note 10, the Borough provides post retirement healthcare benefits for employees who retire with 25 years or more of service and their dependents. Benefits consist of full medical coverage as if the individuals were still employed, until they become eligible for Medicare, at which time Medicare becomes the primary insurer and the Borough plan becomes the secondary insurer.

Plan Description

The Borough provides its retirees with health benefits (the "Plan"), which are funded fully or in part by the Borough, which benefits are negotiated through bargaining unit contracts. Eligibility requirements are described below. The annual costs are determined by the provider, per approved schedules in accordance with the insured individual's age and plan status.

The Plan offers medical, prescription drug and dental insurance coverage to retirees and their covered dependents. The Plan is not a separate entity or trust and does not issue standalone financial statements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

The Borough's total OPEB liability of \$56,098,718 and \$56,572,134 for the years ended December 31, 2020 and December 31, 2019, respectively.

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

Note 12. POST EMPLOYMENT RETIREMENT BENEFITS (CONTINUED)

Plan Description (Continued)

Key actuarial assumption – the total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Consumer Price Index	2.50%
Salary increases	2.50%
Discount rate	2.12%
Healthcare cost trend	Range from 5.60% in 2020 to 5.00% in 2026

The discount rate was based on the Bond Buyer 20-Bond Go Index.

Mortality rates were based on the RP-2000 Combined Healthy Male Mortality rates set forward one year and adjusted for Generational Improvement.

Turnover based on NJ State Pensions Ultimate Withdrawal Rates – prior to benefit eligibility.

Assumed Retirement Age – at first eligibility after completing 25 years of service.

Medical Cost Aging Factor – NJ SHBP Medical Morbidity Rates.

The attribution period begins with the date of hire and ends with the full benefits eligibility date.

Per capita cost methods – the valuation reflects per capita net premium costs based on actual 2020 medical premiums and the plan option selected. Plan selections are assumed to remain unchanged in retirement. The age specific cost was derived based on per person costs at the average age of the active population (44) and scaled to each age based on the medical cost aging factors. At age 65, Medicare becomes the primary payor of medical benefits and consequently, per capita plan costs are offset by Medicare payments. When actual data is not available, post 65 costs are decreased using the assumption that Medicare picks up 66.7% of medical costs.

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

Note 12. **POST EMPLOYMENT RETIREMENT BENEFITS (CONTINUED)**

Plan Description (Continued)

Retire Contributions – NJ Chapter 78 requires that certain future retirees contribute toward the cost of their benefits. Specifically, those who had retired prior to passage of Chapter 78 and those employees that had more than 25 years of service on the date of passage are grandfathered. All others are subject to the contribution rates in effect when they retire, but not less than 1.5% of their annual retirement allowance from the Public Employees Retirement System. For purposes of this valuation and for conservatism, it is assumed that future retiree contributions percentage rates will not increase. Thus, it is assumed that a future retiree will contribute his/her current employee contribution as reported by the Borough increased annually by the rate of medical trend.

The actuarial assumptions used in the December 31, 2020 and December 31, 2019 valuation were based on the results of an actuarial experience study for the periods January 1, 2020 to December 31, 2020 and January 1, 2019 to December 31, 2019, respectively.

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
	<u>Total OPEB Liability</u>	
Balance as of December 31,	\$ 56,572,134	\$ 49,990,506
Changes for the year:		
Interest cost	1,548,090	2,037,035
Service cost	451,506	246,837
Difference between expected and actual expenses	(5,224,188)	
Changes in assumptions	3,799,199	5,404,880
Benefit payments	(1,048,023)	(1,107,124)
Net Changes	<u>(473,416)</u>	<u>6,581,628</u>
Balance as of December 31,	<u>\$ 56,098,718</u>	<u>\$ 56,572,134</u>

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the Borough, as well as what the Borough's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	<u>December 31, 2020 [Measurement Date]</u>		
	<u>At 1%</u>	<u>At Discount</u>	<u>At 1%</u>
	<u>Decrease (1.12%)</u>	<u>Rate (2.12%)</u>	<u>Increase (3.12%)</u>
Total OPEB Liability	\$ 62,163,474	\$ 56,098,718	\$ 51,066,115

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

Note 12. POST EMPLOYMENT RETIREMENT BENEFITS (CONTINUED)

Plan Description (Continued)

December 31, 2019 [Measurement Date]			
	At 1% Decrease (1.74%)	At Discount Rate (2.74%)	At 1% Increase (3.74%)
Total OPEB Liability	\$ 62,445,687	\$ 56,572,134	\$ 51,593,677

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates –
The following presents the total OPEB liability of the Borough, as well as what the Borough's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

December 31, 2020 [Measurement Date]			
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	\$ 50,528,663	\$ 56,098,718	\$ 62,887,411

December 31, 2019 [Measurement Date]			
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	\$ 51,254,140	\$ 56,572,134	\$ 62,920,403

OPEB Expense – for the year ended December 31, 2020 and December 31, 2019, the Borough recognized OPEB expense of \$2,274,727 and \$2,652,353, respectively.

The following table illustrates the Deferred Inflows and Outflows as of December 31, 2020 under GASB 75 prior to any reduction due to the fiscal year 2020 amortizations.

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Changes in Assumptions	<u>\$ 8,218,234</u>	<u>\$ (4,881,955)</u>

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

Note 12. POST EMPLOYMENT RETIREMENT BENEFITS (CONTINUED)

Plan Description (Continued)

Amount recognized in the deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the OPEB expense as follows:

Measurement Period Ending December 31

	<u>Deferred Outflow</u>	<u>Deferred Inflow</u>
2021	\$ 617,364	\$ 342,233
2022	617,364	342,233
2023	617,364	342,233
2024	617,364	342,233
2025	617,364	342,233
Total Thereafter	5,131,414	3,170,798

Special Funding Situation

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80% of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation.

The State of New Jersey's Total OPEB Liability for special funding situation was \$5,525,718,739 and \$6,213,844,492 at June 30, 2020 and 2019, respectively.

The amount of the State's proportionate share of the net OPEB liability for special funding situation attributable to employees and retirees of the Borough of South River was \$5,931,251 and \$7,216,262 at June 30, 2019 and 2018, respectively.

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

Note 12. POST EMPLOYMENT RETIREMENT BENEFITS (CONTINUED)

Plan Description (Continued)

Special Funding Situation – PFRS

Under Chapter 330, P.L.1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation direction to the plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation.

The Borough has the following attributed to it related to the Special Funding Situation:

<u>December 31,</u>	<u># of</u>	<u>Percent of</u>	<u>State</u>	<u>Expense and</u>
	<u>Employees</u>	<u>Total State</u>	<u>Proportionate</u>	<u>Related Revenue</u>
		<u>Liability</u>	<u>Share of Net</u>	<u>Attributed</u>
			<u>OPEB Liability</u>	<u>to Borough</u>
2020	- NOT AVAILABLE -			
2019	32	0.107339 %	\$ 5,931,251	\$ 78,620
2018	33	0.116132	7,216,262	218,445

Other

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the Borough. The reporting of these benefits are the responsibility of the individual local Borough. The Borough provides Chapter 88 Reimbursement to certain retirees for the share of Medicare premiums that is withheld from their social security benefits. Amounts paid for the prior three years are as follows and is limited to employees who were hired prior to April 1, 2016:

<u>Year</u>	<u>Number of Employees</u>	<u>Amount</u>
2020	45	\$ 71,939.27
2019	46	69,108.90
2018	39	60,023.40

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

NOTE 13. DEFINED CONTRIBUTION RETIREMENT PROGRAM

Description of System

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members, with a minimum base salary of \$1,500.00 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If an eligible elected or appointed official will earn less than \$5,000.00 annually, the official may choose to waive participation in the DCRP for that office or position. This waiver is irrevocable.

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee and employer and adjusted for membership earnings or losses. It is a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment options provided by the employer.

The law requires that three classes of employees enroll in the DCRP, detailed as follows:

- All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may remain in the Public Employee's Retirement System (PERS).
- A Governor appointee with the advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.
- Other employees commencing service after July 1, 2007, pursuant to an appointment by an elected official or elected governing body which include the statutory untenured chief administrative officer such as the Business Administrator, County Administrator or Municipal or County Manager, Department Heads, Legal Counsel, Municipal or County Engineer, Municipal Prosecutor and the Municipal Court Judge.

Notwithstanding the foregoing requirements other employees who hold a professional license or certificate or meet other exceptions are permitted to remain in PERS.

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

NOTE 13. DEFINED CONTRIBUTION RETIREMENT PROGRAM (CONTINUED)

Contributions Required and Made

Contributions made by employees for DCRP are currently 5.5% of their base wages. Member contributions are matched by a 3.0% employer contribution.

There were no employer and employees contributions to the plan for years 2018-2020.

Note 14. TERMINATION BENEFITS – OTHER POST EMPLOYMENT RETIREMENT BENEFITS

The Borough grants terminal leave for all employees who retire from the Borough, the amount due to be paid is two (2) days of terminal leave for every year of service with the Borough subject to a minimum of ten (10) years of service. In accordance with GASB #47, the Borough is obligated to determine the amount; however, not required to fund or encumber the liability. Amounts are provided for in the Borough's annual operating budgets to meet the obligations as they become due.

2020	\$632,879.80
2019	692,300.45
2018	631,104.64

Note 15. INTERFUNDS RECEIVABLE AND PAYABLE

Interfund receivable and payable balances at December 31, 2020 were as follows:

Current Fund		\$ 89,059.42
Grant Fund	<u>\$ 89,059.42</u>	<u> </u>

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

Note 16. SEGMENT INFORMATION FOR UTILITY OPERATING ENTERPRISE FUNDS

The Borough of South River maintains three (3) enterprise funds that provide electric, parking and water to the residents and businesses of the Borough. Segment information for the year ended December 31, 2020 is as follows:

	Electric <u>Utility</u>	Parking <u>Utility</u>	Water <u>Utility</u>	Total Enterprise <u>Fund</u>
Revenue and Other Income Realized:				
Operating Fund Balance Appropriated	\$ 3,039,000.00	\$ 32,500.00	\$ 57,625.00	\$ 3,129,125.00
Rents	13,793,119.25	39,877.82	4,082,784.76	17,915,781.83
Miscellaneous			26,000.00	26,000.00
Budget Totals	<u>\$ 16,832,119.25</u>	<u>\$ 72,377.82</u>	<u>\$ 4,166,409.76</u>	<u>\$ 21,070,906.83</u>
Nonbudget Revenue	\$ 140,862.42	\$ 2,019.00	\$ 70,736.44	\$ 213,617.86
Other Credits to Income:				
Current Appropriations Canceled	5,000.00	1,000.00	137,821.43	143,821.43
Unexpended Balance of Appropriation Reserves Lapsed and Encumbrances Canceled	<u>1,252,021.91</u>	<u>25,247.71</u>	<u>7,451.33</u>	<u>1,284,720.95</u>
Total Revenues	<u>\$ 18,230,003.58</u>	<u>\$ 100,644.53</u>	<u>\$ 4,382,418.96</u>	<u>\$ 22,713,067.07</u>
Expenditures:				
Operating:				
Salaries and Wages	\$ 1,435,000.00	\$ 24,000.00	\$ 760,000.00	\$ 2,219,000.00
Other Expenses	2,053,000.00	15,000.00	1,211,000.00	3,279,000.00
Purchase of Power/Water	6,900,000.00		880,000.00	7,780,000.00
Capital Improvements	220,000.00	6,500.00	325,000.00	551,500.00
Debt Service	543,600.00	22,000.00	463,125.00	1,028,725.00
Deferred Charges and Statutory Expenditures	313,000.00	5,000.00	402,500.00	720,500.00
Surplus - General Budget	<u>3,200,000.00</u>			<u>3,200,000.00</u>
Total Expenditures	<u>\$ 14,664,600.00</u>	<u>\$ 72,500.00</u>	<u>\$ 4,041,625.00</u>	<u>\$ 18,778,725.00</u>
Excess in Revenue	<u>\$ 3,565,403.58</u>	<u>\$ 28,144.53</u>	<u>\$ 340,793.96</u>	<u>\$ 3,934,342.07</u>
Fund Balance, January 1, 2020	<u>\$ 3,039,127.86</u>	<u>\$ 93,764.94</u>	<u>\$ 257,788.61</u>	<u>\$ 3,390,681.41</u>
	<u>\$ 6,604,531.44</u>	<u>\$ 121,909.47</u>	<u>\$ 598,582.57</u>	<u>\$ 7,325,023.48</u>
Decreased by:				
Utilization as Anticipated Revenue	<u>\$ 3,039,000.00</u>	<u>\$ 32,500.00</u>	<u>\$ 57,625.00</u>	<u>\$ 3,129,125.00</u>
Fund Balance, December 31, 2020	<u><u>\$ 3,565,531.44</u></u>	<u><u>\$ 89,409.47</u></u>	<u><u>\$ 540,957.57</u></u>	<u><u>\$ 4,195,898.48</u></u>

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

Note 17. **RISK MANAGEMENT**

Property and Liability Insurance

The Borough together with other governmental units are members of the Middlesex County Municipal Joint Insurance Fund (the "Fund"). The Fund, which is organized and operated pursuant to the regulatory authority of the Departments of Insurance and Community Affairs, State of New Jersey, provides for a pooling of risks, subject to established limits and deductibles. In addition, the Fund has obtained cost effective reinsurance and excess liability coverages for participant local units.

For the year ended December 31, 2020, the Fund provided coverage for Property, Boiler and Machinery, Automobile Liability, General Liability, Workmen's Compensation, Public Employee Blanket Bond and public officials surety bond coverage. The coverage is subject to certain policy limits and deductible amounts. The coverage is designed to minimize the impact of any potential losses to the Borough for matters that may have been caused or related to the Borough or its employees.

Middlesex County Municipal Joint Insurance Fund (JIF)

At December 31, 2019, the Fund reported for all years combined, total assets of \$16,119,935, liabilities and reserves of \$39,286,291, which includes loss reserves of \$37,121,306 and an unrestricted net position deficit balance of \$23,166,356. This represents the latest available information.

The information was abstracted from the Annual Independent Financial Audit of the JIF as of December 31, 2019, which expressed an unqualified opinion. The audit for the period December 31, 2020 is in progress.

* Subsequent Event – Subsequent to yearend the JIF billed the Borough \$821,847.02 for what is their supposed pro rata share of an accumulated deficit of the JIF. The matter is still under review and the anticipated repayment of the bill over the next ten years, commencing in 2022, will need to be raised in the annual budget.

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

Note 17. RISK MANAGEMENT (CONTINUED)

New Jersey Unemployment Compensation Insurance

The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Borough is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Borough is billed quarterly for amounts due to the State. The following is a summary of Borough contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Borough's trust fund for the current and prior two years:

<u>Year Ended</u> <u>December 31,</u>	<u>Employer</u> <u>Contributions</u>	<u>Interest</u> <u>Earned</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2020	\$ 97,320.99	\$ 136.61	\$ 44,242.29	\$ 82,953.02
2019	24,954.35	384.87	55,745.16	29,737.71
2018	27,360.32	836.50	87,586.84	60,143.65

Note 18. DEFERRED COMPENSATION PLAN

The Borough of South River offers its employees a Deferred Compensation Plan created in accordance with the provisions of N.J.S. 43:15B-1 et seq., and the Internal Revenue Code, Section 457. The Plan, available to all municipal employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

Statutory and regulatory requirements governing the establishment and operation of Deferred Compensation Plans have been codified in the New Jersey Administrative Code under the reference N.J.A.C. 5:37.

The "Small Business Job Protective Act of 1996" modified several provisions of Section 457 of the Internal Revenue Code. The most significant change in the law related to the ownership of the fund.

The Borough of South River authorized such modifications to their plan by resolution of the Borough Council adopted September 10, 1997.

The Deferred Compensation Plan is administered by the American Insurance General (AIG).

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

Note 19. LENGTH OF SERVICE AWARDS PROGRAM

On November 2, 1999, the voters of the Borough approved a referendum authorizing the establishment of a Length of Service Awards Program (LOSAP). On November 2, 2004 the voters of the Borough approved an increase of the annual appropriation to \$112,800.00 subject to a per member minimum of \$800.00 and a maximum of \$1,500.00. The LOSAP will provide tax-deferred income benefits to the active volunteer fire fighters and first aid members who are eligible to participate.

The LOSAP funds are administered independently and distinct from the Borough and are subjected to a review in accordance with the American Institute of Certified Public Accounts Standards for Accounting and Review Services. A separate report as of December 31, 2020 revealed net position available for benefits of \$1,514,335.88. The Borough's contribution for December 31, 2020 is \$60,906.72. Contributions for the past three (3) years are as follows:

	<u>Total</u>	<u>Per Member</u>
2020	\$ 60,906.72	\$ 1,450.16
2019	61,861.95	1,438.65
2018	52,237.71	1,411.83

Note 20. CONTINGENT LIABILITIES

A. Accrued Sick Pay

The Borough's collective bargaining agreements provide for payment to employees upon retirement for unused sick days. There are six (6) collective bargaining agreements, which provide for amounts of payments based on the individual agreements. The noncollective bargaining employees are subject to a limit of one (1) day for every six (6) days accumulated and used. The total liability, based upon the above data and limitations, is on file in the Finance Office and amounts to \$718,947.12.

B. Litigation

The Borough is a party to various legal proceedings. These legal proceedings are not likely to have an adverse financial impact on the Borough, based on inquiry of management and the various attorneys.

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

Note 20. CONTINGENT LIABILITIES (CONTINUED)

C. Grants

The Borough of South River participates in federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The Borough is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

D. Reserve for State Tax Appeals

The Borough has a Reserve for State Tax Appeals at December 31, 2020 of \$75,000.00, which represents an estimate for several tax appeals that are pending for 2020. In the event the appeals are awarded in excess of that amount, then a charge to Fund Balance/(Operations) will be needed.

Note 21. SUBSEQUENT EVENT – COVID-19 CORONAVIRUS PANDEMIC

The COVID-19 Coronavirus outbreak in the United States has caused the Governor of the State of New Jersey to mandate closures and a curfew for all nonessential citizens and businesses. The management of the Borough (which is essential) has evaluated the impact of the situation and has determined that there is no adverse impact on its December 31, 2020 financial statements. Management does not believe that there will be an adverse impact for the year ending December 31, 2021. A significant portion of the revenue to support Borough operations is tax levy and utility rents; however, certain other miscellaneous revenues most especially municipal court and construction code revenue may be impacted due to the economic effect of the closures and curfew.

REQUIRED SUPPLEMENTARY INFORMATION

BOROUGH OF SOUTH RIVER
SCHEDULE OF THE BOROUGH PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)
LAST SEVEN (7) FISCAL YEARS

<u>Year</u>	<u>Borough's Proportion of Net Pension Liability</u>	<u>Borough's Proportionate Share of Net Pension Liability (asset)</u>	<u>Borough's Covered Payroll</u>	<u>Borough's Proportionate Share of Net Pension Liability (asset) as Percentage of Covered-Employee Payroll</u>	<u>Plan Fiduciary Net Position as Percentage of Total Pension Liability</u>
2020	0.0604322194 %	\$ 9,854,915	\$ 4,085,029	241.24 %	58.32 %
2019	0.0650318150	11,717,747	4,227,550	277.18	56.27
2018	0.0681816346	13,424,624	4,443,829	302.10	53.60
2017	0.0692809510	16,127,498	4,755,619	339.13	48.69
2016	0.0684558507	20,274,659	4,746,984	427.11	47.92
2015	0.0683678325	15,347,208	4,615,015	332.55	47.92
2014	0.0671828833	12,578,473	4,574,593	274.96	52.08

Note: Only the last seven (7) years of information are presented as GASB 68 was implemented during the year ended December 31, 2015. Eventually a full ten (10) year schedule will be compiled.

Notes to Required Supplementary Information:

Benefit Changes - there were none.

Changes of Assumptions - the discount rate changed from 6.28% as of June 30, 2019 to 7.00% as of June 30, 2020.

BOROUGH OF SOUTH RIVER
SCHEDULE OF THE BOROUGH'S CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)
LAST SEVEN (7) FISCAL YEARS

<u>Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Borough's Covered Payroll</u>	<u>Contributions as Percentage of Covered-Payroll</u>
2020	\$ 632,568	\$ 632,568	None	\$ 4,085,029	15.49 %
2019	678,187	678,187	None	4,227,550	16.04
2018	641,814	641,814	None	4,443,829	14.44
2017	608,152	608,152	None	4,755,619	12.79
2016	587,780	587,780	None	4,746,984	12.38
2015	553,846	553,846	None	4,615,015	12.00
2014	500,903	500,903	None	4,574,593	10.95

Note: Only the last seven (7) years of information are presented as GASB 68 was implemented during the year ended December 31, 2015. Eventually a full ten (10) year schedule will be compiled.

Notes to Required Supplementary Information:

Benefit Changes - there were none.

Changes of Assumptions - the discount rate changed from 6.28% as of June 30, 2019 to 7.00% as of June 30, 2020.

BOROUGH OF SOUTH RIVER
SCHEDULE OF THE BOROUGH PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
POLICE & FIREMEN'S RETIREMENT SYSTEM (PFRS)
LAST SEVEN (7) FISCAL YEARS

<u>Year</u>	<u>Borough's Proportion of Net Pension Liability</u>	<u>Borough's Proportionate Share of Net Pension Liability (asset)</u>	<u>Borough's Covered Payroll</u>	<u>Borough's Proportionate Share of Net Pension Liability (asset) as Percentage of Covered-Employee Payroll</u>	<u>Plan Fiduciary Net Position as Percentage of Total Pension Liability</u>
2020	0.1015777485 %	\$ 13,125,185	\$ 3,445,878	380.90 %	63.52 %
2019	0.0991465691	12,133,377	3,427,899	353.96	64.99
2018	0.0959051356	12,977,546	3,355,148	386.80	62.48
2017	0.0875320743	13,513,260	3,207,108	421.35	58.61
2016	0.0885528092	16,915,852	2,909,520	581.40	47.99
2015	0.0956571650	15,923,148	2,892,559	550.49	52.01
2014	0.0970808528	12,211,871	2,916,179	418.76	58.70

Note: Only the last seven (7) years of information are presented as GASB 68 was implemented during the year ended December 31, 2015. Eventually a full ten (10) year schedule will be compiled.

Notes to Required Supplementary Information:

Benefit Changes - there were none.

Changes of Assumptions - the discount rate changed from 6.85% as of June 30, 2019 to 7.00% as of June 30, 2020.

BOROUGH OF SOUTH RIVER
SCHEDULE OF THE BOROUGH'S CONTRIBUTIONS
POLICE & FIREMEN'S RETIREMENT SYSTEM (PFRS)
LAST SEVEN (7) FISCAL YEARS

<u>Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (excess)</u>	<u>Borough's Covered Payroll</u>	<u>Contributions as Percentage of Covered-Payroll</u>
2020	\$ 1,001,490	\$ 1,001,490	None	\$ 3,445,878	29.06 %
2019	937,614	937,614	None	3,427,899	27.35
2018	774,675	774,675	None	3,355,148	23.09
2017	722,007	722,007	None	3,207,108	22.51
2016	777,550	777,550	None	2,909,520	26.72
2015	745,648	745,648	None	2,892,559	25.78
2014	699,967	699,967	None	2,916,179	24.00

Note: Only the last seven (7) years of information are presented as GASB 68 was implemented during the year ended December 31, 2015. Eventually a full ten (10) year schedule will be compiled.

Notes to Required Supplementary Information:

Benefit Changes - there were none.

Changes of Assumptions - the discount rate changed from 6.85% as of June 30, 2019 to 7.00% as of June 30, 2020.

COMBINING AND INDIVIDUAL FUND AND
ACCOUNT GROUP STATEMENTS

CURRENT FUND

BOROUGH OF SOUTH RIVER
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
AS OF DECEMBER 31, 2020 AND 2019

	Balance December 31, <u>2020</u>	Balance December 31, <u>2019</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 5,459,115.94	\$ 4,641,699.07
Receivables and Other Assets with Full Reserves:		
Taxes Receivable	445,456.12	476,554.51
Tax Title Liens Receivable	656,174.25	641,601.95
Property Acquired for Taxes - Assessed Valuation	47,300.00	47,300.00
Other Accounts Receivable:		
Revenue Accounts Receivable	2,322.38	10,016.08
Deferred Charges	<u>100,000.00</u>	<u>200,000.00</u>
Total Current Fund	\$ <u>6,710,368.69</u>	\$ <u>6,017,171.61</u>
Federal and State Grant Fund:		
Federal and State Grants Receivable	\$ 45,616.54	\$ 51,392.48
Interfund Receivable-		
Due from Current Fund	<u>89,059.42</u>	<u>46,710.66</u>
Total Federal and State Grant Fund	\$ <u>134,675.96</u>	\$ <u>98,103.14</u>
Total Assets	\$ <u><u>6,845,044.65</u></u>	\$ <u><u>6,115,274.75</u></u>

BOROUGH OF SOUTH RIVER
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
AS OF DECEMBER 31, 2020 AND 2019

	Balance December 31, <u>2020</u>	Balance December 31, <u>2019</u>
<u>LIABILITIES, RESERVES AND</u>		
<u>FUND BALANCE</u>		
Current Fund:		
Liabilities:		
Appropriation Reserves	\$ 1,069,174.86	\$ 511,578.18
Reserve for Encumbrances	593,077.35	606,906.17
Accounts Payable	70,348.00	33,990.74
Prepaid Taxes	268,313.49	214,719.73
Tax Overpayments		29,247.39
Due to State of New Jersey:		
Ch. 20,P.L. 1971	44,542.13	43,542.13
DCA Training Fees	2,146.00	3,998.00
Various Reserves	230,435.25	280,435.25
Local School Taxes Payable	1,135,163.00	915,963.00
Interfunds Payable-		
Due to Federal and State Grant Fund	<u>89,059.42</u>	<u>46,710.66</u>
	\$ 3,502,259.50	\$ 2,687,091.25
Reserve for Receivables and Other Assets	1,151,252.75	1,175,472.54
Fund Balance	<u>2,056,856.44</u>	<u>2,154,607.82</u>
Total Current Fund	\$ <u>6,710,368.69</u>	\$ <u>6,017,171.61</u>

BOROUGH OF SOUTH RIVER
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
AS OF DECEMBER 31, 2020 AND 2019

	Balance December 31, <u>2020</u>	Balance December 31, <u>2019</u>
<u>LIABILITIES, RESERVES AND</u>		
<u>FUND BALANCE (CONTINUED)</u>		
Federal and State Grant Fund:		
Reserve for Federal and State Grants:		
Appropriated	\$ 65,125.59	\$ 57,764.74
Unappropriated	61,130.33	
Reserve for Encumbrances	<u>8,420.04</u>	<u>40,338.40</u>
Total Federal and State Grant Fund	\$ <u>134,675.96</u>	\$ <u>98,103.14</u>
Total Liabilities, Reserves and Fund Balance	\$ <u><u>6,845,044.65</u></u>	\$ <u><u>6,115,274.75</u></u>

BOROUGH OF SOUTH RIVER
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE -
REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Revenues and Other Income Realized:		
Fund Balance Utilized	\$ 1,708,796.50	\$ 1,344,844.98
Miscellaneous Revenues Anticipated	4,662,097.83	5,718,097.95
State Aid	825,291.01	825,291.00
Federal and State Grants	194,379.46	193,795.40
Receipts from Delinquent Taxes	524,498.97	583,780.85
Amount to be Raised by Taxation for Support of Municipal Budget	11,133,073.04	10,853,377.66
Nonbudget Revenues	778,460.65	571,170.89
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves		
Lapsed and Reserve for Encumbrances Canceled	528,279.12	846,498.85
Current Appropriations Canceled	17,043.22	6,178.47
Cancellation of Prior Year Grant Appropriated and Unappropriated Reserves	2,619.60	222.05
Taxes Allocated to School and County Taxes	<u>23,806,630.62</u>	<u>23,283,281.88</u>
Total Income	\$ <u>44,181,170.02</u>	\$ <u>44,226,539.98</u>
Expenditures:		
Budget and Emergency Appropriations:		
Within "CAPS":		
General Government	\$ 908,100.00	\$ 851,800.00
Land Use	60,000.00	56,000.00
Insurance	1,750,000.00	1,788,000.00
Public Safety	4,962,350.00	4,782,350.00
Public Works	2,036,000.00	1,956,000.00
Health and Human Services	234,312.00	248,990.00
Parks and Recreation	422,317.00	432,317.00
Utility Expense and Bulk Purchases	431,000.00	358,000.00
Sanitary Landfill	570,000.00	535,000.00
Contingent	500.00	500.00
Deferred Charges and Statutory Expenditures	1,612,000.00	1,565,000.00
Excluded from "CAPS":		
Public Safety	121,500.00	121,500.00
Public Works	340,000.00	200,000.00
Education - Library	490,181.00	483,281.00
Sewer	1,321,064.00	1,356,353.00

BOROUGH OF SOUTH RIVER
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE -
REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Expenditures (Continued):		
Budget and Emergency Appropriations (Continued):		
Excluded from "CAPS" (Continued):		
Federal and State Grants	\$ 209,579.46	\$ 208,995.40
Capital Improvements	200,000.00	130,000.00
Municipal Debt Service	2,110,128.50	3,076,318.98
Deferred Charges and Statutory Expenditures	100,000.00	100,000.00
Reserve for Uncollected Taxes	880,000.00	870,000.00
County Taxes	5,658,132.26	5,509,459.78
County Added and Omitted Taxes:		
2020	1,927.36	
2019	296.58	8,452.10
2018		298.82
Local District School Taxes	18,146,571.00	17,765,370.00
Refund of Prior Year's Revenues		825.00
Cancellation of Prior Grant Receivables		176.50
Prior Years Senior Citizens and Veterans Disallowed	<u>4,165.74</u>	<u>3,078.77</u>
Total Expenditures	\$ <u>42,570,124.90</u>	\$ <u>42,408,066.35</u>
Statutory Excess to Fund Balance	\$ 1,611,045.12	\$ 1,818,473.63
Fund Balance, January 1	<u>2,154,607.82</u>	<u>1,680,979.17</u>
	\$ 3,765,652.94	\$ 3,499,452.80
Decreased by:		
Utilized as Anticipated Revenue	<u>1,708,796.50</u>	<u>1,344,844.98</u>
Fund Balance, December 31	\$ <u><u>2,056,856.44</u></u>	\$ <u><u>2,154,607.82</u></u>

BOROUGH OF SOUTH RIVER
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

	Budget as <u>Modified</u>	<u>Realized</u>	Excess or (Deficit)
Fund Balance Anticipated	\$ 1,708,796.50	\$ 1,708,796.50	_____
Miscellaneous Revenues:			
Licenses:			
Alcoholic Beverages	\$ 19,000.00	\$ 23,129.32	\$ 4,129.32
Other	9,000.00	3,155.00	(5,845.00)
Fees and Permits	79,000.00	73,351.50	(5,648.50)
Fines and Costs - Municipal Court	170,000.00	68,359.48	(101,640.52)
Interest and Costs on Taxes	100,000.00	106,344.84	6,344.84
Anticipated Operating Surplus - Electric	<u>3,200,000.00</u>	<u>3,200,000.00</u>	_____
	\$ 3,577,000.00	\$ 3,474,340.14	\$ (102,659.86)
State Aid Without Offsetting Appropriations:			
Energy Receipts Tax	\$ 749,356.00	\$ 749,356.00	
Consolidated Municipal Property Tax Relief Aid	<u>75,935.00</u>	<u>75,935.01</u>	\$ 0.01
	\$ 825,291.00	\$ 825,291.01	\$ 0.01
Dedicated Uniform Construction Code Fees Offset with Appropriations (N.J.S. 40A:4-36 and N.J.A.C. 5:23-4.17):			
Uniform Construction Code Fees	\$ 175,000.00	\$ 121,477.00	\$ (53,523.00)
Zoning Fees	<u>13,200.00</u>	<u>10,135.00</u>	<u>(3,065.00)</u>
	\$ 188,200.00	\$ 131,612.00	\$ (56,588.00)
Special Items of Revenue Offset with Appropriations:			
Clean Communities Program	\$ 27,648.39	\$ 27,648.39	
Body Armor Replacement Fund	3,185.90	3,185.90	
Middlesex County Office on Aging Grant:			
Physical	6,000.00	6,000.00	
Residential Maintenance	9,000.00	9,000.00	
Information & Assistance	9,000.00	9,000.00	
Assisted Transportation	38,520.00	38,520.00	
Cares Act March 1 - May 31, 2020	59,204.39	59,204.39	
Recycling Enhancement Grant	4,455.00	4,455.00	
2020 Complete Count Census Grant	15,000.00	15,000.00	
Recycling Tonnage Grant	<u>22,365.78</u>	<u>22,365.78</u>	_____
	\$ 194,379.46	\$ 194,379.46	_____

BOROUGH OF SOUTH RIVER
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

	Budget as <u>Modified</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Special Items of Revenue with Prior Consent of the Director:			
Host Community Benefits	\$ 837,701.00	\$ 837,701.31	\$ 0.31
Cable Television Percentage of Revenue - 2%	39,217.00	39,217.08	0.08
Payment in Lieu of Taxes - National Church Residence - Willet Manor	34,000.00	39,260.25	5,260.25
Payment in Lieu of Taxes - National Church Residence - South River Landing	36,000.00	39,967.05	3,967.05
General Capital Fund Balance	<u>100,000.00</u>	<u>100,000.00</u>	<u> </u>
	<u>\$ 1,046,918.00</u>	<u>\$ 1,056,145.69</u>	<u>\$ 9,227.69</u>
Receipts from Delinquent Taxes	<u>\$ 470,000.00</u>	<u>\$ 524,498.97</u>	<u>\$ 54,498.97</u>
Amount to be Raised by Taxation for Support of Municipal Budget:			
Local Tax for Municipal Purposes	\$ 10,268,266.00	\$ 10,652,892.04	\$ 384,626.04
Minimum Library Tax	<u>480,181.00</u>	<u>480,181.00</u>	<u> </u>
	<u>\$ 10,748,447.00</u>	<u>\$ 11,133,073.04</u>	<u>\$ 384,626.04</u>
Budget Totals	\$ 18,759,031.96	\$ 19,048,136.81	\$ 289,104.85
Nonbudget Revenue	<u> </u>	<u>778,460.65</u>	<u>778,460.65</u>
	<u>\$ 18,759,031.96</u>	<u>\$ 19,826,597.46</u>	<u>\$ 1,067,565.50</u>
Detail:			
Budget as Adopted	\$ 18,663,642.18		
Added by N.J.S.A. 40A:4-87	<u>95,389.78</u>		
	<u>\$ 18,759,031.96</u>		

BOROUGH OF SOUTH RIVER
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
<u>GENERAL GOVERNMENT FUNCTIONS</u>						
General Administration:						
Salaries and Wages	\$ 130,000.00	\$ 115,000.00	\$ 109,958.75		\$ 5,041.25	
Other Expenses	25,000.00	25,000.00	13,616.53	\$ 2,448.00	8,935.47	
Cable Television	15,000.00	17,000.00	14,919.31		2,080.69	
Communication and Technology:						
Other Expenses	38,000.00	38,000.00	13,500.00	23,711.40	788.60	
Human Resources:						
Other Expenses	55,000.00	65,000.00	45,341.61	6,287.00	13,371.39	
Mayor and Council:						
Salaries and Wages	22,600.00	22,600.00	22,519.08		80.92	
Other Expenses	11,000.00	11,000.00	3,288.20		7,711.80	
Borough Clerk:						
Salaries and Wages	97,000.00	97,000.00	92,260.94		4,739.06	
Other Expenses	13,000.00	13,000.00	9,040.59	390.90	3,568.51	
Codification of Ordinances	28,000.00	68,000.00	6,952.47	60,000.00	1,047.53	
Elections:						
Salaries and Wages	1,000.00	1,000.00			1,000.00	
Other Expenses	8,000.00	8,000.00		7,000.00	1,000.00	
Financial Administration:						
Salaries and Wages	112,000.00	112,000.00	110,595.98		1,404.02	
Other Expenses	35,000.00	35,000.00	10,623.15	10,708.10	13,668.75	
Audit Services:						
Other Expenses	32,000.00	32,000.00		31,600.00	400.00	
Collection of Taxes:						
Salaries and Wages	50,000.00	50,000.00	46,331.48		3,668.52	
Other Expenses	8,000.00	8,000.00	6,877.09	355.00	767.91	
Assessment of Taxes:						
Salaries and Wages	31,500.00	31,500.00	31,165.94		334.06	
Other Expenses	11,500.00	11,500.00	8,535.62		2,964.38	
Legal Services:						
Other Expenses	70,000.00	110,000.00	97,352.19	8,951.25	3,696.56	
Engineering Services and Costs:						
Other Expenses	25,000.00	25,000.00	13,769.93	2,117.50	9,112.57	
Economic Development Commission:						
Other Expenses	1,500.00	1,500.00			1,500.00	
Green Team Commission:						
Other Expenses	1,000.00	1,000.00			1,000.00	

BOROUGH OF SOUTH RIVER
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
<u>LAND USE ADMINISTRATION</u>						
Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.):						
Planning Board:						
Salaries and Wages	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00			
Other Expenses	9,000.00	19,000.00	13,099.87	\$ 1,087.00	\$ 4,813.13	
Board of Adjustment:						
Salaries and Wages	27,000.00	22,000.00	20,301.64		1,698.36	
Other Expenses	9,000.00	9,000.00	4,104.39		4,895.61	
<u>INSURANCE</u>						
Liability Insurance	215,000.00	200,000.00	198,963.91		1,036.09	
Workers' Compensation	155,000.00	155,000.00	154,750.00		250.00	
Group Health Benefits	1,440,000.00	1,265,000.00	1,170,557.76	34,643.60	59,798.64	
Unemployment Insurance	10,000.00	65,000.00	65,000.00			
Health Benefit Waiver	50,000.00	65,000.00	57,592.29		7,407.71	
<u>PUBLIC SAFETY FUNCTIONS</u>						
Police:						
Salaries and Wages	3,710,000.00	3,810,000.00	3,720,429.99		89,570.01	
Other Expenses	160,000.00	160,000.00	132,311.45	17,031.60	10,656.95	
Special Police:						
Salaries and Wages	110,000.00	110,000.00	68,111.75		41,888.25	
Other Expenses	20,000.00	20,000.00		1,370.45	18,629.55	
School Guards:						
Salaries and Wages	220,000.00	140,000.00	119,924.26		20,075.74	
Other Expenses	2,000.00	2,000.00	251.00	991.94	757.06	
Juvenile Conference Committee:						
Other Expenses	500.00	500.00			500.00	
Police Dispatch/911:						
Salaries and Wages	216,000.00	216,000.00	198,035.81		17,964.19	
Other Expenses	2,500.00	2,500.00	574.00	1,921.74	4.26	
Office of Emergency Management:						
Other Expenses	7,100.00	7,100.00	4,638.23		2,461.77	
Aid to Volunteer Fire Companies:						
Other Expenses	90,000.00	90,000.00	54,265.94	34,700.85	1,033.21	
Clothing Allowance	40,000.00	40,000.00	40,000.00			
Emergency Medical Services:						
Other Expenses	1,000.00	1,000.00			1,000.00	

BOROUGH OF SOUTH RIVER
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
<u>PUBLIC SAFETY FUNCTIONS (CONTINUED)</u>						
Code Enforcement:						
Salaries and Wages	\$ 51,000.00	\$ 51,000.00	\$ 47,996.40		\$ 3,003.60	
Other Expenses	5,000.00	5,000.00	285.99		4,714.01	
Municipal Prosecutor:						
Other Expenses	15,000.00	15,000.00	13,647.33		1,352.67	
Municipal Court:						
Salaries and Wages	188,000.00	128,000.00	111,790.19		16,209.81	
Other Expenses	13,000.00	13,000.00	5,480.73	\$ 478.81	7,040.46	
Public Defender (P.L. 1997, C.256):						
Salaries and Wages	250.00	250.00			250.00	
<u>PUBLIC WORKS FUNCTIONS</u>						
Road Repairs and Maintenance:						
Salaries and Wages	548,000.00	548,000.00	525,813.61		22,186.39	
Other Expenses	90,000.00	90,000.00	38,668.22	18,756.68	32,575.10	
Garbage and Trash Removal:						
Salaries and Wages	657,000.00	657,000.00	632,306.66		24,693.34	
Other Expenses	20,000.00	20,000.00	7,292.81		12,707.19	
Public Buildings and Grounds:						
Other Expenses	170,000.00	185,000.00	150,214.76	22,859.00	11,926.24	
Vehicle Maintenance:						
Salaries and Wages	100,000.00	100,000.00	95,121.31		4,878.69	
Other Expenses	270,000.00	290,000.00	221,919.86	33,230.91	34,849.23	
Lease/Purchase of Police Car(s)	146,000.00	146,000.00	78,334.95		67,665.05	
<u>HEALTH AND HUMAN SERVICES FUNCTIONS</u>						
Board of Health:						
Salaries and Wages	13,500.00	13,500.00	13,183.18		316.82	
Other Expenses	1,500.00	1,500.00	500.27		999.73	
County Health Program (C. 329, P.L. 1975)	67,412.00	67,412.00	67,411.58		0.42	

BOROUGH OF SOUTH RIVER
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
<u>HEALTH AND HUMAN SERVICES FUNCTIONS (CONTINUED)</u>						
Office on Aging:						
Salaries and Wages	\$ 148,000.00	\$ 128,000.00	\$ 105,198.01		\$ 22,801.99	
Other Expenses	13,000.00	13,000.00	11,777.46	\$ 336.90	885.64	
Environmental Commission (N.J.S.A. 56A-1 et seq.):						
Other Expenses	1,500.00	1,500.00			1,500.00	
Animal Control:						
Other Expenses	5,000.00	5,000.00		2,850.00	2,150.00	
Municipal Alliance:						
Salaries and Wages	4,400.00	4,400.00	4,386.98		13.02	
<u>PARK AND RECREATION FUNCTIONS</u>						
Board of Recreation Commissioners:						
Salaries and Wages	62,000.00	42,000.00	29,799.82		12,200.18	
Other Expenses	13,500.00	13,500.00	5,228.96	1,169.37	7,101.67	
Celebration of Public Events, Anniversary or Holiday:						
Fireworks	10,000.00	10,000.00			10,000.00	
Memorial Day Parade	750.00	750.00			750.00	
Senior Events	13,000.00	13,000.00	3,517.00		9,483.00	
Holiday Lighting	500.00	500.00	59.99		440.01	
Cultural Arts Heritage Commission (N.J.S.A. 40:33A-1 et seq.):						
Other Expenses	5,567.00	5,567.00	415.00	2,744.00	2,408.00	
Maintenance of Parks:						
Salaries and Wages	312,000.00	312,000.00	302,866.27		9,133.73	
Other Expenses	25,000.00	25,000.00	8,923.68		16,076.32	
<u>UTILITY EXPENSES AND BULK PURCHASES</u>						
Telephone	62,000.00	62,000.00	43,263.23	3,502.86	15,233.91	
Heat	60,000.00	60,000.00	30,056.90	6,112.06	23,831.04	
Gasoline, Lubricants and Oil	75,000.00	75,000.00	34,443.77	8,287.77	32,268.46	
Office Supplies	24,000.00	39,000.00	33,802.30	4,011.33	1,186.37	
Postage	25,000.00	25,000.00	20,870.44		4,129.56	
Sewer Department:						
Salaries and Wages	55,000.00	65,000.00	55,785.55		9,214.45	
Other Expenses	15,000.00	45,000.00	15,313.60	1,315.35	28,371.05	
Computer Maintenance Service Contract	35,000.00	60,000.00	33,592.25	12,471.68	13,936.07	
<u>LANDFILL/SOLID WASTE DISPOSAL COSTS</u>						
Sanitary Landfill - Contractual	545,000.00	570,000.00	509,100.95	51,677.07	9,221.98	

BOROUGH OF SOUTH RIVER
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
<u>UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET</u>						
<u>BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)</u>						
Salaries and Wages	\$ 168,000.00	\$ 143,000.00	\$ 119,263.95		\$ 23,736.05	
Other Expenses	5,000.00	8,000.00	6,426.26	\$ 425.00	1,148.74	
Accumulated Absences	10,000.00	10,000.00	10,000.00			
Total Operations within "CAPS"	\$ 11,374,079.00	\$ 11,374,079.00	\$ 10,083,621.37	\$ 415,545.12	\$ 874,912.51	
<u>CONTINGENT</u>	\$ 500.00	\$ 500.00		\$ 15.56	\$ 484.44	
Total Operations Including Contingent - within "CAPS"	\$ 11,374,579.00	\$ 11,374,579.00	\$ 10,083,621.37	\$ 415,560.68	\$ 875,396.95	
Detail:						
Salaries and Wages	\$ 7,044,250.00	\$ 6,929,250.00	\$ 6,593,147.55		\$ 336,102.45	
Other Expenses (Including Contingent)	4,330,329.00	4,445,329.00	3,490,473.82	\$ 415,560.68	539,294.50	
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES -</u>						
<u>MUNICIPAL WITHIN "CAPS"</u>						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	\$ 324,000.00	\$ 324,000.00	\$ 317,223.34		\$ 6,776.66	
Social Security System (O.A.S.I.)	282,000.00	282,000.00	256,351.54		25,648.46	
Police & Firemen's Retirement System	1,005,000.00	1,005,000.00	1,001,490.00		3,510.00	
Defined Contribution Retirement Plan	1,000.00	1,000.00			1,000.00	
Total Deferred Charges and Statutory Expenditures -						
Expenditures - Municipal within "CAPS"	\$ 1,612,000.00	\$ 1,612,000.00	\$ 1,575,064.88		\$ 36,935.12	
Total General Appropriations for Municipal Purposes						
within "CAPS"	\$ 12,986,579.00	\$ 12,986,579.00	\$ 11,658,686.25	\$ 415,560.68	\$ 912,332.07	
<u>OPERATIONS - EXCLUDED FROM "CAPS"</u>						
Other Operations - Excluded from "CAPS":						
Sanitation:						
County Sewerage Authority Contract						
Operating and Maintenance	\$ 732,280.00	\$ 732,280.00	\$ 732,279.48		\$ 0.52	
Debt Service	465,034.00	465,034.00	465,033.44		0.56	
Deficit Prior Year	123,750.00	123,750.00	123,749.26		0.74	
Maintenance of Free Public Library	490,181.00	490,181.00	460,359.15	\$ 29,821.85		
Length of Service Award Program (LOSAP)	80,000.00	80,000.00		80,000.00		
Total Other Operations - Excluded from "CAPS"	\$ 1,891,245.00	\$ 1,891,245.00	\$ 1,781,421.33	\$ 109,821.85	\$ 1.82	

BOROUGH OF SOUTH RIVER
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
Interlocal Municipal Service Agreements:						
Middlesex County Improvement Authority:						
Recycling:						
Other Expenses	\$ 340,000.00	\$ 340,000.00	\$ 244,067.83	\$ 61,674.82	\$ 34,257.35	
East Brunswick - Radio Safety Communications System	<u>41,500.00</u>	<u>41,500.00</u>	<u>41,156.38</u>		<u>343.62</u>	
Total Interlocal Municipal Service Agreements	<u>\$ 381,500.00</u>	<u>\$ 381,500.00</u>	<u>\$ 285,224.21</u>	<u>\$ 61,674.82</u>	<u>\$ 34,600.97</u>	
Public and Private Programs Offset by Revenues:						
N.J.D.E.P.E. - Office of Recycling:						
Clean Communities Act (N.J.S.A. 13:1E-99.2)		\$ 27,648.39	\$ 27,648.39			
Body Armor Replacement Fund	\$ 3,185.90	3,185.90	3,185.90			
NJ Recycling Tonnage Grant	22,365.78	22,365.78	22,365.78			
County of Middlesex:						
Older Americans Act:						
Grant:						
Residential	9,000.00	9,000.00	9,000.00			
Physical	4,000.00	6,000.00	6,000.00			
Assisted Transportation	34,983.00	38,520.00	38,520.00			
Information and Assistance	6,000.00	9,000.00	9,000.00			
Match:						
Information and Assistance	5,200.00	5,200.00	5,200.00			
Cares Act March 1 - May 31, 2020		59,204.39	59,204.39			
2020 Complete Count Sensus Grant	15,000.00	15,000.00	15,000.00			
Recycling Enhancement Grant	4,455.00	4,455.00	4,455.00			
Matching Funds for Grants	<u>10,000.00</u>	<u>10,000.00</u>			<u>10,000.00</u>	
Total Public and Private Programs Offset by Revenues	<u>\$ 114,189.68</u>	<u>\$ 209,579.46</u>	<u>\$ 199,579.46</u>		<u>\$ 10,000.00</u>	
Total Operations - Excluded from "CAPS"	<u>\$ 2,386,934.68</u>	<u>\$ 2,482,324.46</u>	<u>\$ 2,266,225.00</u>	<u>\$ 171,496.67</u>	<u>\$ 44,602.79</u>	
Detail:						
Other Expenses	\$ 2,386,934.68	\$ 2,482,324.46	\$ 2,266,225.00	\$ 171,496.67	\$ 44,602.79	

BOROUGH OF SOUTH RIVER
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>						
Capital Improvement Fund	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00			
Park Improvements	100,000.00	100,000.00	5,256.00		\$ 94,744.00	
Cameras/Security System	25,000.00	25,000.00	1,484.00	\$ 6,020.00	17,496.00	
Total Capital Improvements Excluded from "CAPS"	\$ 200,000.00	\$ 200,000.00	\$ 81,740.00	\$ 6,020.00	\$ 112,240.00	
<u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</u>						
Payment of Bond Principal	\$ 1,275,000.00	\$ 1,275,000.00	\$ 1,275,000.00			
Interest on Bonds	329,642.00	329,642.00	329,641.48			\$ 0.52
Interest on Notes	10,000.00	10,000.00				10,000.00
United States Department of Agriculture:						
Principal	243,918.00	243,918.00	243,917.60			0.40
Interest	214,731.00	214,731.00	214,722.40			8.60
NJ DEP - Wastewater Trust - Interest - State	1,837.50	1,837.50	1,837.50			
NJ DEP - Wastewater Trust - Principal - State	35,000.00	35,000.00	27,966.30			7,033.70
Total Municipal Debt Service - Excluded from "CAPS"	\$ 2,110,128.50	\$ 2,110,128.50	\$ 2,093,085.28			\$ 17,043.22
<u>DEFERRED CHARGES:</u>						
Special Emergency Authorizations - 5 Years (N.J.S. 40A:4-55)	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00			
Total Deferred Charges - Excluded from "CAPS"	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00			
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	\$ 4,797,063.18	\$ 4,892,452.96	\$ 4,541,050.28	\$ 177,516.67	\$ 156,842.79	\$ 17,043.22
Total General Appropriations - Excluded from "CAPS"	\$ 4,797,063.18	\$ 4,892,452.96	\$ 4,541,050.28	\$ 177,516.67	\$ 156,842.79	\$ 17,043.22
Subtotal General Appropriations	\$ 17,783,642.18	\$ 17,879,031.96	\$ 16,199,736.53	\$ 593,077.35	\$ 1,069,174.86	\$ 17,043.22
<u>RESERVE FOR UNCOLLECTED TAXES</u>	<u>880,000.00</u>	<u>880,000.00</u>	<u>880,000.00</u>			
Total General Appropriations	\$ 18,663,642.18	\$ 18,759,031.96	\$ 17,079,736.53	\$ 593,077.35	\$ 1,069,174.86	\$ 17,043.22
<u>Detail:</u>						
Budget as Adopted		\$ 18,663,642.18				
Added by NJSA 40A:4-87		95,389.78				
		\$ 18,759,031.96				

BOROUGH OF SOUTH RIVER
CURRENT FUND
STATEMENT OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

<u>Year</u>	<u>Balance</u> <u>December 31,</u> <u>2019</u>	<u>2020 Levy</u>	<u>Added</u> <u>Taxes</u>	<u>Collection</u>		<u>Due From</u> <u>State of</u> <u>New Jersey</u> <u>Chap. 20,</u> <u>P.L. 1971</u>	<u>Transferred</u> <u>to Tax</u> <u>Title Liens</u> <u>Receivable</u>	<u>Remitted</u> <u>and</u> <u>Canceled</u>	<u>Balance</u> <u>December 31,</u> <u>2020</u>
				<u>2019</u>	<u>2020</u>				
2018	\$ 2,339.47				\$ 2,339.47				
2019	<u>474,215.04</u>		\$ 5,982.00		<u>478,424.06</u>		\$ 115.98	\$ 1,657.00	
	\$ 476,554.51		\$ 5,982.00		\$ 480,763.53		\$ 115.98	\$ 1,657.00	
2020		\$ <u>34,572,066.72</u>		\$ <u>214,719.73</u>	<u>33,761,030.51</u>	\$ <u>84,250.00</u>	<u>42,198.50</u>	<u>24,411.86</u>	\$ <u>445,456.12</u>
	<u>\$ 476,554.51</u>	<u>\$ 34,572,066.72</u>	<u>\$ 5,982.00</u>	<u>\$ 214,719.73</u>	<u>\$ 34,241,794.04</u>	<u>\$ 84,250.00</u>	<u>\$ 42,314.48</u>	<u>\$ 26,068.86</u>	<u>\$ 445,456.12</u>

Analysis of Amount to be Raised by Taxation for Municipal Purposes:

Collected in 2019	\$ 214,719.73
Collected in 2020	33,761,030.51
Senior Citizens & Veterans	<u>84,250.00</u>
	<u>34,060,000.24</u>
Less:	
Allocated to School	(18,146,571.00)
Allocated to County	(5,660,356.20)
Add:	
Reserve for Uncollected Taxes	<u>880,000.00</u>
	<u>\$ 11,133,073.04</u>

Analysis of Receipts from Delinquent Taxes - Revenue:

Collected in 2020	\$ 480,763.53
Tax Title Liens Collected in 2020	<u>43,735.44</u>
	<u>\$ 524,498.97</u>

BOROUGH OF SOUTH RIVER
CURRENT FUND
STATEMENT OF TAXES RECEIVABLE AND ANALYSIS
OF PROPERTY TAX LEVY

ANALYSIS OF PROPERTY TAX LEVY

Tax Yield:

General Purpose Tax	\$ 34,553,150.26
Added Taxes (54:63.1 et. seq.)	18,227.48
6% Penalty on Tax	<u>688.98</u>
	<u>\$ 34,572,066.72</u>

TAX LEVY

Local District School Tax:

Levy, School Year July 1, 2020 to June 30, 2021	\$ 18,146,571.00
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County Taxes:

County Tax	\$ 5,223,254.35
County Open Space Preservation Tax	434,877.91
County Added and Omitted Taxes (54:4-63.1 & 12 et. seq.)	<u>1,927.36</u>
Total County Taxes	<u>5,660,059.62</u>

\$ 23,806,630.62

Local Tax for Municipal Purpose	\$ 10,268,266.00
Local Tax for Library Purpose	480,181.00
Add: Additional Tax Levied	<u>16,989.10</u>

Total Tax for Municipal Purpose	<u>10,765,436.10</u>
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\$ 34,572,066.72

DETAIL OF PRIOR YEAR ADDED TAXES

Added and Omitted	\$ 1,816.26
Senior Citizens' Deductions Disallowed	<u>4,165.74</u>
	<u>\$ 5,982.00</u>

BOROUGH OF SOUTH RIVER
CURRENT FUND
STATEMENT OF TAX TITLE LIENS RECEIVABLE

<u>BALANCE, DECEMBER 31, 2019</u>		\$ 641,601.95
<u>INCREASED BY</u>		
Interest and Costs Accrued to Liens	\$ 15,993.26	
Transferred from Taxes Receivable	<u>42,314.48</u>	<u>58,307.74</u>
		\$ 699,909.69
<u>DECREASED BY</u>		
Cash Receipts:		
Delinquent Taxes	\$ 27,742.18	
Interest and Costs	<u>15,993.26</u>	<u>43,735.44</u>
<u>BALANCE, DECEMBER 31, 2020</u>		<u>\$ 656,174.25</u>

BOROUGH OF SOUTH RIVER
CURRENT FUND
STATEMENT OF 2019 APPROPRIATION RESERVES

	Balance December 31, 2019		Balance After	Paid or	Balance
	<u>Appropriation</u>	<u>Reserve for</u>	<u>Transfers</u>	<u>Charged</u>	<u>Lapsed</u>
	<u>Reserves</u>	<u>Encumbrances</u>			
Salaries and Wages:					
Operations - Within "CAPS":					
General Administration	\$ 981.60		\$ 981.60	\$ 883.62	\$ 97.98
Mayor and Council	80.92		80.92		80.92
Borough Clerk	5,058.15		5,058.15		5,058.15
Elections	594.52		594.52		594.52
Financial Administration	347.11		347.11	347.11	
Collection of Taxes	577.17		577.17		577.17
Assessment of Taxes	444.96		444.96		444.96
Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.)-					
Planning Board	1,922.98		1,922.98	384.62	1,538.36
Board of Adjustment	1,271.26		1,271.26	192.31	1,078.95
Police	27,788.39		27,788.39		27,788.39
Special Police	6,994.95		6,994.95		6,994.95
School Guards	8,002.78		8,002.78	3,580.22	4,422.56
Police Dispatch/911	1,732.00		1,732.00		1,732.00
Code Enforcement	1,420.60		1,420.60	1,420.60	
Municipal Court	9,609.02		9,609.02		9,609.02
Public Defender (P.L. 1997, C. 256)	250.00		250.00		250.00
Road Repairs and Maintenance	36,440.90		36,440.90		36,440.90
Garbage and Trash Removal	19,067.45		19,067.45		19,067.45
Vehicle Maintenance	5,777.66		5,777.66		5,777.66
Board of Health	2,184.49		2,184.49		2,184.49
Office on Aging	10,632.93		10,632.93		10,632.93
Municipal Alliance	13.02		13.02		13.02
Board of Recreation Commissioners	7,962.13		7,962.13		7,962.13
Maintenance of Parks	19,271.49		19,271.49		19,271.49
Sewer Department	2,015.93		2,015.93		2,015.93
Uniform Construction Code - Appropriations					
Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)	1,934.41		1,934.41		1,934.41
Total Salaries and Wages	\$ 172,376.82		\$ 172,376.82	\$ 6,808.48	\$ 165,568.34

BOROUGH OF SOUTH RIVER
CURRENT FUND
STATEMENT OF 2019 APPROPRIATION RESERVES

	Balance December 31, 2019		Balance		Balance
	<u>Appropriation</u>	<u>Reserve for</u>	<u>After</u>	<u>Paid or</u>	<u>Balance</u>
	<u>Reserves</u>	<u>Encumbrances</u>	<u>Transfers</u>	<u>Charged</u>	<u>Lapsed</u>
Other Expenses:					
Operations - Within "CAPS":					
General Administration:					
Other Expenses	\$ 8,925.90	\$ 2,337.47	\$ 11,263.37	\$ 3,385.20	\$ 7,878.17
Cable Television	550.05	3,612.30	4,162.35	3,609.30	553.05
Communication and Technology	2,340.00		2,340.00		2,340.00
Human Resources	9,158.03	7,780.00	16,938.03	4,840.00	12,098.03
Mayor and Council	4,395.50	423.97	4,819.47	397.07	4,422.40
Borough Clerk:					
Other Expenses	970.98	1,029.20	2,000.18	406.16	1,594.02
Codification of Ordinances	384.89		384.89		384.89
Elections	311.94	1,800.00	2,111.94	1,800.00	311.94
Financial Administration	5,315.64	19,175.01	24,490.65	19,674.33	4,816.32
Audit Services		31,000.00	31,000.00	31,000.00	
Collection of Taxes	1,223.29	2,741.83	3,965.12	2,741.83	1,223.29
Assessment of Taxes	3,477.84		3,477.84		3,477.84
Legal Services	16,773.92	7,654.50	24,428.42	9,234.50	15,193.92
Engineering Services and Costs	7,807.50	643.75	8,451.25	3,514.75	4,936.50
Economic Development Commission	1,500.00		1,500.00		1,500.00
Green Team Commission	1,000.00		1,000.00		1,000.00
Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.):					
Planning Board	1,800.89	400.00	2,200.89	400.00	1,800.89
Board of Adjustment	6,387.28		6,387.28		6,387.28
Insurance:					
Liability Insurance	1,030.54		1,030.54		1,030.54
Workers' Compensation	875.00		875.00		875.00
Group Health Benefits	24,225.88	144,414.67	168,640.55	144,796.27	23,844.28
Police	6,901.80	19,113.83	26,015.63	17,858.31	8,157.32
Special Police	8,213.22	2,178.45	10,391.67	2,178.45	8,213.22
School Guards	24.85	752.65	777.50	752.65	24.85
Juvenile Conference Committee	500.00		500.00		500.00
Police Dispatch - 911	194.72	1,214.28	1,409.00	1,214.28	194.72
Office of Emergency Management	2,578.05		2,578.05		2,578.05
Aid to Volunteer Fire Companies					
Other Expenses	86.84	4,911.41	4,998.25	4,926.41	71.84
Clothing Allowance	2.11		2.11		2.11
Emergency Medical Services	2,183.51		2,183.51	1,800.00	383.51
Code Enforcement	3,579.58		3,579.58		3,579.58
Municipal Prosecutor	499.98		499.98		499.98

BOROUGH OF SOUTH RIVER
CURRENT FUND
STATEMENT OF 2019 APPROPRIATION RESERVES

	Balance December 31, 2019		Balance After	Paid or	Balance
	<u>Appropriation Reserves</u>	<u>Reserve for Encumbrances</u>	<u>Transfers</u>	<u>Charged</u>	<u>Lapsed</u>
Other Expenses (Continued):					
Operations - Within "CAPS" (Continued):					
Municipal Court	\$ 948.80	\$ 85.92	\$ 1,034.72	\$ 85.92	\$ 948.80
Road Repairs and Maintenance	33,767.96	1,900.00	35,667.96	1,060.34	34,607.62
Garbage and Trash Removal	13,183.80	2,200.00	15,383.80	1,579.50	13,804.30
Public Buildings and Grounds	25,050.13	33,817.77	58,867.90	36,900.32	21,967.58
Vehicle Maintenance:					
Other Expenses	24,152.64	20,768.01	44,920.65	18,427.58	26,493.07
Lease/Purchase of a Police Car(s)		14,888.63	14,888.63	14,888.63	
Board of Health					
Other Expenses	404.93		404.93		404.93
County Health Program (C.329, P.L.1975)	0.21		0.21		0.21
Office on Aging	0.09	1,127.46	1,127.55	1,127.46	0.09
Environmental Commission (N.J.S.A. 56A-1 et seq.)	50.00		50.00		50.00
Animal Control	5,000.00		5,000.00		5,000.00
Board of Recreation Commissioners	3,233.36	661.43	3,894.79	1,259.00	2,635.79
Celebration of Public Events, Anniversary or Holiday:					
Fireworks	300.00		300.00		300.00
Senior Events	1,971.64	582.82	2,554.46	586.47	1,967.99
Holiday Lighting	91.97	408.03	500.00	408.03	91.97
Cultural Arts Heritage Commission (N.J.S.A. 40:33A-1 et seq.)	219.00	368.00	587.00	587.00	
Maintenance of Parks	47.49	800.00	847.49	727.97	119.52
Telephone	11,864.10	4,054.35	15,918.45	5,799.39	10,119.06
Heat	11,888.22	7,234.25	19,122.47	7,234.25	11,888.22
Gasoline, Lubricants and Oil	8,108.93	7,540.08	15,649.01	5,908.60	9,740.41
Office Supplies	4,531.73	1,394.76	5,926.49	1,394.76	4,531.73
Postage	2,912.16		2,912.16		2,912.16
Sewer Department	13,190.88	704.00	13,894.88	787.00	13,107.88
Computer Maintenance Service Contract		6,186.64	6,186.64	2,581.64	3,605.00
Sanitary Landfill - Contractual	7,594.91	43,898.46	51,493.37	43,898.46	7,594.91
Uniform Construction Code - Appropriations Offset by					
Dedicated Revenues (N.J.A.C. 5:23-4.17)	741.77	1,400.00	2,141.77	1,400.00	741.77
Contingent	500.00		500.00		500.00

BOROUGH OF SOUTH RIVER
CURRENT FUND
STATEMENT OF 2019 APPROPRIATION RESERVES

	Balance December 31, 2019		Balance After	Paid or	Balance
	<u>Appropriation Reserves</u>	<u>Reserve for Encumbrances</u>	<u>Transfers</u>	<u>Charged</u>	<u>Lapsed</u>
Other Expenses (Continued):					
Operations - Within "CAPS" (Continued):					
Deferred Charges And Statutory Expenditures - Municipal Within "CAPS":					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	\$ 2,736.00		\$ 2,736.00	\$ 2,736.00	
Social Security System (O.A.S.I.)	10,722.57		10,722.57		\$ 10,722.57
Defined Contribution Retirement Plan	1,000.00		1,000.00		1,000.00
Police and Firemen's Retirement System of New Jersey	2,386.00		2,386.00	855.73	1,530.27
Operations - Excluded from "CAPS":					
Other Operations - Excluded from "CAPS":					
Sanitation:					
County Sewerage Authority Contract	1.53		1.53		1.53
Maintenance of Free Public Library		\$ 67,416.05	67,416.05	67,416.05	
Length of Service Award Program (LOSAP)		80,000.00	80,000.00	61,861.95	18,138.05
Interlocal Municipal Service Agreements:					
Middlesex County Improvement Authority:					
Recycling	17,387.00	34,000.00	51,387.00	26,675.19	24,711.81
East Brunswick - Radio Safety Communication System	343.81		343.81		343.81
Public and Private Programs Offset by Revenues:					
Matching Funds for Grants	10,000.00		10,000.00		10,000.00
Capital Improvements - Excluded from "CAPS":					
Computer Upgrades		1,606.19	1,606.19		1,606.19
Generator Purchase	1,650.00	22,680.00	24,330.00	22,680.00	1,650.00
Total Other Expenses	\$ 339,201.36	\$ 606,906.17	\$ 946,107.53	\$ 583,396.75	\$ 362,710.78
Grand Total	\$ 511,578.18	\$ 606,906.17	\$ 1,118,484.35	\$ 590,205.23	\$ 528,279.12

BOROUGH OF SOUTH RIVER
CURRENT FUND
STATEMENT OF LOCAL DISTRICT SCHOOL TAX

BALANCE, DECEMBER 31, 2019

Payable	\$ 915,963.00	
Deferred School Taxes	<u>7,559,686.00</u>	\$ 8,475,649.00

INCREASED BY

Levy, School Year July 1, 2020 to June 30, 2021		<u>18,146,571.00</u>
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		\$ 26,622,220.00
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DECREASED BY

Cash Disbursed		<u>17,927,371.00</u>
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BALANCE, DECEMBER 31, 2020

Payable	\$ 1,135,163.00	
Deferred School Taxes	<u>7,559,686.00</u>	\$ <u>8,694,849.00</u>

2020 LIABILITY FOR LOCAL DISTRICT SCHOOL TAX

School Taxes Paid		\$ 17,927,371.00
Less: School Taxes Payable, December 31, 2019		<u>915,963.00</u>

		\$ 17,011,408.00
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Add: School Taxes Payable, December 31, 2020		<u>1,135,163.00</u>
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<u>AMOUNT CHARGED TO OPERATIONS</u>		<u>\$ 18,146,571.00</u>
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BOROUGH OF SOUTH RIVER
CURRENT FUND
STATEMENT OF DEFERRED CHARGES

<u>Date</u>		Amount Authorized	1/5 of Amount Authorized	Balance December 31, <u>2019</u>	2020 Budget <u>Appropriation</u>	Balance December 31, <u>2020</u>
09/26/16	Special Emergency (N.J.S.A. 40A:4-54) - Municipal-Wide Revaluation	\$ 500,000.00	\$ 100,000.00	\$ <u>200,000.00</u>	\$ <u>100,000.00</u>	\$ <u>100,000.00</u>
				\$ <u><u>200,000.00</u></u>	\$ <u><u>100,000.00</u></u>	\$ <u><u>100,000.00</u></u>

BOROUGH OF SOUTH RIVER
CURRENT FUND
SCHEDULE OF VARIOUS RESERVES

	December 31,	
	<u>2020</u>	<u>2019</u>
Reserve for:		
Public Assistance	\$ 9,105.45	\$ 9,105.45
State Tax Appeals	75,000.00	75,000.00
Revaluation of Real Property	142,490.00	192,490.00
Codification of Ordinances	<u>3,839.80</u>	<u>3,839.80</u>
	<u>\$ 230,435.25</u>	<u>\$ 280,435.25</u>

BOROUGH OF SOUTH RIVER
FEDERAL AND STATE GRANT FUND
STATEMENT OF GRANTS RECEIVABLE

	Balance December 31, 2019	2020 Budget Revenue Realized	Decreased by Cash Received	Balance December 31, 2020
Federal:				
County of Middlesex:				
Office on Aging Grant:				
Physical:				
2020		\$ 6,000.00	\$ 3,399.00	\$ 2,601.00
2019	\$ 855.00		855.00	
Residential Maintenance:				
2020		9,000.00	2,740.00	6,260.00
2019	2,985.00		2,985.00	
Information and Assistance:				
2020		9,000.00	4,575.00	4,425.00
2019	3,750.00		3,750.00	
Assisted Transportation:				
2020		38,520.00	28,313.00	10,207.00
2019	23,625.00		23,625.00	
Cares Act - March 1 - May 31, 2020		59,204.39	59,204.39	
	<u>\$ 31,215.00</u>	<u>\$ 121,724.39</u>	<u>\$ 129,446.39</u>	<u>\$ 23,493.00</u>
State:				
Clean Communities Program		\$ 27,648.39	\$ 27,648.39	
Body Armor Replacement Fund		3,185.90	3,185.90	
Recycling Tonnage Grant		22,365.78	22,365.78	
Sustainable Jersey Grant	\$ 5,000.00			\$ 5,000.00
Bulletproof Vest Partnership	15,177.48		6,876.95	8,300.53
	<u>\$ 20,177.48</u>	<u>\$ 53,200.07</u>	<u>\$ 60,077.02</u>	<u>\$ 13,300.53</u>
Local:				
2020 Complete Count Sensus Grant		\$ 15,000.00	\$ 6,176.99	\$ 8,823.01
Recycling Enhancement Grant		4,455.00	4,455.00	
		<u>\$ 19,455.00</u>	<u>\$ 10,631.99</u>	<u>\$ 8,823.01</u>
	<u>\$ 51,392.48</u>	<u>\$ 194,379.46</u>	<u>\$ 200,155.40</u>	<u>\$ 45,616.54</u>
Detail:				
Adopted Budget		\$ 98,989.68		
Added by NJSA 40A:4-87		95,389.78		
		<u>\$ 194,379.46</u>		

BOROUGH OF SOUTH RIVER
FEDERAL AND STATE GRANT FUND
STATEMENT OF APPROPRIATED RESERVES

	Balance December 31, 2019	Transferred from 2020 Budget Appropriations		Paid or Charged		Balance December 31, 2020
		Budget	Appropriation by 40A:4-87	Cash Disbursed	Reserve for Encumbrances/ (Canceled)	
Federal:						
Passed Through County of Middlesex:						
Office on Aging:						
Physical:						
2020		\$ 4,000.00	\$ 2,000.00	\$ 5,319.00		\$ 681.00
Residential Maintenance:						
2020		9,000.00		9,000.00		
Assisted Transportation:						
2020		34,983.00	3,537.00	37,885.84	\$ 630.96	3.20
Information and Assistance:						
Grant:						
2020		6,000.00	3,000.00	9,000.00		
Match:						
2020		5,200.00		5,200.00		
Cares Act - March 1 - May 31, 2020			59,204.39	59,204.39		
		\$ 59,183.00	\$ 67,741.39	\$ 125,609.23	\$ 630.96	\$ 684.20
State:						
Municipal Alliance on Alcoholism and Drug Abuse:						
Matching Portion:						
2014	\$ 1,900.00				\$ (1,900.00)	
Drunk Driving Enforcement Fund:						
2019	6,233.86			\$ 3,185.91	263.50	\$ 2,784.45
Clean Communities Program:						
2018	69.00				(45.00)	114.00
2020			\$ 27,648.39	24,290.50	3,011.48	346.41
Body Armor Replacement Fund	5,127.47	\$ 3,185.90		4,618.65		3,694.72
Port Authority First Responder Grant	244.60				(244.60)	
Recycling Tonnage Grant:						
2018	8,255.69			8,239.69	16.00	
2019	22,365.78				3,598.10	18,767.68
2020		22,365.78		930.00		21,435.78

**BOROUGH OF SOUTH RIVER
FEDERAL AND STATE GRANT FUND
STATEMENT OF APPROPRIATED RESERVES**

	Balance December 31, 2019	Transferred from 2020 Budget Appropriations		Paid or Charged		Balance December 31, 2020
		Budget	Appropriation by 40A:4-87	Cash Disbursed	Reserve for Encumbrances/ (Canceled)	
State (Continued):						
Alcohol Education and Rehabilitation Program:						
2008	\$ 157.80					\$ 157.80
2010	788.96					788.96
2011	1,055.73					1,055.73
2012	161.89					161.89
2013	738.85					738.85
2014	177.24					177.24
2017	1,029.44					1,029.44
2018	1,244.95					1,244.95
Bullet-Proof Vest Grant:						
2019	7,738.48			\$ 4,618.65		3,119.83
	<u>\$ 57,289.74</u>	<u>\$ 25,551.68</u>	<u>\$ 27,648.39</u>	<u>\$ 45,883.40</u>	<u>\$ 4,699.48</u>	<u>\$ 55,617.73</u>
Local:						
2020 Complete Count Sensus Grant		\$ 15,000.00		\$ 6,176.99		\$ 8,823.01
Recycling Enhancement Grant		4,455.00		4,454.35		0.65
Motorcycle Traffic Enforcement	\$ 475.00				\$ (475.00)	
	<u>\$ 475.00</u>	<u>\$ 19,455.00</u>		<u>\$ 10,631.34</u>	<u>\$ (475.00)</u>	<u>\$ 8,823.66</u>
	<u>\$ 57,764.74</u>	<u>\$ 104,189.68</u>	<u>\$ 95,389.78</u>	<u>\$ 182,123.97</u>	<u>\$ 4,855.44</u>	<u>\$ 65,125.59</u>

BOROUGH OF SOUTH RIVER
FEDERAL AND STATE GRANT FUND
STATEMENT OF UNAPPROPRIATED RESERVES

	<u>Received</u>	Balance December 31, <u>2020</u>
State:		
Municipal Alcohol Education and Rehabilitation	\$ 916.89	\$ 916.89
Cares Act - June 1 - September 30, 2020	<u>60,213.44</u>	<u>60,213.44</u>
	<u>\$ 61,130.33</u>	<u>\$ 61,130.33</u>

TRUST AND AGENCY FUNDS

BOROUGH OF SOUTH RIVER
TRUST AND AGENCY FUNDS
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE -
REGULATORY BASIS
AS OF DECEMBER 31, 2020 AND 2019

	<u>Payroll Fund</u>		<u>Animal Control</u>		<u>Trust Other Fund #1</u>		<u>Trust Other Fund #2</u>		<u>Tax Title Lien Premium</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<u>ASSETS</u>										
Cash and Cash Equivalents	\$ 3,535.68	\$ 8,137.76	\$ 996.90	\$ 5,495.05	\$ 731,599.47	\$ 698,670.81	\$ 550,589.51	\$ 590,456.64	\$ 431,455.48	\$ 302,331.00
Amount Held by Plan Administrator (Unaudited)										
Due from Municipal Court								195.00		
Due from Vendor							5,538.29	4,388.29		
Total Assets	<u>\$ 3,535.68</u>	<u>\$ 8,137.76</u>	<u>\$ 996.90</u>	<u>\$ 5,495.05</u>	<u>\$ 731,599.47</u>	<u>\$ 698,670.81</u>	<u>\$ 556,127.80</u>	<u>\$ 595,039.93</u>	<u>\$ 431,455.48</u>	<u>\$ 302,331.00</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>										
Due to Vendor							\$ 25,077.69	\$ 25,077.69		
Payroll Deductions Payable	\$ 3,535.68	\$ 8,137.76								
Due to State of New Jersey				\$ 12.00						
Reserves			\$ 996.90	5,483.05	\$ 731,001.25	\$ 698,072.59	526,768.26	565,680.39	\$ 431,455.48	\$ 302,331.00
	\$ 3,535.68	\$ 8,137.76	\$ 996.90	\$ 5,495.05	\$ 731,001.25	\$ 698,072.59	\$ 551,845.95	\$ 590,758.08	\$ 431,455.48	\$ 302,331.00
Fund Balance					598.22	598.22	4,281.85	4,281.85		
Total Liabilities, Reserves and Fund Balance	<u>\$ 3,535.68</u>	<u>\$ 8,137.76</u>	<u>\$ 996.90</u>	<u>\$ 5,495.05</u>	<u>\$ 731,599.47</u>	<u>\$ 698,670.81</u>	<u>\$ 556,127.80</u>	<u>\$ 595,039.93</u>	<u>\$ 431,455.48</u>	<u>\$ 302,331.00</u>

BOROUGH OF SOUTH RIVER
TRUST AND AGENCY FUNDS
COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE -
REGULATORY BASIS
AS OF DECEMBER 31, 2020 AND 2019

	<u>Length of Service Awards</u> <u>(Unaudited)</u>		<u>Law Enforcement</u>		<u>Electric Consumer Deposits</u>		<u>Unemployment</u>		<u>Totals</u> <u>(Memorandum Only)</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<u>ASSETS</u>										
Cash and Cash Equivalents			\$ 21,303.20	\$ 26,728.40	\$ 560,498.40	\$ 549,585.24	\$ 82,953.02	\$ 29,737.71	\$ 2,382,931.66	\$ 2,211,142.61
Amount Held by Plan Administrator (Unaudited)	\$ 1,453,429.16	\$ 1,284,407.17							1,453,429.16	1,284,407.17
Due from Municipal Court										195.00
Due from Vendor									5,538.29	4,388.29
Total Assets	<u>\$ 1,453,429.16</u>	<u>\$ 1,284,407.17</u>	<u>\$ 21,303.20</u>	<u>\$ 26,728.40</u>	<u>\$ 560,498.40</u>	<u>\$ 549,585.24</u>	<u>\$ 82,953.02</u>	<u>\$ 29,737.71</u>	<u>\$ 3,841,899.11</u>	<u>\$ 3,500,133.07</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>										
Due to Vendor									\$ 25,077.69	\$ 25,077.69
Payroll Deductions Payable									3,535.68	8,137.76
Due to State of New Jersey										12.00
Reserves	<u>\$ 1,453,429.16</u>	<u>\$ 1,284,407.17</u>	<u>\$ 21,303.20</u>	<u>\$ 26,728.40</u>	<u>\$ 560,498.40</u>	<u>\$ 549,585.24</u>	<u>\$ 82,953.02</u>	<u>\$ 29,737.71</u>	<u>3,808,405.67</u>	<u>3,462,025.55</u>
	<u>\$ 1,453,429.16</u>	<u>\$ 1,284,407.17</u>	<u>\$ 21,303.20</u>	<u>\$ 26,728.40</u>	<u>\$ 560,498.40</u>	<u>\$ 549,585.24</u>	<u>\$ 82,953.02</u>	<u>\$ 29,737.71</u>	<u>\$ 3,837,019.04</u>	<u>\$ 3,495,253.00</u>
Fund Balance									4,880.07	4,880.07
Total Liabilities, Reserves and Fund Balance	<u>\$ 1,453,429.16</u>	<u>\$ 1,284,407.17</u>	<u>\$ 21,303.20</u>	<u>\$ 26,728.40</u>	<u>\$ 560,498.40</u>	<u>\$ 549,585.24</u>	<u>\$ 82,953.02</u>	<u>\$ 29,737.71</u>	<u>\$ 3,841,899.11</u>	<u>\$ 3,500,133.07</u>

BOROUGH OF SOUTH RIVER
TRUST OTHER FUND
STATEMENT OF VARIOUS RESERVES - TRUST FUND #1

	Balance December 31, <u>2019</u>	<u>Increased by</u>	<u>Decreased by</u>	Balance December 31, <u>2020</u>
Reserve for:				
Deposits and Performance Bonds	\$ 109,249.87	\$ 10,873.03	\$ 9,280.74	\$ 110,842.16
Engineering Inspection Fees	4,495.90			4,495.90
Street Opening Deposits	29,497.36	2,015.16	5,000.00	26,512.52
Developer's Escrow	134,713.06	168,791.50	135,656.26	167,848.30
Dumpster Permits	2,650.00	600.00	600.00	2,650.00
Affordable Housing	<u>417,466.40</u>	<u>1,185.97</u>	<u> </u>	<u>418,652.37</u>
	<u>\$ 698,072.59</u>	<u>\$ 183,465.66</u>	<u>\$ 150,537.00</u>	<u>\$ 731,001.25</u>

BOROUGH OF SOUTH RIVER
TRUST OTHER FUND
STATEMENT OF VARIOUS RESERVES - TRUST FUND #2

	Balance December 31, <u>2019</u>	<u>Increased by</u>	<u>Decreased by</u>	Balance December 31, <u>2020</u>
Reserve for:				
ABC License - Buy Back	\$ 124,607.00			\$ 124,607.00
Recreation Commission (Per N.J.S.A. 40A:4-39)	29,022.19	\$ 6,695.00	\$ 9,878.96	25,838.23
Recreation Commission - Recycling (Per N.J.S.A. 40A:4-39)	476.83			476.83
Parking Offenses Adjudication Act (Per N.J.S.A. 40:4-39)	11,334.00	56.00		11,390.00
Shade Tree	5,649.60	900.00		6,549.60
Senior Program	560.81	8,515.50	6,373.94	2,702.37
Older Americans Act - Donations	519.41	7,221.00	5,018.67	2,721.74
Senior Program - Trips	56,132.90	2,863.00	42,382.00	16,613.90
Off Duty Police Services		140,127.53	140,127.53	
Fire Prevention - Code Deposit	3,128.00			3,128.00
Fire Department - Code Deposit		2,000.00		2,000.00
Municipal Alliance Donations	13,310.93		150.00	13,160.93
Public Defender Fees	40,955.72	2,240.00	6,247.91	36,947.81
Cultural Arts Commission	23,692.16		404.20	23,287.96
Special Events	8,362.82	4,450.00	772.64	12,040.18
September 11, 2001 Memorial	5,640.72			5,640.72
Board of Health Donations	128,892.47	32,984.00	12,163.11	149,713.36
Accumulated Absences	36,767.97	25,000.00	48,445.20	13,322.77
Developer's Escrow	76,626.86			76,626.86
	<u>\$ 565,680.39</u>	<u>\$ 233,052.03</u>	<u>\$ 271,964.16</u>	<u>\$ 526,768.26</u>

BOROUGH OF SOUTH RIVER
ANIMAL CONTROL TRUST FUND
STATEMENT OF RESERVE FOR ANIMAL CONTROL EXPENDITURES

<u>BALANCE, DECEMBER 31, 2019</u>		\$ 5,483.05
<u>INCREASED BY</u>		
Dog License Fees - Borough Share	\$ 8,047.80	
Cat License Fees - Borough Share	335.00	
Late Fees and Other Charges	<u>710.00</u>	<u>9,092.80</u>
		\$ 14,575.85
<u>DECREASED BY</u>		
Expenditures		<u>13,578.95</u>
<u>BALANCE, DECEMBER 31, 2020</u>		<u>\$ 996.90</u>

BOROUGH LICENSE FEES COLLECTED

<u>Year</u>	<u>Amount</u>
2018	\$ 8,573.00
2019	<u>8,306.60</u>
	<u>\$ 16,879.60</u>

AUDITOR'S NOTE:

R.S. 4:19-15.11

"There shall be transferred from such special account to the general funds of the Municipality any amounts then in such account which is in excess of the total amount paid into such special account during the last two fiscal years next preceding."

BOROUGH OF SOUTH RIVER
TRUST OTHER FUND
STATEMENT OF PAYROLL DEDUCTIONS PAYABLE

	Balance December 31, 2019	Increased by Borough's Share	Payroll Deductions	Decreased by Disbursements	Balance December 31, 2020
Federal Withholding Tax			\$ 1,057,352.63	\$ 1,057,352.63	
FICA and Medicare		\$ 453,920.65	450,234.81	904,155.46	
State of New Jersey Withholding Tax			362,935.35	362,935.35	
Public Employees Retirement System	\$ 3,498.77		306,097.09	309,595.86	
PERS Back Deduction			7,045.46	7,045.46	
PERS Loan			83,324.32	83,324.32	
PERS Contributory Group Insurance	119.67		20,375.27	20,494.94	
PERS Back Contributory Group Insurance			495.56	495.56	
PERS Arrears			2,351.28	2,351.28	
Police and Firemen's Retirement System			352,411.88	352,411.88	
PFRS Back Deductions			1,762.00	1,762.00	
PFRS Loan			93,433.05	93,433.05	
State Unemployment Tax		12,320.99	19,559.35	31,880.34	
Superior Officer Association Dues			7,680.00	7,680.00	
Police Benevolent Association Dues			21,640.00	21,640.00	
AFL/CIO Dues			3,691.51	3,691.51	
I.B.E.W.			6,480.24	6,480.24	
IUJUT Dues			10,016.00	10,016.00	
Garnishment			56,414.48	56,414.48	
Employee Health Benefit Contribution			425,488.23	425,488.23	
Disability	4,419.32		51,658.66	52,542.30	\$ 3,535.68
Employee Dental/Disability Benefit Contribution			41,306.73	41,306.73	
Flexible Spending Account			5,500.30	5,500.30	
Deferred Compensation	100.00		121,282.47	121,382.47	
	<u>\$ 8,137.76</u>	<u>\$ 466,241.64</u>	<u>\$ 3,508,536.67</u>	<u>\$ 3,979,380.39</u>	<u>\$ 3,535.68</u>

BOROUGH OF SOUTH RIVER
TRUST OTHER FUND
STATEMENT OF RESERVE FOR NEW JERSEY UNEMPLOYMENT
COMPENSATION INSURANCE

<u>BALANCE, DECEMBER 31, 2019</u>		\$	29,737.71
<u>INCREASED BY</u>			
Due from Current Fund	\$	65,000.00	
Due from Electric Utility Operating Fund		5,000.00	
Due from Water Utility Operating Fund		15,000.00	
Employees Contribution		12,320.99	
Interest Earned		136.61	
			<u>97,457.60</u>
		\$	127,195.31
<u>DECREASED BY</u>			
Unemployment Compensation Paid			<u>44,242.29</u>
<u>BALANCE, DECEMBER 31, 2020</u>		\$	<u><u>82,953.02</u></u>

BOROUGH OF SOUTH RIVER
TRUST OTHER FUND
STATEMENT OF RESERVE FOR
ELECTRIC UTILITY CONSUMER DEPOSITS

<u>BALANCE, DECEMBER 31, 2019</u>		\$	549,585.24
<u>INCREASED BY</u>			
Deposits	\$	62,400.00	
Interest Earned		4,834.16	
Cancellation of Outstanding Checks		<u>2,556.48</u>	<u>69,790.64</u>
		\$	619,375.88
<u>DECREASED BY</u>			
Refunded			<u>58,877.48</u>
<u>BALANCE, DECEMBER 31, 2020</u>		\$	<u>560,498.40</u>

BOROUGH OF SOUTH RIVER
TRUST OTHER FUND
LAW ENFORCEMENT TRUST FUND
STATEMENT OF RESERVE

<u>BALANCE, DECEMBER 31, 2019</u>		\$	26,728.40
<u>INCREASED BY</u>			
Funds Received	\$	1,813.50	
Interest Earned		<u>211.30</u>	<u>2,024.80</u>
			\$ 28,753.20
<u>DECREASED BY</u>			
Expenditures			<u>7,450.00</u>
<u>BALANCE, DECEMBER 31, 2020</u>		\$	<u>21,303.20</u>

BOROUGH OF SOUTH RIVER
TRUST OTHER FUND
STATEMENT OF RESERVE FOR
TAX TITLE LIEN PREMIUM/REDEMPTION

<u>BALANCE, DECEMBER 31, 2019</u>	\$ 302,331.00
<u>INCREASED BY</u>	
Cash Received	<u>272,424.48</u>
	\$ 574,755.48
<u>DECREASED BY</u>	
Refunded	<u>143,300.00</u>
<u>BALANCE, DECEMBER 31, 2020</u>	<u>\$ 431,455.48</u>

GENERAL CAPITAL FUND

BOROUGH OF SOUTH RIVER
GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
AS OF DECEMBER 31, 2020 AND 2019

	Balance December 31, <u>2020</u>	Balance December 31, <u>2019</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ <u>478,478.14</u>	\$ <u>27,713.87</u>
Intergovernmental Accounts Receivable	\$ <u>1,209,533.84</u>	\$ <u>1,025,033.52</u>
Deferred Charges to Future Taxation:		
Funded	\$ 20,227,957.56	\$ 21,781,875.16
Unfunded	<u>4,880,871.53</u>	<u>4,492,645.10</u>
	\$ <u>25,108,829.09</u>	\$ <u>26,274,520.26</u>
Total Assets	\$ <u><u>26,796,841.07</u></u>	\$ <u><u>27,327,267.65</u></u>

BOROUGH OF SOUTH RIVER
GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
AS OF DECEMBER 31, 2020 AND 2019

<u>LIABILITIES, RESERVES AND</u> <u>FUND BALANCE</u>	Balance December 31, <u>2020</u>	Balance December 31, <u>2019</u>
Serial Bonds	\$ <u>11,370,000.00</u>	\$ <u>12,645,000.00</u>
Bond Anticipation Notes	\$ <u>2,335,000.00</u>	<u> </u>
NJEIT Loans Payable	<u> </u>	\$ <u>35,000.00</u>
USDA Loan Payable	\$ <u>8,857,957.56</u>	\$ <u>9,101,875.16</u>
Other Liabilities and Reserves:		
Capital Improvement Fund	\$ 29,646.33	\$ 35,646.33
Due to Electric Utility Operating Fund		109,014.98
Reserve for Encumbrances	451,046.42	979,573.26
Reserve for Fire Hoses, Appropriated	<u>224.82</u>	<u>224.82</u>
	\$ <u>480,917.57</u>	\$ <u>1,124,459.39</u>
Improvement Authorizations:		
Funded	\$ 533,567.16	\$ 459,791.61
Unfunded	<u>2,712,720.42</u>	<u>3,628,027.06</u>
	\$ <u>3,246,287.58</u>	\$ <u>4,087,818.67</u>
Fund Balance	\$ <u>506,678.36</u>	\$ <u>333,114.43</u>
Total Liabilities, Reserves and Fund Balance	\$ <u><u>26,796,841.07</u></u>	\$ <u><u>27,327,267.65</u></u>

There were Bonds and Notes Authorized but not Issued of \$2,545,871.53 at December 31, 2020.

**BOROUGH OF SOUTH RIVER
GENERAL CAPITAL FUND
ANALYSIS OF CASH AND CASH EQUIVALENTS**

	Balance December 31, 2019	Bond Anticipation Notes	Receipts		Disbursements		Transfer		Balance December 31, 2020
			Miscellaneous	Improvement Authorizations	Miscellaneous		From	To	
Fund Balance	\$ 333,114.43		\$ 49,980.63		\$ 100,000.00			\$ 223,583.30	\$ 506,678.36
Capital Improvement Fund	35,646.33		75,000.00			\$	81,000.00		29,646.33
Reserve for Encumbrances	979,573.26				2,286,566.68		109,241.46	1,867,281.30	451,046.42
Due from County of Middlesex HCD	(7,833.52)		1,868.68				81,369.00		(87,333.84)
Due from NJDOT	(1,017,200.00)		173,990.00				580,000.00	301,010.00	(1,122,200.00)
Due to/(from) Current Fund									
Due to/(from) Electric Operating Fund	109,014.98				109,014.98				
Reserve for Fire Hoses, Appropriated	224.82								224.82
Improvement Authorizations:									
Ordinance Number			Description						
07-23	Acquisition of Firefighting Equipment	4,660.89					4,660.89		
08-14	Improvements to Burton Avenue section II and Improvements to Cole and Philip St.	4,911.06					4,911.06		
08-19/11-20/ 13-14/14-08/ 14-13/16-15	Planning, Site Acquisition and Construction of Municipal Facilities						450.00	450.00	
08-25/08-46	Acquisition of various Equipment, Road and Drainage Improvements and Various Other Improvements - 2008	149,365.06					149,365.06		
08-50/09-39/ 11-32	Acquisition of various Equipment, Road Improvements and Various Other Improvements	15,119.32					15,119.32		
10-09/11-26/ 13-09/16-06	Acquisition of various Equipment, Road Improvements and Various Other Improvements	24,408.66					24,824.80	416.14	
12-17/16-16	Acquisition of Various Capital Equipment and Improvements	38,102.86					46,759.57	8,656.71	
12-22	Improvements to Kamm Avenue Section II	5,248.48					5,248.48		
12-27	Improvements to the Radio Communication system	21,586.23					21,586.23		
12-30	Rehabilitation of the Jackson Street and William Street Pump Stations and Human Resource Building	(435,487.79)	\$ 75,000.00	\$ 330,614.10	\$ 44.30			1,706.75	\$ (28,211.24)
13-22	Various Road, Curb, Sidewalk and Concrete Improvements	5,928.20				\$	5,977.20	49.00	
14-05	Various Computer Equipment and Network Upgrades	680.04					680.04		
14-14/14-26	Various 2014 Road Improvements	(1,419.45)						5,346.65	3,927.20

**BOROUGH OF SOUTH RIVER
GENERAL CAPITAL FUND
ANALYSIS OF CASH AND CASH EQUIVALENTS**

			Receipts		Disbursements		Transfer		Balance
		Balance December 31, 2019	Bond Anticipation Notes	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	December 31, 2020
Improvement Authorizations (Continued):									
Ordinance Number	Description								
14-30/15-03	Acquisition of Various Capital Equipment	\$ (5,929.80)	\$ 10,000.00		\$ 5.79		\$ 1,281.48		\$ 2,782.93
15-10/16-23/ 17-03/18-16	Construction of a New Firehouse	11,439.72	100,000.00		1,242.04		170,400.00	\$ 71,979.22	11,776.90
15-16	Improvements to Montgomery Street	18,425.53					18,425.53		
15-18	Acquisition of Various Capital Equipment	(70,960.33)	75,000.00		44.12		2,402.00		1,593.55
16-05	Improvements to Montgomery Street - Phase II	8,810.03					8,810.03		
16-07	Acquisition of Various Capital Equipment and Improvements	18,734.28					14,304.09		4,430.19
16-11	Acquisition of Various Furniture and Equipment for the New Firehouse	40,547.91					50,025.80	9,477.89	
17-10	Various Capital Improvements	(40,076.17)	50,000.00		29.65				9,894.18
17-19/18-22	Various Capital Improvements	10,767.19					10,857.19	90.00	
18-08	Various Federal Housing and Community Development Grant Improvements	5,506.32					3,591.03	458.52	2,373.81
18-23	Various Capital Improvements	75,549.83	350,000.00		10,196.91		402,580.22	10,610.58	23,383.28
18-26	Various Capital Improvements for Main Street	(192,703.99)	200,000.00		428.89		1,183.32		5,683.80
19-09	Acquisition of Various Capital Equipment and Improvements	(118,040.51)	900,000.00	\$ 19,604.76	23,116.38		741,458.75		36,989.12
20-05	Various Federal Housing and Community Development Grant Improvements						81,369.00	81,369.00	
20-12	Various Sewer System Improvements		475,000.00		3,645.12		493,398.51	25,000.00	2,956.37
20-24	Various Capital Improvements		100,000.00		509.04		112,205.00	601,000.00	588,285.96
20-32	Various Capital Improvements and Acquisition of a New Firetruck				450.00			35,000.00	34,550.00
		\$ 27,713.87	\$ 2,335,000.00	\$ 651,058.17	\$ 39,712.24	\$ 2,495,581.66	\$ 3,243,485.06	\$ 3,243,485.06	\$ 478,478.14

Bracketed Amount Denotes Deficit.

BOROUGH OF SOUTH RIVER
GENERAL CAPITAL FUND
STATEMENT OF INTERGOVERNMENTAL ACCOUNTS RECEIVABLE

<u>Ordinance Number</u>	<u>Description</u>	<u>Balance December 31, 2019</u>	<u>Granted/ Adjusted</u>	<u>Cancellation</u>	<u>Cash Receipts</u>	<u>Balance December 31, 2020</u>
	County of Middlesex:					
	HCD Funds:					
18-08	Various Improvements	\$ 7,833.52			\$ 1,868.68	\$ 5,964.84
20-05	Various Improvements		\$ 81,369.00			81,369.00
	Total HCD Funds:	\$ 7,833.52	\$ 81,369.00		\$ 1,868.68	\$ 87,333.84
	State of New Jersey - Department of Transportation:					
18-23	Improvements to Willett Avenue - Phase II Unreserved	\$ 475,000.00		\$ 301,010.00	\$ 173,990.00	
19-09	Improvements to Albourne Street Unreserved	542,200.00				\$ 542,200.00
20-24	2020 Roadway and Drainage Improvements Unreserved		\$ 580,000.00			580,000.00
	Total NJDOT	\$ 1,017,200.00	\$ 580,000.00	\$ 301,010.00	\$ 173,990.00	\$ 1,122,200.00
		<u>\$ 1,025,033.52</u>	<u>\$ 661,369.00</u>	<u>\$ 301,010.00</u>	<u>\$ 175,858.68</u>	<u>\$ 1,209,533.84</u>
Detail:						
	Unreserved:					
	Middlesex County HCD	\$ 7,833.52	\$ 81,369.00		\$ 1,868.68	\$ 87,333.84
	NJ DOT	1,017,200.00	580,000.00	\$ 301,010.00	173,990.00	1,122,200.00
		<u>\$ 1,025,033.52</u>	<u>\$ 661,369.00</u>	<u>\$ 301,010.00</u>	<u>\$ 175,858.68</u>	<u>\$ 1,209,533.84</u>

BOROUGH OF SOUTH RIVER
GENERAL CAPITAL FUND
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ordinance Number	Description	Balance December 31, 2019	2020 Authorizations	Decreased By		Balance December 31, 2020	Analysis of Balance December 31, 2020		Unexpended Improvement Authorizations
				Cash Received	Canceled		Bond Anticipation Notes	Expenditures	
08-14	Improvements to Burton Avenue section II and Improvements to Cole and Phillip St.	\$ 27,000.00			\$ 27,000.00				
08-25/08-46	Acquisition of various Equipment, Road and Drainage Improvements and Various Other Improvements - 2008	52,000.00			52,000.00				
08-50/09-39/ 11-32	Acquisition of various Equipment, Road and Drainage Improvements and Various Other Improvements	133,500.00			133,500.00				
10-09/11-26/ 13-09/16-06	Acquisition of various Equipment, Road and Drainage Improvements and Various Other Improvements	156,430.19			156,430.19				
12-17/16-16	Acquisition of Various Capital Equipment and Improvements	94,310.05			94,310.05				
12-30	Rehabilitation of the Jackson Street and William Street Pump Stations and Human Resource Building	1,344,090.39		\$ 330,614.10		\$ 1,013,476.29	\$ 75,000.00	\$ 28,211.24	\$ 910,265.05
13-22	Various Road, Curb, Sidewalk and Concrete Improvements	6,814.47			6,814.47				
14-14/14-26	Various 2014 Road Improvements	95,000.00				95,000.00			95,000.00
14-30/15-03	Acquisition of Various Capital Equipment	65,000.00				65,000.00	10,000.00		55,000.00
15-10/16-23/ 17-03/18-16 15-16	Construction of a New Firehouse Improvements to Montgomery Street	170,000.00 78,000.00			78,000.00	170,000.00	100,000.00		70,000.00
15-18	Acquisition of Various Capital Equipment	107,000.00				107,000.00	75,000.00		32,000.00
16-05	Improvements to Montgomery Street - Phase II	92,500.00			92,500.00				
16-07	Acquisition of Various Capital Equipment and Improvements	85,000.00				85,000.00			85,000.00
16-11	Acquisition of Various Furniture and Equipment for the New Firehouse	160,000.00			160,000.00				
17-10	Various Capital Improvements	110,000.00				110,000.00	50,000.00		60,000.00
18-23	Various Capital Improvements	450,000.00				450,000.00	350,000.00		100,000.00
18-26	Various Capital Improvements for Main Street	285,000.00				285,000.00	200,000.00		85,000.00
19-09	Acquisition of Various Capital Equipment and Improvements	981,000.00		19,604.76		961,395.24	900,000.00		61,395.24
20-12	Various Sewer System Improvements		\$ 475,000.00			475,000.00	475,000.00		
20-24	Various Capital Improvements		399,000.00			399,000.00	100,000.00		299,000.00
20-32	Various Capital Improvements and Acquisition of a Fire Truck		665,000.00			665,000.00			665,000.00
		<u>\$ 4,492,645.10</u>	<u>\$ 1,539,000.00</u>	<u>\$ 350,218.86</u>	<u>\$ 800,554.71</u>	<u>\$ 4,880,871.53</u>	<u>\$ 2,335,000.00</u>	<u>\$ 28,211.24</u>	<u>\$ 2,517,660.29</u>
	Analysis of Balance:								
	Improvement Authorizations, Unfunded								\$ 2,714,290.92
	Unexpended Balance of Bond Anticipation Note Proceeds								196,630.63
									<u>\$ 2,517,660.29</u>

BOROUGH OF SOUTH RIVER
GENERAL CAPITAL FUND
STATEMENT OF SERIAL BONDS

Purpose	Date of Original Issue	Amount of Original Issue	Maturities of			Interest Rate	Balance December 31, 2019	Decreased By	Balance December 31, 2020
			Bonds Outstanding December 31, 2020						
			Date	Amount					
General Improvement Refunding Bonds Series 2016	3/15/2016	\$ 3,630,000.00	12/1/2021	\$ 715,000.00	4.000%	\$ 2,145,000.00	\$ 720,000.00	\$ 1,425,000.00	
			12/1/2022	710,000.00	4.000%				
General Improvement Bonds Series 2019	12/5/2019	10,500,000.00	12/1/2021	645,000.00	3.000%				
			12/1/2022	700,000.00	3.000%				
			12/1/2023	725,000.00	2.000%				
			12/1/2024	725,000.00	2.000%				
			12/1/2025	725,000.00	3.000%				
			12/1/2026	725,000.00	3.000%				
			12/1/2027	725,000.00	2.000%				
			12/1/2028	725,000.00	2.000%				
			12/1/2029	725,000.00	2.000%				
			12/1/2030	725,000.00	2.125%				
			12/1/2031	700,000.00	2.250%				
			12/1/2032	700,000.00	2.375%				
			12/1/2033	700,000.00	2.375%				
			12/1/2034	700,000.00	2.500%				
									<u>10,500,000.00</u>
					<u>\$ 12,645,000.00</u>	<u>\$ 1,275,000.00</u>	<u>\$ 11,370,000.00</u>		

BOROUGH OF SOUTH RIVER
GENERAL CAPITAL FUND
STATEMENT OF BOND ANTICIPATION NOTES

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Increased By Bond Anticipation Notes Issued</u>	<u>Balance December 31, 2020</u>
12-30	Rehabilitation of the Jackson and William Street Pump Stations and Human Resource Building	12/18/2020	12/18/2020	12/17/2021	1.50%	\$ 75,000.00	\$ 75,000.00
14-30/15-03	Acquisition of Various Capital Equipment	12/18/2020	12/18/2020	12/17/2021	1.50%	10,000.00	10,000.00
15-10/16-23/ 17-03/18-16	Construction of a New Firehouse	12/18/2020	12/18/2020	12/17/2021	1.50%	100,000.00	100,000.00
15-18	Acquisition of Various Capital Equipment	12/18/2020	12/18/2020	12/17/2021	1.50%	75,000.00	75,000.00
17-10	Various Capital Improvements	12/18/2020	12/18/2020	12/17/2021	1.50%	50,000.00	50,000.00
18-23	Various Capital Improvements	12/18/2020	12/18/2020	12/17/2021	1.50%	350,000.00	350,000.00
18-26/19-02	Various Capital Improvements for Main Street	12/18/2020	12/18/2020	12/17/2021	1.50%	200,000.00	200,000.00
19-09	Acquisition of Various Capital Improvements and Equipment	12/18/2020	12/18/2020	12/17/2021	1.50%	900,000.00	900,000.00
20-12	Various Sewer System Improvements	12/18/2020	12/18/2020	12/17/2021	1.50%	475,000.00	475,000.00
20-24	Various Capital Improvements	12/18/2020	12/18/2020	12/17/2021	1.50%	100,000.00	100,000.00
						<u>\$ 2,335,000.00</u>	<u>\$ 2,335,000.00</u>

Detail:
 Budget Appropriation

BOROUGH OF SOUTH RIVER
GENERAL CAPITAL FUND
STATEMENT OF LOANS PAYABLE -
NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Balance December 31, 2019</u>	<u>Decreased by</u>
Sewer System Improvements - State Portion	11/01/00	\$ 430,000.00	\$ <u>35,000.00</u>	\$ <u>35,000.00</u>

BOROUGH OF SOUTH RIVER
GENERAL CAPITAL FUND
STATEMENT OF LOAN PAYABLE -
U.S. DEPARTMENT OF AGRICULTURE

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Loans Outstanding</u> <u>December 31, 2020</u>		<u>Interest Rate</u>	<u>Balance December 31, 2019</u>	<u>Decreased by</u>	<u>Balance December 31, 2020</u>
			<u>Date</u>	<u>Amount</u>				
Community Facilities Program - Construction of a New Firehouse	12/13/16	\$ 9,800,000.00	06/13/21	\$ 124,131.48	2.375%	\$ 9,101,875.16	\$ 243,917.60	\$ 8,857,957.56
			12/13/21	125,605.54				
			06/13/22	127,097.11				
			12/13/22	128,606.39				
			06/13/23	130,133.59				
			12/13/23	131,678.92				
			06/13/24	133,242.61				
			12/13/24	134,824.87				
			06/13/25	136,425.91				
			12/13/25	138,045.97				
			06/13/26	139,685.27				
			12/13/26	141,344.03				
			06/13/27	143,022.49				
			12/13/27	144,720.88				
			06/13/28	146,439.44				
			12/13/28	148,178.41				
			06/13/29	149,938.03				
			12/13/29	151,718.54				
			06/13/30	153,520.20				
			12/13/30	155,343.25				
			06/13/31	157,187.95				
			12/13/31	159,054.56				
			06/13/32	160,943.33				
			12/13/32	162,854.54				
			06/13/33	164,788.43				
			12/13/33	166,745.30				
			06/13/34	168,725.40				
			12/13/34	170,729.01				
			06/13/35	172,756.42				
			12/13/35	174,807.90				
			06/13/36	176,883.74				
			12/13/36	178,984.24				
			06/13/37	181,109.68				
			12/13/37	183,260.35				

BOROUGH OF SOUTH RIVER
GENERAL CAPITAL FUND
STATEMENT OF LOAN PAYABLE -
U.S. DEPARTMENT OF AGRICULTURE

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Loans Outstanding December 31, 2020</u>		<u>Interest Rate</u>	<u>Balance</u>	<u>Decreased by</u>	<u>Balance</u>
			<u>Date</u>	<u>Amount</u>		<u>December 31, 2019</u>		<u>December 31, 2020</u>
Community Facilities Program - Construction of a New Firehouse			06/13/38	\$ 185,436.57				
			12/13/38	187,638.63				
			06/13/39	189,866.84				
			12/13/39	192,121.51				
			06/13/40	194,402.95				
			12/13/40	196,711.48				
			06/13/41	199,047.43				
			12/13/41	201,411.12				
			06/13/42	203,802.88				
			12/13/42	206,223.04				
			06/13/43	208,671.94				
			12/13/43	211,149.92				
			06/13/44	213,657.32				
			12/13/44	216,194.50				
			06/13/45	218,761.81				
			12/13/45	221,359.61				
			06/13/46	223,988.25				
			12/13/46	224,985.81				
						<u>\$ 9,101,875.16</u>	<u>\$ 243,917.60</u>	<u>\$ 8,857,957.56</u>

BOROUGH OF SOUTH RIVER
GENERAL CAPITAL FUND
STATEMENT OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Description	Ordinance		Balance December 31, 2019		2020 Authorizations	Reserve for Encumbrances Canceled	Paid or Charged	Canceled	Balance December 31, 2020	
		Date	Amount	Funded	Unfunded					Funded	Unfunded
07-23	Acquisition of Firefighting Equipment	08/27/07	\$ 100,000.00	\$ 4,660.89					\$ 4,660.89		
08-14	Improvements to Burton Avenue section II and Improvements to Cole and Philip St.	03/10/08	245,000.00	4,911.06	\$ 27,000.00				31,911.06		
08-19/11-20/ 13-14/14-08/ 14-13/16-15	Planning, Site Acquisition and Construction of Municipal Facilities	04/28/08,06/13/11 08/12/13,03/24/14, 05/27/14	5,300,000.00				\$ 450.00		450.00		
08-25/08-46	Acquisition of Various Equipment, Road and Drainage Improvements and Various Other Improvements	07/14/08, 12/23/08	1,830,000.00	149,365.06	52,000.00			\$ 120,076.90	81,288.16		
08-50/09-39/ 11-32	Acquisition of Various Equipment, Road Improvements and Various Other Improvements	12/23/08, 09/14/09, 10/11/11	1,180,000.00	15,119.32	133,500.00				148,619.32		
10-09/11-26/ 13-09/16-06	Acquisition of Various Equipment, Road Improvements and Various Other Improvements	04/26/10, 08/08/11, 4/8/2013, 05/23/16	3,960,500.00	24,408.66	156,430.19		416.14	21,241.00	160,013.99		
12-17/16-16	Acquisition of Various Capital Equipment and Improvements	07/23/12, 09/26/16	956,000.00	38,102.86	94,310.05		8,656.71		141,069.62		
12-22	Improvements to Kamm Avenue Section II (NJDOT \$200,000)	08/27/12	275,000.00	5,248.48					5,248.48		
12-27	Improvements to the Radio Communication System	10/22/12	600,000.00	21,586.23				2,800.00	18,786.23		
12-30	Rehabilitation of the Jackson Street and William Street Pump Stations and Human Resource Building	12/17/12	3,500,000.00		908,602.60		1,706.75	44.30		\$ 910,265.05	
13-22	Various Road, Curb, Sidewalk and Concrete Improvements (NJDOT \$310,000)	11/12/13	500,000.00	5,928.20	6,814.47		49.00		12,791.67		
14-05	Various Computer Equipment and Network Upgrades	03/10/14	35,000.00	680.04					680.04		
14-14/14-26	Various 2014 Road Improvements	5/27/2014, 08/11/14	900,000.00		93,580.55		5,346.65			\$ 3,927.20	95,000.00
14-30/15-03	Acquisition of Various Capital Equipment	09/22/14	700,000.00		59,070.20			1,287.27			57,782.93
15-10/16-23/ 17-03/18-16	Construction of a New Firehouse	4/27/15,12/29/16, 03/27/17,05/14/18 05/14/18	9,100,000.00	11,439.72	170,000.00		71,979.22	171,642.04			81,776.90
15-16	Improvements to Montgomery Street (NJDOT \$387,500)	06/08/15	575,000.00	18,425.53	78,000.00				96,425.53		

**BOROUGH OF SOUTH RIVER
GENERAL CAPITAL FUND
STATEMENT OF IMPROVEMENT AUTHORIZATIONS**

Ordinance Number	Description	Ordinance		Balance December 31, 2019		2020 Authorizations	Reserve for Encumbrances Canceled	Paid or Charged	Canceled	Balance December 31, 2020	
		Date	Amount	Funded	Unfunded					Funded	Unfunded
15-18	Acquisition of Various Capital Equipment	08/10/15	\$ 350,000.00		\$ 36,039.67			\$ 2,446.12		\$	33,593.55
16-05	Improvements to Montgomery Street - Phase II (NJDOT \$250,000)	05/23/16	400,000.00	\$ 8,810.03	92,500.00				\$ 101,310.03		
16-07	Acquisition of Various Capital Equipment and Improvements	06/27/16	300,000.00	18,734.28	85,000.00			14,304.09		\$ 4,430.19	85,000.00
16-11	Acquisition of Various Furniture and Equipment for the New Firehouse	08/22/16	800,000.00	40,547.91	160,000.00		\$ 9,477.89		210,025.80		
17-10	Various Capital Improvements	05/22/17	250,000.00		69,923.83			29.65			69,894.18
17-19/18-22	Various Capital Improvements	10/10/17, 07/16/18	450,000.00	10,767.19			90.00		10,857.19		
18-08	Various Federal Housing and Community Development Grant Improvements	02/26/18	62,701.00	5,506.32			458.52	3,591.03		2,373.81	
18-23	Various Capital Improvements	07/16/18	950,000.00	75,549.83	450,000.00		10,610.58	111,767.13	301,010.00		123,383.28
18-26/19-02	Various Capital Improvements for Main Street	09/10/18	300,000.00		92,296.01			1,612.21			90,683.80
19-09	Acquisition of Various Capital Improvements and Equipment	06/24/19	1,610,000.00		862,959.49			764,575.13			98,384.36
20-05	Various Federal Housing and Community Development Grant Improvements	02/24/20	81,369.00			\$ 81,369.00		81,369.00			
20-12	Various Sewer System Improvements	05/11/20	500,000.00			500,000.00		497,043.63			2,956.37
20-24	Various Capital Improvements	09/14/20	1,000,000.00			1,000,000.00		112,714.04		488,285.96	399,000.00
20-32	Various Capital Improvements and Acquisition of a Firetruck	12/21/20	700,000.00			700,000.00		450.00		34,550.00	665,000.00
				<u>\$ 459,791.61</u>	<u>\$ 3,628,027.06</u>	<u>\$ 2,281,369.00</u>	<u>\$ 109,241.46</u>	<u>\$ 1,906,993.54</u>	<u>\$ 1,325,148.01</u>	<u>\$ 533,567.16</u>	<u>\$ 2,712,720.42</u>
Detail of 2020 Authorizations:											
Capital Improvement Fund						\$ 81,000.00					
Middlesex County HCD						81,369.00					
NJ DOT Grant						580,000.00					
Deferred Charges to Future Taxation, Unfunded						<u>1,539,000.00</u>					
						<u>\$ 2,281,369.00</u>					
Detail of 2020 Canceled:											
Canceled to Fund Balance									\$ 223,583.30		
Deferred Charges to Future Taxation, Unfunded									800,554.71		
Cancellation of Intergovernmental Accounts Receivable									<u>301,010.00</u>		
									<u>\$ 1,325,148.01</u>		

BOROUGH OF SOUTH RIVER
GENERAL CAPITAL FUND
STATEMENT OF CAPITAL IMPROVEMENT FUND

<u>BALANCE, DECEMBER 31, 2019</u>	\$ 35,646.33
<u>INCREASED BY</u>	
2020 Budget Appropriation	<u>75,000.00</u>
	\$ 110,646.33
<u>DECREASED BY</u>	
Appropriated to Finance Improvement Authorizations	<u>81,000.00</u>
<u>BALANCE, DECEMBER 31, 2020</u>	<u>\$ 29,646.33</u>

BOROUGH OF SOUTH RIVER
GENERAL CAPITAL FUND
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance December 31, 2019</u>	<u>2020 Authorizations</u>	<u>Cash Received</u>	<u>Bond Anticipation Notes</u>	<u>Canceled</u>	<u>Balance December 31, 2020</u>
08-14	Improvements to Burton Avenue Section II and Improvements to Cole and Philip St.	\$ 27,000.00				\$ 27,000.00	
08-25/08-46	Acquisition of Various Equipment, Road and Drainage Improvements and Various Other Improvements	52,000.00				52,000.00	
08-50/09-39/ 11-32	Acquisition of Various Equipment, Road, Improvements and Various Other Improvements	133,500.00				133,500.00	
10-09/11-26/ 13-09/16-06	Acquisition of Various Equipment, Road, Drainage and Various Other Improvements	156,430.19				156,430.19	
12-17/16-16	Acquisition of Various Capital Equipment and Improvements	94,310.05				94,310.05	
12-30	Rehabilitation of the Jackson Street and William Street Pump Stations and Human Resource Building	1,344,090.39		\$ 330,614.10	\$ 75,000.00		\$ 938,476.29
13-22	Various Road, Curb, Sidewalk and Concrete Improvements	6,814.47				6,814.47	
14-14/14-26	Various 2014 Road Improvements	95,000.00					95,000.00
14-30/15-03	Acquisition of Various Capital Equipment	65,000.00			10,000.00		55,000.00
15-10/16-23/ 17-03/18-16	Construction of a New Firehouse	170,000.00			100,000.00		70,000.00
15-16	Improvements to Montgomery Street	78,000.00				78,000.00	
15-18	Acquisition of Various Capital Equipment	107,000.00			75,000.00		32,000.00
16-05	Improvements to Montgomery Street - Phase II	92,500.00				92,500.00	
16-07	Acquisition of Various Capital Equipment and Improvements	85,000.00					85,000.00
16-11	Acquisition of Various Furniture and Equipment for the New Firehouse	160,000.00				160,000.00	
17-10	Various Capital Improvements	110,000.00			50,000.00		60,000.00
18-23	Various Capital Improvements	450,000.00			350,000.00		100,000.00
18-26	Various Capital Improvements for Main Street	285,000.00			200,000.00		85,000.00
19-09	Acquisition of Various Capital Improvements and Equipment	981,000.00		19,604.76	900,000.00		61,395.24
20-12	Various Sewer System Improvements		\$ 475,000.00		475,000.00		
20-24	Various Capital Improvements		399,000.00		100,000.00		299,000.00
20-32	Various Capital Improvements and Acquisition of a Fire Truck		665,000.00				665,000.00
		<u>\$ 4,492,645.10</u>	<u>\$ 1,539,000.00</u>	<u>\$ 350,218.86</u>	<u>\$ 2,335,000.00</u>	<u>\$ 800,554.71</u>	<u>\$ 2,545,871.53</u>

UTILITY OPERATING FUNDS - COMBINED STATEMENTS

BOROUGH OF SOUTH RIVER
COMBINED COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE -
ELECTRIC UTILITY, PARKING UTILITY AND WATER UTILITY OPERATING FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2020 AND 2019

	Electric Utility		Parking Utility		Water Utility		Totals (Memorandum Only)	
	2020	2019	2020	2019	2020	2019	2020	2019
ASSETS								
Cash and Cash Equivalents	\$ 5,135,497.29	\$ 5,085,139.14	\$ 127,148.20	\$ 123,437.65	\$ 887,351.47	\$ 405,545.64	\$ 6,149,996.96	\$ 5,614,122.43
Investment - BAN	64,000.00	85,000.00					64,000.00	85,000.00
Interfunds Receivable-								
Due from General Capital Fund		109,014.98						109,014.98
Due from Bond Registrar/Paying Agent					57,812.00	57,812.00	57,812.00	57,812.00
Consumer Accounts Receivable	1,613,270.87	1,301,463.44			655,377.69	603,694.20	2,268,648.56	1,905,157.64
Consumer Liens Receivable	43,716.15	43,716.15			8,217.70	8,217.70	51,933.85	51,933.85
Inventory	387,640.92	384,549.06			7,021.32	16,174.21	394,662.24	400,723.27
Deferred Charges						200,000.00		200,000.00
Total Assets	\$ 7,244,125.23	\$ 7,008,882.77	\$ 127,148.20	\$ 123,437.65	\$ 1,615,780.18	\$ 1,291,443.75	\$ 8,987,053.61	\$ 8,423,764.17
LIABILITIES, RESERVES AND FUND BALANCE								
Liabilities:								
Appropriation Reserves	\$ 910,870.44	\$ 1,225,961.61	\$ 30,383.73	\$ 25,247.71	\$ 72,718.81	\$ 8,370.41	\$ 1,013,972.98	\$ 1,259,579.73
Other Liabilities and Reserves:								
Reserve for Encumbrances	\$ 519,652.88	\$ 836,652.87	\$ 3,750.00	\$ 3,750.00	\$ 52,534.77	\$ 138,862.66	\$ 575,937.65	\$ 979,265.53
Prepaid Parking Permits			105.00	675.00			105.00	675.00
Consumer Overpayments	181,325.86	171,934.63			114,581.93	109,098.82	295,907.79	281,033.45
Accounts Payable	18,700.00		3,500.00		18,900.00		41,100.00	
Accrued Interest on Bonds, Notes and Loans	3,416.67	5,016.67			5,818.39	9,585.14	9,235.06	14,601.81
Due to Vendor		460.48						460.48
Due to Bond Registrar/Paying Agent					81,840.00	81,840.00	81,840.00	81,840.00
	\$ 723,095.41	\$ 1,014,064.65	\$ 7,355.00	\$ 4,425.00	\$ 273,675.09	\$ 339,386.62	\$ 1,004,125.50	\$ 1,357,876.27
Reserve for Receivables and Other Assets	\$ 2,044,627.94	\$ 1,729,728.65			\$ 728,428.71	\$ 685,898.11	\$ 2,773,056.65	\$ 2,415,626.76
Fund Balance	\$ 3,565,531.44	\$ 3,039,127.86	\$ 89,409.47	\$ 93,764.94	\$ 540,957.57	\$ 257,788.61	\$ 4,195,898.48	\$ 3,390,681.41
Total Liabilities, Reserves and Fund Balance	\$ 7,244,125.23	\$ 7,008,882.77	\$ 127,148.20	\$ 123,437.65	\$ 1,615,780.18	\$ 1,291,443.75	\$ 8,987,053.61	\$ 8,423,764.17

ELECTRIC UTILITY OPERATING FUND

BOROUGH OF SOUTH RIVER
ELECTRIC UTILITY OPERATING FUND
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGE IN FUND BALANCE -
REGULATORY BASIS

	<u>Year 2020</u>	<u>Year 2019</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>		
Fund Balance Utilized	\$ 3,039,000.00	\$ 3,978,500.00
Electric Charges	13,793,119.25	14,230,911.16
Nonbudget Revenue	140,862.42	190,832.27
Other Credits to Income:		
Current Appropriations Canceled	5,000.00	5,000.66
Unexpended Balance of Appropriation Reserves		
Lapsed and Reserve for Encumbrances Canceled	1,252,021.91	406,797.08
Cancellation of Various Payables	<u> </u>	<u>2,905.00</u>
Total Income	\$ <u>18,230,003.58</u>	\$ <u>18,814,946.17</u>
<u>EXPENDITURES</u>		
Budget Appropriations:		
Operating	\$ 10,388,000.00	\$ 10,685,000.00
Capital Improvements	220,000.00	275,000.00
Debt Service	543,600.00	536,884.00
Deferred Charges and Statutory Expenditures	313,000.00	321,000.00
Surplus - General Budget	<u>3,200,000.00</u>	<u>3,978,500.00</u>
Total Expenditures	\$ <u>14,664,600.00</u>	\$ <u>15,796,384.00</u>
Statutory Excess to Fund Balance	\$ 3,565,403.58	\$ 3,018,562.17
Fund Balance, January 1	<u>3,039,127.86</u>	<u>3,999,065.69</u>
	\$ 6,604,531.44	\$ 7,017,627.86
Decreased By:		
Utilization as Anticipated Revenue	\$ <u>3,039,000.00</u>	\$ <u>3,978,500.00</u>
Fund Balance, December 31	\$ <u><u>3,565,531.44</u></u>	\$ <u><u>3,039,127.86</u></u>

BOROUGH OF SOUTH RIVER
ELECTRIC UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Operating Fund Balance Anticipated	\$ 3,039,000.00	\$ 3,039,000.00	
Electric Charges	<u>11,625,600.00</u>	<u>13,793,119.25</u>	<u>\$ 2,167,519.25</u>
	\$ 14,664,600.00	\$ 16,832,119.25	\$ 2,167,519.25
Nonbudget Revenue	<u> </u>	<u>140,862.42</u>	<u>140,862.42</u>
	<u>\$ 14,664,600.00</u>	<u>\$ 16,972,981.67</u>	<u>\$ 2,308,381.67</u>

ANALYSIS OF REALIZED REVENUETotal

Electric Charges:

Consumer Accounts Receivable	\$ 13,772,709.83
State of New Jersey Lifeline	19,862.50
Consumer Lien Receivable	<u>546.92</u>
	<u>\$ 13,793,119.25</u>

Nonbudget Revenue:

Interest on Investments	\$ 37,395.31
Interest on Delinquent Rents	31,296.32
Connection Fees	1,725.00
Refund of Prior Years Expenditures	3,177.34
Turn On/Off Fees	13,180.00
Use of Lights	700.00
Portal Convenience Fee	24,088.77
Transportation/Vehicle Fees	25,112.50
Returned Check Fees	3,380.00
Miscellaneous	<u>807.18</u>
	<u>\$ 140,862.42</u>

BOROUGH OF SOUTH RIVER
ELECTRIC UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
OPERATING						
Salaries and Wages	\$ 1,435,000.00	\$ 1,435,000.00	\$ 1,368,460.60		\$ 66,539.40	
Purchase of Power	6,900,000.00	6,900,000.00	6,093,097.45	\$ 391,675.02	415,227.53	
Other Expenses - Operating	480,000.00	480,000.00	387,690.27	51,778.47	40,531.26	
Other Expenses - Office/Administrative	3,000.00	3,000.00	914.92	47.31	2,037.77	
Other Expenses - Insurance	1,060,000.00	1,060,000.00	894,518.73		165,481.27	
Other Expenses - Professional Services	500,000.00	500,000.00	258,091.20	76,152.08	165,756.72	
Other Expenses - Accumulated Absences	10,000.00	10,000.00	10,000.00			
Total Operating	<u>\$ 10,388,000.00</u>	<u>\$ 10,388,000.00</u>	<u>\$ 9,012,773.17</u>	<u>\$ 519,652.88</u>	<u>\$ 855,573.95</u>	
CAPITAL IMPROVEMENTS						
Capital Improvement Fund	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00			
Capital Outlay - Bucket Truck	150,000.00	150,000.00	107,638.00		\$ 42,362.00	
Capital Outlay - Pole and Wire Trailer	50,000.00	50,000.00	50,000.00			
Total Capital Improvements	<u>\$ 220,000.00</u>	<u>\$ 220,000.00</u>	<u>\$ 177,638.00</u>		<u>\$ 42,362.00</u>	
DEBT SERVICE						
Payment of Bond Principal	\$ 480,000.00	\$ 480,000.00	\$ 480,000.00			
Interest on Bonds	58,600.00	58,600.00	58,600.00			
Interest on Notes	5,000.00	5,000.00				\$ 5,000.00
Total Debt Service	<u>\$ 543,600.00</u>	<u>\$ 543,600.00</u>	<u>\$ 538,600.00</u>			<u>\$ 5,000.00</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	\$ 195,000.00	\$ 195,000.00	\$ 189,724.80		\$ 5,275.20	
Social Security System (O.A.S.I.)	113,000.00	113,000.00	105,340.71		7,659.29	
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et. seq.)	5,000.00	5,000.00	5,000.00			
Total Deferred Charges and Statutory Expenditures	<u>\$ 313,000.00</u>	<u>\$ 313,000.00</u>	<u>\$ 300,065.51</u>		<u>\$ 12,934.49</u>	
Surplus (General Budget)	<u>\$ 3,200,000.00</u>	<u>\$ 3,200,000.00</u>	<u>\$ 3,200,000.00</u>			
Total Electric Utility Appropriations	<u>\$ 14,664,600.00</u>	<u>\$ 14,664,600.00</u>	<u>\$ 13,229,076.68</u>	<u>\$ 519,652.88</u>	<u>\$ 910,870.44</u>	<u>\$ 5,000.00</u>

BOROUGH OF SOUTH RIVER
ELECTRIC UTILITY OPERATING FUND
STATEMENT OF CONSUMER ACCOUNTS RECEIVABLE

<u>BALANCE, DECEMBER 31, 2019</u>		\$ 1,301,463.44
<u>INCREASED BY</u>		
Electric Charges Levied		<u>14,124,712.47</u>
		\$ 15,426,175.91
<u>DECREASED BY</u>		
Collections	\$ 13,600,775.20	
State of New Jersey Lifeline/Heap Credits	19,862.50	
Municipal Lifeline	19,785.79	
Transferred to Consumer Liens Receivable	546.92	
Consumer Overpayments Applied	<u>171,934.63</u>	<u>13,812,905.04</u>
<u>BALANCE, DECEMBER 31, 2020</u>		<u>\$ 1,613,270.87</u>

STATEMENT OF CONSUMER LIENS RECEIVABLE

<u>BALANCE, DECEMBER 31, 2019</u>		\$ 43,716.15
<u>INCREASED BY</u>		
Transferred from Consumer Accounts Receivable		<u>546.92</u>
		\$ 44,263.07
<u>DECREASED BY</u>		
Collection		<u>546.92</u>
<u>BALANCE, DECEMBER 31, 2020</u>		<u>\$ 43,716.15</u>
Detail of Balance:		
Consumer Accounts Receivable	\$ 43,684.86	
Interest and Costs	<u>31.29</u>	
	<u>\$ 43,716.15</u>	

**BOROUGH OF SOUTH RIVER
ELECTRIC UTILITY OPERATING FUND
STATEMENT OF 2019 APPROPRIATION RESERVES**

	Balance December 31, 2019		Balance After Transfers	Paid or Charged	Balance Lapsed
	Appropriation Reserves	Reserve for Encumbrances			
OPERATING					
Salaries and Wages	\$ 58,091.02		\$ 58,091.02		\$ 58,091.02
Purchase of Power	1,019,677.55	\$ 335,098.46	1,354,776.01	\$ 337,667.20	1,017,108.81
Other Expenses:					
Operating	42,688.93	53,074.51	95,763.44	52,548.14	43,215.30
Office/Administrative	4,097.54		4,097.54	8.81	4,088.73
Insurance	88,769.73	65,518.54	154,288.27	65,518.54	88,769.73
Professional Services	2,448.70	130,537.36	132,986.06	100,984.88	32,001.18
Total Operating	\$ 1,215,773.47	\$ 584,228.87	\$ 1,800,002.34	\$ 556,727.57	\$ 1,243,274.77
CAPITAL IMPROVEMENTS					
Capital Outlay - Bucket Truck		\$ 220,000.00	\$ 220,000.00	\$ 220,000.00	
Capital Outlay - Supervisor Vehicle	\$ 2,576.00	32,424.00	35,000.00	32,424.00	\$ 2,576.00
Total Capital Improvements	\$ 2,576.00	\$ 252,424.00	\$ 255,000.00	\$ 252,424.00	\$ 2,576.00
DEFERRED CHARGES AND STATUTORY EXPENDITURES					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	\$ 1,441.00		\$ 1,441.00	\$ 1,441.00	
Social Security System (O.A.S.I.)	6,171.14		6,171.14		\$ 6,171.14
Total Deferred Charges and Statutory Expenditures	\$ 7,612.14		\$ 7,612.14	1,441.00	\$ 6,171.14
Total Electric Utility Appropriations	\$ 1,225,961.61	\$ 836,652.87	\$ 2,062,614.48	\$ 810,592.57	\$ 1,252,021.91

BOROUGH OF SOUTH RIVER
ELECTRIC UTILITY OPERATING FUND
STATEMENT OF ACCRUED INTEREST ON BONDS AND NOTES

<u>BALANCE, DECEMBER 31, 2019</u>	\$ 5,016.67
<u>INCREASED BY</u>	
Budget Appropriation:	
Interest on Bonds	<u>58,600.00</u>
	\$ 63,616.67
<u>DECREASED BY</u>	
Cash Disbursed	<u>60,200.00</u>
<u>BALANCE, DECEMBER 31, 2020</u>	<u>\$ 3,416.67</u>

ANALYSIS OF ACCRUED INTEREST - DECEMBER 31, 2020

	Outstanding December 31, <u>2020</u>	Interest <u>Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Refunding Bonds, 2016	\$ 1,025,000.00	4.00%	12/1/2020	12/31/2020	1 Month	\$ <u>3,416.67</u>
						\$ <u><u>3,416.67</u></u>

PARKING UTILITY OPERATING FUND

BOROUGH OF SOUTH RIVER
PARKING UTILITY OPERATING FUND
STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE -
REGULATORY BASIS

	<u>Year 2020</u>	<u>Year 2019</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>		
Fund Balance Utilized	\$ 32,500.00	\$ 30,500.00
Parking Fees	39,877.82	55,134.91
Parking Capital Fund Balance		1,000.00
Nonbudget Revenue	2,019.00	1,935.27
Other Credits to Income:		
Current Appropriations Canceled	1,000.00	602.41
Unexpended Balance of Appropriation Reserves		
Lapsed and Encumbrances Payable Canceled	<u>25,247.71</u>	<u>11,836.95</u>
Total Income	<u>\$ 100,644.53</u>	<u>\$ 101,009.54</u>
<u>EXPENDITURES</u>		
Budget Appropriations:		
Operating	\$ 39,000.00	\$ 38,000.00
Capital Improvements	6,500.00	6,500.00
Debt Service	22,000.00	22,000.00
Deferred Charges and Statutory Expenditures	<u>5,000.00</u>	<u>5,000.00</u>
Total Expenditures	<u>\$ 72,500.00</u>	<u>\$ 71,500.00</u>
Statutory Excess to Fund Balance	\$ 28,144.53	\$ 29,509.54
Fund Balance, January 1	<u>93,764.94</u>	<u>94,755.40</u>
	\$ 121,909.47	\$ 124,264.94
Decreased By:		
Utilization as Anticipated Revenue	<u>32,500.00</u>	<u>30,500.00</u>
Fund Balance, December 31	<u><u>\$ 89,409.47</u></u>	<u><u>\$ 93,764.94</u></u>

BOROUGH OF SOUTH RIVER
PARKING UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Operating Fund Balance Anticipated	\$ 32,500.00	\$ 32,500.00	
Parking Fees	<u>40,000.00</u>	<u>39,877.82</u>	\$ <u>(122.18)</u>
	\$ 72,500.00	\$ 72,377.82	\$ (122.18)
Nonbudget Revenue	<u> </u>	\$ <u>2,019.00</u>	\$ <u>2,019.00</u>
	\$ <u>72,500.00</u>	\$ <u>74,396.82</u>	\$ <u>1,896.82</u>

ANALYSIS OF REALIZED REVENUE

	<u>Total</u>
Parking Fees:	
Parking Permits	\$ 15,925.00
Parking Meters	<u>23,952.82</u>
	\$ <u>39,877.82</u>
Nonbudget Revenues:	
Interest on Investments	\$ <u>2,019.00</u>

BOROUGH OF SOUTH RIVER
PARKING UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
<u>OPERATING</u>						
Salaries and Wages	\$ 24,000.00	\$ 24,000.00	\$ 10,094.08		\$ 13,905.92	
Other Expenses - Operating	7,000.00	7,000.00	249.99		6,750.01	
Other Expenses - Professional Services	<u>8,000.00</u>	<u>8,000.00</u>	<u>250.00</u>	\$ <u>3,750.00</u>	<u>4,000.00</u>	
Total Operating	\$ <u>39,000.00</u>	\$ <u>39,000.00</u>	\$ <u>10,594.07</u>	\$ <u>3,750.00</u>	\$ <u>24,655.93</u>	
<u>CAPITAL IMPROVEMENTS</u>						
Capital Improvement Fund	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00			
Capital Outlay - Meter Upgrades	<u>4,000.00</u>	<u>4,000.00</u>			\$ <u>4,000.00</u>	
Total Capital Improvements	\$ <u>6,500.00</u>	\$ <u>6,500.00</u>	\$ <u>2,500.00</u>		\$ <u>4,000.00</u>	
<u>DEBT SERVICE</u>						
Payment of Bond Anticipation Notes and Capital Notes	\$ 21,000.00	\$ 21,000.00	\$ 21,000.00			
Interest on Notes	<u>1,000.00</u>	<u>1,000.00</u>				\$ <u>1,000.00</u>
Total Debt Service	\$ <u>22,000.00</u>	\$ <u>22,000.00</u>	\$ <u>21,000.00</u>			\$ <u>1,000.00</u>
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u>						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00			
Social Security System (O.A.S.I.)	<u>2,500.00</u>	<u>2,500.00</u>	<u>772.20</u>		\$ <u>1,727.80</u>	
Total Deferred Charges and Statutory Expenditures	\$ <u>5,000.00</u>	\$ <u>5,000.00</u>	\$ <u>3,272.20</u>		\$ <u>1,727.80</u>	
Total Parking Utility Appropriations	\$ <u><u>72,500.00</u></u>	\$ <u><u>72,500.00</u></u>	\$ <u><u>37,366.27</u></u>	\$ <u><u>3,750.00</u></u>	\$ <u><u>30,383.73</u></u>	\$ <u><u>1,000.00</u></u>

**BOROUGH OF SOUTH RIVER
PARKING UTILITY OPERATING FUND
STATEMENT OF 2019 APPROPRIATION RESERVES**

	Balance December 31, 2019		Balance After Transfers	Paid or Charged	Balance Lapsed
	<u>Appropriation Reserves</u>	<u>Reserve for Encumbrances</u>			
<u>OPERATING</u>					
Salaries and Wages	\$ 9,585.44		\$ 9,585.44		\$ 9,585.44
Other Expenses:					
Operating	6,143.58		6,143.58		6,143.58
Professional Services	<u>4,045.00</u>	\$ <u>3,750.00</u>	<u>7,795.00</u>	\$ <u>3,750.00</u>	<u>4,045.00</u>
Total Operating	\$ <u>19,774.02</u>	\$ <u>3,750.00</u>	\$ <u>23,524.02</u>	\$ <u>3,750.00</u>	\$ <u>19,774.02</u>
<u>CAPITAL IMPROVEMENTS</u>					
Capital Outlay - Meter Upgrades	\$ <u>4,000.00</u>		\$ <u>4,000.00</u>		\$ <u>4,000.00</u>
Total Capital Improvements	\$ <u>4,000.00</u>		\$ <u>4,000.00</u>		\$ <u>4,000.00</u>
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u>					
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)	\$ <u>1,473.69</u>		\$ <u>1,473.69</u>		\$ <u>1,473.69</u>
Total Deferred Charges and Statutory Expenditures	\$ <u>1,473.69</u>		\$ <u>1,473.69</u>		\$ <u>1,473.69</u>
Grand Total	\$ <u><u>25,247.71</u></u>	\$ <u><u>3,750.00</u></u>	\$ <u><u>28,997.71</u></u>	\$ <u><u>3,750.00</u></u>	\$ <u><u>25,247.71</u></u>

WATER UTILITY OPERATING FUND

BOROUGH OF SOUTH RIVER
WATER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE -
REGULATORY BASIS

	<u>Year 2020</u>	<u>Year 2019</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>		
Fund Balance Utilized	\$ 57,625.00	\$ 288,935.00
Water Rents	4,082,784.76	3,543,873.23
Water Capital Fund Balance	26,000.00	34,300.00
Nonbudget Revenue	70,736.44	52,815.79
Other Credits to Income:		
Current Appropriations Canceled	137,821.43	88,647.14
Unexpended Balance of Appropriation Reserves		
Lapsed and Encumbrances Payable Canceled	<u>7,451.33</u>	<u>9,633.94</u>
Total Income	\$ <u>4,382,418.96</u>	\$ <u>4,018,205.10</u>
<u>EXPENDITURES</u>		
Budget Appropriations:		
Operating	\$ 2,851,000.00	\$ 2,954,000.00
Capital Improvements	325,000.00	326,000.00
Debt Service	463,125.00	485,735.00
Deferred Charges and Statutory Expenditures	<u>402,500.00</u>	<u>195,500.00</u>
Total Expenditures	\$ <u>4,041,625.00</u>	\$ <u>3,961,235.00</u>
Excess in Revenue over Expenditures	\$ 340,793.96	\$ 56,970.10
Adjustments to Income Before Fund Balance:		
Expenditures Above which are by Statute Deferred		
Charges to Budgets of Succeeding Years	<u></u>	<u>200,000.00</u>
Statutory Excess to Fund Balance	\$ 340,793.96	\$ 256,970.10
Fund Balance, January 1	<u>257,788.61</u>	<u>289,753.51</u>
	\$ 598,582.57	\$ 546,723.61
Decreased By:		
Utilization as Anticipated Revenue	<u>57,625.00</u>	<u>288,935.00</u>
Fund Balance, December 31	\$ <u><u>540,957.57</u></u>	\$ <u><u>257,788.61</u></u>

BOROUGH OF SOUTH RIVER
WATER UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Operating Fund Balance Anticipated	\$ 57,625.00	\$ 57,625.00	
Water Rents - Basic	3,538,000.00	3,662,784.76	\$ 124,784.76
Water Rents - Rate Increase - 4/1/20	340,000.00	340,000.00	
Water Rents - Rate Increase - 3/1/19	80,000.00	80,000.00	
Water Capital Fund Balance	<u>26,000.00</u>	<u>26,000.00</u>	
	\$ 4,041,625.00	\$ 4,166,409.76	\$ 124,784.76
Nonbudget Revenue	<u> </u>	<u>70,736.44</u>	<u>70,736.44</u>
	<u>\$ 4,041,625.00</u>	<u>\$ 4,237,146.20</u>	<u>\$ 195,521.20</u>

ANALYSIS OF REALIZED REVENUE

	<u>Total</u>
Water Rents:	
Consumer Accounts Receivable	\$ 4,080,672.60
Water Utility Consumer Liens Receivable	<u>2,112.16</u>
	<u>\$ 4,082,784.76</u>
Nonbudget Revenues:	
Interest on Investments	\$ 5,661.18
Meter Installation	10,853.73
Turn Off Fees	8,225.00
Bounced Check Fees	820.00
Portal Convenience Fee	5,175.53
Refund of Prior Years Expenditures	38,842.87
Curb Box Repair	266.58
Miscellaneous	<u>891.55</u>
	<u>\$ 70,736.44</u>

BOROUGH OF SOUTH RIVER
WATER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
<u>OPERATING</u>						
Salaries and Wages	\$ 730,000.00	\$ 760,000.00	\$ 741,838.05		\$ 18,161.95	
Purchase of Water	900,000.00	880,000.00	875,777.64		4,222.36	
Other Expenses - Operating	260,000.00	290,000.00	253,133.61	\$ 36,203.51	662.88	
Other Expenses - Office/Administrative	1,000.00	1,000.00	589.51	31.54	378.95	
Other Expenses - Insurance	690,000.00	600,000.00	599,330.91		669.09	
Other Expenses - Professional Services	260,000.00	315,000.00	278,478.78	35,606.76	914.46	
Other Expenses - Accumulated Absences	5,000.00	5,000.00	5,000.00			
Total Operating	<u>\$ 2,846,000.00</u>	<u>\$ 2,851,000.00</u>	<u>\$ 2,754,148.50</u>	<u>\$ 71,841.81</u>	<u>\$ 25,009.69</u>	
<u>CAPITAL IMPROVEMENTS</u>						
Capital Improvement Fund	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00			
Capital Outlay	315,000.00	315,000.00	290,864.10	\$ 877.00	\$ 23,258.90	
Total Capital Improvements	<u>\$ 325,000.00</u>	<u>\$ 325,000.00</u>	<u>\$ 300,864.10</u>	<u>\$ 877.00</u>	<u>\$ 23,258.90</u>	
<u>DEBT SERVICE</u>						
Payment of Bond Principal	\$ 140,000.00	\$ 140,000.00	\$ 140,000.00			
Interest on Bonds	61,846.00	61,846.00	61,845.37			\$ 0.63
Interest on Notes	50,000.00	50,000.00	776.72			49,223.28
Wastewater - Year 2000 - State - Principal	205,000.00	205,000.00	119,037.48			85,962.52
Wastewater - Year 2000 - State - Interest	6,279.00	6,279.00	3,644.00			2,635.00
Total Debt Service	<u>\$ 463,125.00</u>	<u>\$ 463,125.00</u>	<u>\$ 325,303.57</u>			<u>\$ 137,821.43</u>
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u>						
Deferred Charges:						
Emergency Authorization	\$ 200,000.00	\$ 200,000.00	\$ 200,000.00			
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	135,000.00	130,000.00	126,483.20		\$ 3,516.80	
Social Security System (O.A.S.I.)	57,000.00	57,000.00	56,750.62		249.38	
Defined Contribution Retirement Plan	500.00	500.00			500.00	
Unemployment Compensation Insurance (NJSA 43:21 et seq)	15,000.00	15,000.00	15,000.00			
Total Deferred Charges and Statutory Expenditures	<u>\$ 407,500.00</u>	<u>\$ 402,500.00</u>	<u>\$ 398,233.82</u>		<u>\$ 4,266.18</u>	
Total Water Utility Appropriations	<u>\$ 4,041,625.00</u>	<u>\$ 4,041,625.00</u>	<u>\$ 3,778,549.99</u>	<u>\$ 72,718.81</u>	<u>\$ 52,534.77</u>	<u>\$ 137,821.43</u>

Exhibit EW-4

BOROUGH OF SOUTH RIVER
WATER UTILITY OPERATING FUND
STATEMENT OF CONSUMER ACCOUNTS RECEIVABLE

<u>BALANCE, DECEMBER 31, 2019</u>		\$	603,694.20
<u>INCREASED BY</u>			
Water Charges Levied			<u>4,134,468.25</u>
		\$	4,738,162.45
<u>DECREASED BY</u>			
Collections	\$	3,971,573.78	
Transfer to Consumer Liens Receivables		2,112.16	
Consumer Overpayments Applied		<u>109,098.82</u>	<u>4,082,784.76</u>
<u>BALANCE, DECEMBER 31, 2020</u>		\$	<u><u>655,377.69</u></u>

Exhibit EW-5

STATEMENT OF CONSUMER LIENS RECEIVABLE

<u>BALANCE, DECEMBER 31, 2019</u>		\$	8,217.70
<u>INCREASED BY</u>			
Transfer from Consumer Accounts Receivable			<u>2,112.16</u>
		\$	10,329.86
<u>DECREASED BY</u>			
Cash Received			<u>2,112.16</u>
<u>BALANCE, DECEMBER 31, 2020</u>		\$	<u><u>8,217.70</u></u>

BOROUGH OF SOUTH RIVER
WATER UTILITY OPERATING FUND
STATEMENT OF 2019 APPROPRIATION RESERVES

	Balance December 31, 2019		Balance After Transfers	Paid or Charged	Balance Lapsed
	<u>Appropriation Reserves</u>	<u>Reserve for Encumbrances</u>			
<u>OPERATING</u>					
Salaries and Wages	\$ 585.30		\$ 585.30		\$ 585.30
Purchase of Water	606.36		606.36		606.36
Other Expenses:					
Operating	3,439.00	\$ 26,200.27	29,639.27	\$ 26,425.83	3,213.44
Office/Administrative	88.83		88.83		88.83
Insurance	152.98	43,679.02	43,832.00	43,679.02	152.98
Professional Services	527.60	35,013.49	35,541.09	34,413.01	1,128.08
Total Operating	\$ 5,400.07	\$ 104,892.78	\$ 110,292.85	\$ 104,517.86	\$ 5,774.99
<u>CAPITAL IMPROVEMENTS</u>					
Capital Outlay	\$ 290.11	\$ 33,969.88	\$ 34,259.99	\$ 33,969.88	\$ 290.11
Total Capital Improvements	\$ 290.11	\$ 33,969.88	\$ 34,259.99	\$ 33,969.88	\$ 290.11
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u>					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	\$ 1,294.00		\$ 1,294.00	\$ 1,294.00	
Social Security System (O.A.S.I.)	886.23		886.23		\$ 886.23
Defined Contribution Retirement Plan	500.00		500.00		500.00
Total Deferred Charges and Statutory Expenditures	\$ 2,680.23		\$ 2,680.23	1,294.00	\$ 1,386.23
Grand Total	\$ 8,370.41	\$ 138,862.66	\$ 147,233.07	\$ 139,781.74	\$ 7,451.33

BOROUGH OF SOUTH RIVER
WATER UTILITY OPERATING FUND
STATEMENT OF ACCRUED INTEREST ON BONDS, NOTES AND LOANS

<u>BALANCE, DECEMBER 31, 2019</u>		\$ 9,585.14
<u>INCREASED BY</u>		
Budget Appropriation:		
Interest on Bonds	\$ 65,489.37	
Interest on Notes	<u>776.72</u>	<u>66,266.09</u>
		\$ 75,851.23
<u>DECREASED BY</u>		
Cash Disbursed		<u>70,032.84</u>
<u>BALANCE, DECEMBER 31, 2020</u>		<u>\$ 5,818.39</u>

ANALYSIS OF ACCRUED INTEREST - DECEMBER 31, 2020

	Outstanding December 31, 2020	Interest Rate	From	To	Period	Amount
Serial Bonds, 2019	\$ 2,465,000.00	3.00%	12/1/2020	12/31/2020	1 Month	\$ 5,041.67
Bond Anticipation Notes	1,350,000.00	1.50%	12/18/2020	12/31/2020	14 Days	<u>776.72</u>
						<u>\$ 5,818.39</u>

UTILITY CAPITAL FUNDS - COMBINED STATEMENTS

BOROUGH OF SOUTH RIVER
COMBINED COMPARATIVE STATEMENT OF ASSETS, LIABILITIES AND RESERVES -
ELECTRIC UTILITY, PARKING UTILITY AND WATER UTILITY CAPITAL FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2020 AND 2019

	<u>Electric Utility</u>		<u>Parking Utility</u>		<u>Water Utility</u>		<u>Total (Memorandum Only)</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<u>ASSETS</u>								
Cash and Cash Equivalents	\$ 747,257.38	\$ 963,755.38	\$ 102,235.76	\$ 99,735.76	\$ 832,131.91	\$ 258,593.14	\$ 1,681,625.05	\$ 1,322,084.28
Fixed Capital	\$ 17,204,621.23	\$ 16,608,061.23	\$ 258,376.25	\$ 258,376.25	\$ 18,078,752.09	\$ 17,507,304.00	\$ 35,541,749.57	\$ 34,373,741.48
Fixed Capital Authorized and Uncompleted	984,153.26	1,815,964.11	72,370.56	72,370.56	4,693,775.51	5,069,890.56	5,750,299.33	6,958,225.23
	\$ 18,188,774.49	\$ 18,424,025.34	\$ 330,746.81	\$ 330,746.81	\$ 22,772,527.60	\$ 22,577,194.56	\$ 41,292,048.90	\$ 41,331,966.71
Total Assets	\$ 18,936,031.87	\$ 19,387,780.72	\$ 432,982.57	\$ 430,482.57	\$ 23,604,659.51	\$ 22,835,787.70	\$ 42,973,673.95	\$ 42,654,050.99
<u>LIABILITIES AND RESERVES</u>								
Serial Bonds	\$ 1,025,000.00	\$ 1,505,000.00			\$ 2,465,000.00	\$ 2,605,000.00	\$ 3,490,000.00	\$ 4,110,000.00
Bond Anticipation Notes			\$ 64,000.00	\$ 85,000.00	\$ 1,350,000.00		\$ 1,414,000.00	\$ 85,000.00
Loans Payable						\$ 205,000.00		\$ 205,000.00

BOROUGH OF SOUTH RIVER
COMBINED COMPARATIVE STATEMENT OF ASSETS, LIABILITIES AND RESERVES -
ELECTRIC UTILITY, PARKING UTILITY AND WATER UTILITY CAPITAL FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2020 AND 2019

	<u>Electric Utility</u>		<u>Parking Utility</u>		<u>Water Utility</u>		<u>Total (Memorandum Only)</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<u>LIABILITIES AND RESERVES</u>								
<u>(CONTINUED)</u>								
Improvement Authorizations:								
Funded	\$ 223,153.26	\$ 411,877.11	\$ 47,702.20	\$ 47,702.20	\$ 124,959.15	\$ 1,449,101.09	\$ 395,814.61	\$ 1,908,680.40
Unfunded	<u>761,000.00</u>	<u>1,161,000.00</u>	<u>22,370.56</u>	<u>22,370.56</u>	<u>2,500,867.00</u>	<u>3,217,605.52</u>	<u>3,284,237.56</u>	<u>4,400,976.08</u>
	<u>\$ 984,153.26</u>	<u>\$ 1,572,877.11</u>	<u>\$ 70,072.76</u>	<u>\$ 70,072.76</u>	<u>\$ 2,625,826.15</u>	<u>\$ 4,666,706.61</u>	<u>\$ 3,680,052.17</u>	<u>\$ 6,309,656.48</u>
Capital Improvement Fund	\$ 238,903.15	\$ 218,903.15	\$ 31,500.00	\$ 29,000.00	\$ 151,450.63	\$ 141,450.63	\$ 421,853.78	\$ 389,353.78
Reserve for Encumbrances	<u>243,087.00</u>	<u>243,087.00</u>			<u>1,356,528.25</u>	<u>219,367.25</u>	<u>1,356,528.25</u>	<u>462,454.25</u>
	<u>\$ 238,903.15</u>	<u>\$ 461,990.15</u>	<u>\$ 31,500.00</u>	<u>\$ 29,000.00</u>	<u>\$ 1,507,978.88</u>	<u>\$ 360,817.88</u>	<u>\$ 1,778,382.03</u>	<u>\$ 851,808.03</u>
Reserve for Amortization	<u>\$ 16,402,774.49</u>	<u>\$ 15,758,025.34</u>	<u>\$ 251,746.81</u>	<u>\$ 230,746.81</u>	<u>\$ 15,357,527.60</u>	<u>\$ 14,793,194.56</u>	<u>\$ 32,012,048.90</u>	<u>\$ 30,781,966.71</u>
Deferred Reserve for Amortization					<u>\$ 178,000.00</u>	<u>\$ 178,000.00</u>	<u>\$ 178,000.00</u>	<u>\$ 178,000.00</u>
Fund Balance	<u>\$ 285,200.97</u>	<u>\$ 89,888.12</u>	<u>\$ 15,663.00</u>	<u>\$ 15,663.00</u>	<u>\$ 120,326.88</u>	<u>\$ 27,068.65</u>	<u>\$ 421,190.85</u>	<u>\$ 132,619.77</u>
Total Liabilities and Reserves	<u>\$ 18,936,031.87</u>	<u>\$ 19,387,780.72</u>	<u>\$ 432,982.57</u>	<u>\$ 430,482.57</u>	<u>\$ 23,604,659.51</u>	<u>\$ 22,835,787.70</u>	<u>\$ 42,973,673.95</u>	<u>\$ 42,654,050.99</u>

There were Bonds and Notes Authorized but not Issued of \$761,000.00 in the Electric Utility Capital Fund, \$3,422,000.00 in the Water Utility Capital Fund and \$15,000.00 in the Parking Utility Capital Fund at December 31, 2020.

ELECTRIC UTILITY CAPITAL FUND

BOROUGH OF SOUTH RIVER
ELECTRIC UTILITY CAPITAL FUND
ANALYSIS OF CASH AND CASH EQUIVALENTS

		Balance December 31, 2019	Receipts <u>Miscellaneous</u>	Disbursements <u>Miscellaneous</u>	Transfers <u>From</u> <u>To</u>		Balance December 31, 2020
Fund Balance		\$ 89,888.12				\$ 195,312.85	\$ 285,200.97
Capital Improvement Fund		218,903.15	\$ 20,000.00				238,903.15
Reserve for Encumbrances		243,087.00		\$ 236,498.00	\$ 6,589.00		
<u>Ordinance Number</u>	<u>Improvement Authorizations</u>						
03-35/06-42	Acquisition and Installation of Electric Meters	172,267.29			172,267.29		
08-27/08-47	Acquisition of and Improvements to Various Capital Equipment	7,005.67			7,005.67		
12-28	Improvements to the Radio Communication System	13,144.26			13,144.26		
14-05	Various Computer Equipment and Network Upgrades	2,895.63			2,895.63		
14-16	Acquisition and Installation of a Standby Generator	40,463.29					40,463.29
16-12	Improvements to the Willett Ave Substation	<u>176,100.97</u>				<u>6,589.00</u>	<u>182,689.97</u>
		<u>\$ 963,755.38</u>	<u>\$ 20,000.00</u>	<u>\$ 236,498.00</u>	<u>\$ 201,901.85</u>	<u>\$ 201,901.85</u>	<u>\$ 747,257.38</u>

BOROUGH OF SOUTH RIVER
ELECTRIC UTILITY CAPITAL FUND
STATEMENT OF FIXED CAPITAL

BALANCE, DECEMBER 31, 2019 \$ 16,608,061.23

INCREASED BY

Transferred from Fixed Capital Authorized and Uncompleted	\$ 236,498.00	
Adjustment for Budget Expenditure Capital Outlay:		
2020 Appropriation	107,638.00	
2019 Appropriation Reserves	<u>252,424.00</u>	<u>596,560.00</u>

BALANCE, DECEMBER 31, 2020 \$ 17,204,621.23

Detail:

Miscellaneous intangible, Plant	\$ 1,100.00
Land and Land Rights	5,685.00
Structures and Improvement, Distribution Plant	281,161.69
Internal Combustion Engines	650,836.49
Generators	136,077.19
Accessory Electric Equipment	96,355.56
Miscellaneous Power Plant Equipment	45,054.60
Structures and Improvements	31,330.06
Station Equipment	58,206.53
Poles, Towers and Fixtures	125,679.21
Overhead Conductors and Devices	237,508.78
Line Transformers	303,628.00
Services	102,049.40
Meters	159,621.30
Street Lighting and Signal System	88,801.11
Yard Lighting	52.47
Land and Land Rights, General Plant	6,482.24
Structures and Improvements, General Plant	74,398.42
Office Furniture and Equipment	42,831.23
Transportation Equipment	63,172.21
Store Equipment	1,125.54
Tools and Work Equipment	13,951.02
Laboratory Equipment	2,227.60
Power Operated Equipment	7,759.31
Communications Equipment	8,628.47
Fire Alarm and Safety Equipment	493.32
Construction of Additions, Extensions and Improvement to the Existing Electrical System	1,900,667.84
Appurtenant Equipment for Willett Avenue Sub-Station	187,500.00
Dump Trucks and Scavenger Truck	69,315.22
Computer	32,774.03
Bay Lifts	59,743.92
Heating System	46,500.00
Gas Tanks	22,000.00
Improvement to Willett Avenue Sub-Station	86,277.70
Installation and Purchase of Street Lights	24,717.63
Acquisition of a Stump Grinder	7,993.64
Improvement to Electrical System	79,937.74
1999 Capital Outlay	48,515.00
Acquisition of a Bucket Truck	158,990.00
Acquisition and Installation of Radio Communication Equipment	116,975.29
Improvement to the Electrical System	157,036.27
Acquisition and Installation of an Electric Transformer	424,551.80
Repairs and Rebuilding of an Electric Transformer	228,397.79
Renovations to the Gordon Street Administration Building	399,136.97
Acquisition of Utility Vehicles	261,345.09
Improvements to Willett Avenue Substation	4,973,492.03
Acquisition and Installation of Electric Meters	1,377,732.71
Acquisition and Installation of Various Equipment	1,192,994.33
Improvements to the Radio Communication System	346,855.74
Various Computer Equipment and Network Upgrades	18,104.37
Acquisition and Installation of a Standby Generator(s)	957,616.71
Improvement to Willett Avenue Substation	556,310.03
2005 Capital Outlay - Appropriation	59,989.00
2008 Capital Outlay - Appropriation	7,930.00
2009 Capital Outlay - Appropriation	49,937.59
2010 Capital Outlay - Appropriation	25,974.09
2010 Capital Outlay - Appropriation Reserves	9,551.95
2011 Capital Outlay - Appropriation	49,788.00
2011 Capital Outlay - Appropriation Reserves	181,690.00
2012 Capital Outlay - Appropriation Reserves	180,000.00
2019 Capital Outlay - Appropriation Reserves	252,424.00
2020 Capital Outlay - Appropriation	<u>107,638.00</u>

\$ 17,204,621.23

BOROUGH OF SOUTH RIVER
ELECTRIC UTILITY CAPITAL FUND
STATEMENT OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>Ordinance Number</u>	<u>Improvement Authorizations</u>	<u>Ordinance Date</u>	<u>Ordinance Amount</u>	<u>Balance December 31, 2019</u>	<u>Transferred to Fixed Capital</u>	<u>Canceled</u>	<u>Balance December 31, 2020</u>
03-35/ 06-42	Acquisition and Installation of Electric Meters	09/29/03, 12/18/06	\$ 1,950,000.00	\$ 572,267.29		\$ 572,267.29	
08-27/ 08-47	Acquisition and Installation of Various Equipment	07/14/08 02/23/08	1,200,000.00	243,503.67	\$ 236,498.00	7,005.67	
12-28	Improvements to the Radio Communication System	10/22/12	360,000.00	13,144.26		13,144.26	
14-05	Various Computer Equipment and Network Upgrades	03/10/14	21,000.00	2,895.63		2,895.63	
14-16	Acquisition and Installation of a Standby Generator(s)	06/09/14	1,498,080.00	540,463.29			\$ 540,463.29
16-12	Improvement to the Willett Avenue Substation	08/22/16	1,000,000.00	443,689.97			443,689.97
				<u>\$ 1,815,964.11</u>	<u>\$ 236,498.00</u>	<u>\$ 595,312.85</u>	<u>\$ 984,153.26</u>

BOROUGH OF SOUTH RIVER
ELECTRIC UTILITY CAPITAL FUND
STATEMENT OF SERIAL BONDS

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2020</u>		<u>Interest Rate</u>	<u>Balance December 31, 2019</u>	<u>Decreased by</u>	<u>Balance December 31, 2020</u>
			<u>Date</u>	<u>Amount</u>				
Electric Utility Refunding Bonds - Series 2016	3/15/2016	\$ 2,415,000.00	12/1/2021	\$ 500,000.00	4.000%	\$ 1,505,000.00	\$ 480,000.00	\$ 1,025,000.00
			12/1/2022	525,000.00	4.000%	\$ 1,505,000.00	\$ 480,000.00	\$ 1,025,000.00
						<u>\$ 1,505,000.00</u>	<u>\$ 480,000.00</u>	<u>\$ 1,025,000.00</u>

BOROUGH OF SOUTH RIVER
ELECTRIC UTILITY CAPITAL FUND
STATEMENT OF IMPROVEMENT AUTHORIZATIONS

<u>Ordinance Number</u>	<u>Description</u>	<u>Ordinance</u>		<u>Balance December 31, 2019</u>		<u>Reserve for Encumbrances Canceled</u>	<u>Canceled</u>	<u>Balance December 31, 2020</u>	
		<u>Date</u>	<u>Amount</u>	<u>Funded</u>	<u>Unfunded</u>			<u>Funded</u>	<u>Unfunded</u>
03-35/06-42	Acquisition and Installation of Electric Meters	09/29/03, 12/18/06	\$ 1,950,000.00	\$ 172,267.29	\$ 400,000.00		\$ 572,267.29		
08-27/08-47	Acquisition of and Improvements to Various Capital Equipment	07/14/08, 12/23/08	1,200,000.00	7,005.67			7,005.67		
12-28	Improvements to the Radio Communications System	10/22/12	360,000.00	13,144.26			13,144.26		
14-05	Various Computer Equipment and Network Upgrades	03/10/14	21,000.00	2,895.63			2,895.63		
14-16	Acquisition and Installation of a Standby Generator	06/09/14	1,500,000.00	40,463.29	500,000.00			\$ 40,463.29	\$ 500,000.00
16-12	Improvements to the Willett Avenue Substation	08/22/16	1,000,000.00	<u>176,100.97</u>	<u>261,000.00</u>	<u>\$ 6,589.00</u>		<u>182,689.97</u>	<u>261,000.00</u>
				<u>\$ 411,877.11</u>	<u>\$ 1,161,000.00</u>	<u>\$ 6,589.00</u>	<u>\$ 595,312.85</u>	<u>\$ 223,153.26</u>	<u>\$ 761,000.00</u>
Detail of 2020 Canceled:									
Electric Utility Capital Fund Balance							\$ 195,312.85		
Bonds & Notes Authorized							<u>400,000.00</u>		
							<u>\$ 595,312.85</u>		

BOROUGH OF SOUTH RIVER
ELECTRIC UTILITY CAPITAL FUND
STATEMENT OF CAPITAL IMPROVEMENT FUND

<u>BALANCE, DECEMBER 31, 2019</u>	\$ 218,903.15
<u>INCREASED BY</u>	
2020 Budget Appropriation	<u>20,000.00</u>
<u>BALANCE, DECEMBER 31, 2020</u>	<u>\$ 238,903.15</u>

BOROUGH OF SOUTH RIVER
ELECTRIC UTILITY CAPITAL FUND
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Ordinance Number</u>	<u>Improvement Authorizations</u>	<u>Balance December 31, 2019</u>	<u>Cancellation</u>	<u>Balance December 31, 2020</u>
03-35/06-42	Acquisition and Installation of Electric Meters	\$ 400,000.00	\$ 400,000.00	
14-16	Acquisition and Installation of a Standby Generator	500,000.00		\$ 500,000.00
16-12	Improvements to the Willett Ave Substation	<u>261,000.00</u>	<u> </u>	<u>261,000.00</u>
		<u>\$ 1,161,000.00</u>	<u>\$ 400,000.00</u>	<u>\$ 761,000.00</u>

PARKING UTILITY CAPITAL FUND

**BOROUGH OF SOUTH RIVER
PARKING UTILITY CAPITAL FUND
ANALYSIS OF CASH AND CASH EQUIVALENTS**

		Balance December 31, 2019	Receipts <u>Miscellaneous</u>	Balance December 31, 2020
Fund Balance		\$ 15,663.00		\$ 15,663.00
Capital Improvement Fund		29,000.00	\$ 2,500.00	31,500.00
<u>Ordinance Number</u>	<u>Description</u>			
12-20	Parking Lot Improvements and Parking Meters	47,702.20		47,702.20
14-25	Obert Street Parking Lot Improvements	<u>7,370.56</u>	<u></u>	<u>7,370.56</u>
		<u>\$ 99,735.76</u>	<u>\$ 2,500.00</u>	<u>\$ 102,235.76</u>

BOROUGH OF SOUTH RIVER
PARKING UTILITY CAPITAL FUND
STATEMENT OF FIXED CAPITAL

BALANCE, DECEMBER 31, 2019

AND

BALANCE, DECEMBER 31, 2020

\$ 258,376.25

Detail:

Land, Off-Street Parking Facilities	\$	68,975.46		
Meters and Machine		2,200.00		
Obert Street Parking Lot Improvements		177,629.44		
2012 Capital Outlay - Appropriation Reserves		3,995.44		
2013 Capital Outlay - Appropriation		1,534.50		
2015 Capital Outlay - Appropriation		2,380.02		
2015 Capital Outlay - Appropriation Reserves		1,618.92		
2016 Capital Outlay - Appropriation		<u>42.47</u>		
				<u>258,376.25</u>
				\$ <u>258,376.25</u>

BOROUGH OF SOUTH RIVER
PARKING UTILITY CAPITAL FUND
STATEMENT OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Amount</u>	<u>Balance December 31, 2019</u>	<u>Balance December 31, 2020</u>
12-20	Parking Lot Improvements and Parking Meters	07/23/12	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00
14-25	Obert Street Parking Lot Improvements	08/11/14	200,000.00	<u>22,370.56</u>	<u>22,370.56</u>
				<u>\$ 72,370.56</u>	<u>\$ 72,370.56</u>

BOROUGH OF SOUTH RIVER
PARKING UTILITY CAPITAL FUND
STATEMENT OF BOND ANTICIPATION NOTES

<u>Ordinance Number</u>	<u>Description</u>	<u>Original Issue Date</u>	<u>Date of Issuance</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance December 31, 2019</u>	<u>Decreased by Budget Appropriation</u>	<u>Balance December 31, 2020</u>
14-25	Obert Street Parking Lot Improvements	12/10/19	11/17/20	11/17/21	0.00%	\$ 85,000.00	\$ 21,000.00	\$ 64,000.00
						<u>\$ 85,000.00</u>	<u>\$ 21,000.00</u>	<u>\$ 64,000.00</u>

BOROUGH OF SOUTH RIVER
PARKING UTILITY CAPITAL FUND
STATEMENT OF IMPROVEMENT AUTHORIZATIONS

<u>Ordinance Number</u>	<u>Description</u>	<u>Ordinance</u>		<u>Balance December 31, 2019</u>		<u>Balance December 31, 2020</u>	
		<u>Date</u>	<u>Amount</u>	<u>Funded</u>	<u>Unfunded</u>	<u>Funded</u>	<u>Unfunded</u>
12-20	Parking Lot Improvements and Parking Meters	07/23/12	\$ 50,000.00	\$ 47,702.20		\$ 47,702.20	
14-25	Obert Street Parking Lot Improvements	08/11/14	200,000.00		\$ 22,370.56		\$ 22,370.56
				\$ 47,702.20	\$ 22,370.56	\$ 47,702.20	\$ 22,370.56

BOROUGH OF SOUTH RIVER
PARKING UTILITY CAPITAL FUND
STATEMENT OF CAPITAL IMPROVEMENT FUND

<u>BALANCE, DECEMBER 31, 2019</u>	\$ 29,000.00
<u>INCREASED BY</u>	
2020 Budget Appropriation	<u>2,500.00</u>
<u>BALANCE, DECEMBER 31, 2020</u>	<u>\$ 31,500.00</u>

BOROUGH OF SOUTH RIVER
PARKING UTILITY CAPITAL FUND
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Ordinance Number</u>	<u>Improvement Authorizations</u>	Balance December 31, <u>2019</u>	Balance December 31, <u>2020</u>
14-25	Obert Street Parking Lot Improvements	\$ <u>15,000.00</u>	\$ <u>15,000.00</u>
		\$ <u><u>15,000.00</u></u>	\$ <u><u>15,000.00</u></u>

WATER UTILITY CAPITAL FUND

BOROUGH OF SOUTH RIVER
WATER UTILITY CAPITAL FUND
ANALYSIS OF CASH AND CASH EQUIVALENTS

			Receipts		Disbursements		Transfers		Balance
		Balance December 31, 2019	Bond Anticipation Notes	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	December 31, 2020
Fund Balance		\$ 27,068.65		\$ 13,757.29		\$ 26,000.00		\$ 105,500.94	\$ 120,326.88
Capital Improvement Fund		141,450.63		10,000.00					151,450.63
Reserve for Encumbrances		219,367.25				617,086.49		1,754,247.49	1,356,528.25
Ordinance Number	Description								
03-18/08-26 08-48/10-18	Resurfacing and Upgrading of the Appleby Water Storage Tower	50,665.06					\$ 50,665.06		
03-36/ 06-43	Acquisition and Installation of Water Meters	124,959.15							124,959.15
10-10	Water System Improvements	44,371.91					44,371.91		
12-23	Various Water System Improvements	87.43					87.43		
12-28	Improvements to the Radio Communication System	8,446.07					8,446.07		
14-05	Various Computer Equipment and Network Upgrades	1,930.47					1,930.47		
18-24	Various Water System Improvements	(34,610.38)	\$ 50,000.00		\$ 15,026.11				363.51
19-10	Various Water Utility Improvements	(93,784.10)	250,000.00		22,732.10		100,796.80		32,687.00
19-15	Rehabilitation of Well #2 and Other Borough Wells	(280,054.00)	300,000.00		177.24		1,010,786.75		(991,017.99)
19-16	Improvements to the Borough's Water Treatment, Storage and Distribution System	48,695.00	750,000.00		119,196.58		642,663.94		36,834.48
		\$ 258,593.14	\$ 1,350,000.00	\$ 23,757.29	\$ 157,132.03	\$ 643,086.49	\$ 1,859,748.43	\$ 1,859,748.43	\$ 832,131.91

Bracketed amounts denote deficit.

BOROUGH OF SOUTH RIVER
WATER UTILITY CAPITAL FUND
STATEMENT OF FIXED CAPITAL

BALANCE, DECEMBER 31, 2019 \$ 17,507,304.00

INCREASED BY

Transferred from Fixed Capital Authorized and Uncompleted	\$ 246,614.11	
Adjustment for Budget Expenditure Capital Outlay:		
2019 Appropriation Reserves	33,969.88	
2020 Appropriation	290,864.10	571,448.09

BALANCE, DECEMBER 31, 2020 \$ 18,078,752.09

Detail:

Land and Land Rights	\$ 12,200.00
Wells and Springs	54,738.27
Infiltration Galleries and Tunnels	29,712.10
Supply Mains	11,540.89
Water Drilling Clearing Account	27,644.40
Structures and Improvements, Pumping Plant	276,004.81
Electric Pumping Equipment	453,998.71
Structures and Improvements, Water Treatment Plant	5,284.23
Water Treatment Equipment	9,903.77
Distribution Reservoirs and Standpipes	354,558.23
Transmission and Mains	881,212.16
Services	1,448.95
Hydrants	41,202.16
Structures and Improvements, General Plant	6,194.16
Office Furniture and Equipment	5,620.02
Transportation Equipment	3,363.24
Laboratory Equipment	1,138.84
Miscellaneous	1,195.15
Tools, Shop and Garage Equipment	1,848.31
Power Operating Equipment	16,895.95
Communications Equipment	124.00
Meters	5,878.09
Improvements to Water System	537,685.30
Construction of a Water Treatment Plant	1,657,321.41
Construction of Water Transmission Lines	175,815.00
Improvements to Well #2	34,750.00
Construction of Water Improvements and Purchase of Back Hoe	45,000.00
Water Main Improvements	24,825.89
Cleaning of Water Lines and Painting of Water Tank	47,436.86
Computer	23,343.63
Dump and Scavenger Trucks	44,909.94
Sewer Jet	21,782.58
Gas Tanks	58,000.00
Rehabilitation of Well #2	100,283.21
Rehabilitation of Appleby Tank	72,910.32
Rehabilitation of Well #6	72,117.96
Improvements to the Water System	640,000.00
Various Water Improvements	23,897.18
Various Water Improvements	7,795.00
Rehabilitation and Improvement to Water Tank	262,343.85
Rehabilitation of the Water System - Phases I and II	4,283,417.83
Water Main Repair Along Foothills Drive	55,800.27
Acquisition and Installation of Radio Communication Equipment	77,697.30

BOROUGH OF SOUTH RIVER
WATER UTILITY CAPITAL FUND
STATEMENT OF FIXED CAPITAL

Detail: (Continued)

Renovations to the Gordon Street Administration Building	\$ 246,581.66
Replacement of the Lime Feed System	108,015.09
Extension of Water Main - Hillside Avenue Section II	72,446.65
Resurfacing and Upgrading of Appleby Storage Tank	1,795,334.94
Improvements to the Water Treatment Plant	1,500,000.00
Water System Improvements	255,628.09
Various Water System Improvements	199,810.96
Improvements to the Radio Communication System	231,541.72
Various Computer Equipment and Network Upgrades	12,183.35
Various Water System Improvements	250,000.00
Various Water System Improvements	199,636.49
Various Water System Improvements	231,588.00
2004 Capital Outlay - Appropriation Reserves	30,835.00
2005 Capital Outlay - Appropriation	44,617.59
2006 Capital Outlay - Appropriation	50,487.57
2007 Capital Outlay - Appropriation	7,439.00
2008 Capital Outlay - Appropriation	77,726.47
2009 Capital Outlay - Appropriation	30,945.04
2009 Capital Outlay - Appropriation Reserves	42,439.71
2010 Capital Outlay - Appropriation	111,818.77
2010 Capital Outlay - Appropriation Reserves	12,279.05
2011 Capital Outlay - Appropriation	97,092.50
2011 Capital Outlay - Appropriation Reserves	9,431.32
2012 Capital Outlay - Appropriation	125,000.00
2013 Capital Outlay - Appropriation Reserves	25,127.31
2014 Capital Outlay - Appropriation	167,148.61
2014 Capital Outlay - Appropriation Reserves	72,095.23
2015 Capital Outlay - Appropriation	192,675.80
2016 Capital Outlay - Appropriation	238,990.33
2016 Capital Outlay - Appropriation Reserves	21,579.21
2017 Capital Outlay - Appropriation	233,658.15
2017 Capital Outlay - Appropriation Reserves	91,118.58
2018 Capital Outlay - Appropriation	218,065.94
2019 Capital Outlay - Appropriation	281,740.01
2019 Capital Outlay - Appropriation Reserves	33,969.88
2020 Capital Outlay - Appropriation	<u>290,864.10</u>
	<u>\$ 18,078,752.09</u>

BOROUGH OF SOUTH RIVER
WATER UTILITY CAPITAL FUND
STATEMENT OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance</u>		<u>Balance December 31, 2019</u>	<u>Decreased by</u>		<u>Balance December 31, 2020</u>
		<u>Date</u>	<u>Amount</u>		<u>Transferred to Fixed Capital</u>	<u>Canceled</u>	
03-18/08-26/ 08-48/10-18	Resurfacing and Upgrading of the Appleby Water Storage Tower and the Public Works Ground Water Storage Tank	07/21/03, 07/04/08, 12/23/08, 07/12/10	\$ 1,870,000.00	\$ 74,665.06		\$ 74,665.06	
03-36/ 06-43	Acquisition and Installation of Water Meters	09/29/03 12/18/06	2,150,000.00	2,150,000.00			\$ 2,150,000.00
10-10	Water System Improvements	04/26/10	300,000.00	44,371.91		44,371.91	
12-23	Various Water System Improvements	08/27/12	200,000.00	87.43		87.43	
12-28	Improvements to the Radio Communication System	10/22/12	240,000.00	8,446.07		8,446.07	
14-05	Various Computer Equipment and Network Upgrades	03/10/14	14,000.00	1,930.47		1,930.47	
18-24	Various Water System Improvements	07/16/18	200,000.00	15,389.62	\$ 15,026.11		363.51
19-10	Various Water Utility Improvements	06/24/19	400,000.00	400,000.00	231,588.00		168,412.00
19-15	Rehabilitation of Well #2 and Other Borough Wells	08/19/19	1,450,000.00	1,450,000.00			1,450,000.00
19-16	Improvements to the Borough's Water Treatment, Storage and Distribution System	08/19/19	925,000.00	925,000.00			925,000.00
				<u>\$ 5,069,890.56</u>	<u>\$ 246,614.11</u>	<u>\$ 129,500.94</u>	<u>\$ 4,693,775.51</u>

BOROUGH OF SOUTH RIVER
WATER UTILITY CAPITAL FUND
STATEMENT OF SERIAL BONDS

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2020</u>		<u>Interest Rate</u>	<u>Balance December 31, 2019</u>	<u>Decreased by</u>	<u>Balance December 31, 2020</u>
			<u>Date</u>	<u>Amount</u>				
Water System Improvements	12/05/19	\$ 2,605,000.00	12/1/2021	\$ 280,000.00	3.00%			
			12/1/2022	280,000.00	3.00%			
			12/1/2023	280,000.00	2.00%			
			12/1/2024	280,000.00	2.00%			
			12/1/2025	280,000.00	3.00%			
			12/1/2026	280,000.00	3.00%			
			12/1/2027	265,000.00	2.00%			
			12/1/2028	260,000.00	2.00%			
			12/1/2029	260,000.00	2.00%	\$ 2,605,000.00	\$ 140,000.00	\$ 2,465,000.00
						<u>\$ 2,605,000.00</u>	<u>\$ 140,000.00</u>	<u>\$ 2,465,000.00</u>

BOROUGH OF SOUTH RIVER
WATER UTILITY CAPITAL FUND
STATEMENT OF BOND ANTICIPATION NOTES

<u>Ordinance Number</u>	<u>Description</u>	<u>Original Issue Date</u>	<u>Date of Issuance</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Increased by</u>	<u>Balance December 31, 2020</u>
18-24	Various Water System Imp.	12/18/20	12/18/20	12/17/21	1.50%	\$ 50,000.00	\$ 50,000.00
19-10	Various Water System Imp.	12/18/20	12/18/20	12/17/21	1.50%	250,000.00	250,000.00
19-15	Rehabilitation of Well #2 and Other Borough Wells	12/18/20	12/18/20	12/17/21	1.50%	300,000.00	300,000.00
19-16	Improvements to the Borough's Water Treatment, Storage and Distribution System	12/18/20	12/18/20	12/17/21	1.50%	<u>750,000.00</u>	<u>750,000.00</u>
						<u>\$ 1,350,000.00</u>	<u>\$ 1,350,000.00</u>

BOROUGH OF SOUTH RIVER
WATER UTILITY CAPITAL FUND
STATEMENT OF LOANS PAYABLE -
NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Balance December 31, 2019</u>	<u>Decreased by</u>
Water System Improvements - State Portion	11/01/00	\$ 2,620,000.00	\$ <u>205,000.00</u>	\$ <u>205,000.00</u>
			\$ <u>205,000.00</u>	\$ <u>205,000.00</u>

BOROUGH OF SOUTH RIVER
WATER UTILITY CAPITAL FUND
STATEMENT OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Description	Ordinance Date	Amount	Balance December 31, 2019		Paid or Charged	Cancellation	Balance December 31, 2020	
				Funded	Unfunded			Funded	Unfunded
03-18/08-26 08-48/10-18	Resurfacing and Up- grading of the Appleby Water Storage Tower and the Public Works Ground Water Storage Tank	07/21/03, 07/4/08, 12/23/08, 07/12/10	\$ 1,870,000.00	\$ 50,665.06	\$ 24,000.00		\$ 74,665.06		
03-36/ 06-43	Acquisition and Installation of Water Meters	09/29/03, 12/18/06	2,150,000.00	124,959.15	2,017,000.00			\$ 124,959.15	\$ 2,017,000.00
10-10	Water System Improvements	04/26/10	300,000.00	44,371.91			44,371.91		
12-23	Various Water System Improvements	08/27/12	200,000.00	87.43			87.43		
12-28	Improvements to the Radio Communication System	10/22/12	240,000.00	8,446.07			8,446.07		
14-05	Various Computer Equipment and Network Upgrades	03/10/14	14,000.00	1,930.47			1,930.47		
18-24	Various Water System Improvements	07/16/18	200,000.00		15,389.62	\$ 15,026.11			363.51
19-10	Various Water Utility Improvements	06/24/19	400,000.00		286,215.90	123,528.90			162,687.00
19-15	Rehabilitation of Well #2 and Other Borough Wells	08/19/19	1,450,000.00	1,169,946.00		1,010,963.99			158,982.01
19-16	Improvements to the Borough's Water Treatment, Storage and Distribution System	08/19/19	925,000.00	48,695.00	875,000.00	761,860.52			161,834.48
				<u>\$ 1,449,101.09</u>	<u>\$ 3,217,605.52</u>	<u>\$ 1,911,379.52</u>	<u>\$ 129,500.94</u>	<u>\$ 124,959.15</u>	<u>\$ 2,500,867.00</u>
Detail of 2020 Canceled:									
Water Utility Capital Fund Balance							\$ 105,500.94		
Bonds & Notes Authorized							24,000.00		
							<u>\$ 129,500.94</u>		

BOROUGH OF SOUTH RIVER
WATER UTILITY CAPITAL FUND
STATEMENT OF CAPITAL IMPROVEMENT FUND

<u>BALANCE, DECEMBER 31, 2019</u>	\$ 141,450.63
<u>INCREASED BY</u>	
2020 Budget Appropriation	<u>10,000.00</u>
<u>BALANCE, DECEMBER 31, 2020</u>	<u>\$ 151,450.63</u>

BOROUGH OF SOUTH RIVER
WATER UTILITY CAPITAL FUND
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Ordinance Number</u>	<u>Improvement Authorizations</u>	<u>Balance December 31, 2019</u>	<u>Bond Anticipation Notes Issued</u>	<u>Canceled</u>	<u>Balance December 31, 2020</u>
03-18/08-26/ 08-48/10-18	Resurfacing and Upgrading of the Appleby Water Storage Tower	\$ 24,000.00		\$ 24,000.00	
03-36/06-43	Acquisition and Installation of Water Meters	2,017,000.00			\$ 2,017,000.00
18-24	Various Water System Improvements	50,000.00	\$ 50,000.00		
19-10	Various Water Utility Improvements	380,000.00	250,000.00		130,000.00
19-15	Rehabilitation of Well #2 and Other Borough Wells	1,450,000.00	300,000.00		1,150,000.00
19-16	Improvements to the Borough's Water Treatment, Storage and Distribution System	<u>875,000.00</u>	<u>750,000.00</u>		<u>125,000.00</u>
		<u>\$ 4,796,000.00</u>	<u>\$ 1,350,000.00</u>	<u>\$ 24,000.00</u>	<u>\$ 3,422,000.00</u>

CAPITAL ASSETS ACCOUNT

BOROUGH OF SOUTH RIVER
GENERAL CAPITAL ASSETS ACCOUNT
COMPARATIVE STATEMENTS OF GENERAL CAPITAL ASSETS

	Balance December 31, 2020	Balance December 31, 2019
General Capital Assets:		
Land	\$ 4,848,616.00	\$ 4,848,616.00
Buildings	19,670,226.98	19,670,226.98
Vehicles	8,061,014.32	8,125,526.56
Equipment	2,642,848.08	2,265,981.25
	<u>\$ 35,222,705.38</u>	<u>\$ 34,910,350.79</u>
Investment in General Capital Assets	<u>\$ 35,222,705.38</u>	<u>\$ 34,910,350.79</u>

STATISTICAL SECTION
(UNAUDITED)

BOROUGH OF SOUTH RIVER
CURRENT FUND EXPENDITURES BY FUNCTION
FOR THE LAST TEN (10) FISCAL YEARS
(ABSTRACTED FROM BOROUGH RECORDS)
[UNAUDITED]

Function	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Government	\$ 908,100.00	\$ 851,800.00	\$ 827,400.00	\$ 798,800.00	\$ 1,256,590.00	\$ 763,900.00	\$ 737,300.00	\$ 756,100.00	\$ 754,800.00	\$ 750,800.00
Public Safety	5,083,850.00	4,903,850.00	4,884,850.00	4,666,050.00	4,555,250.00	4,455,700.00	4,625,700.00	4,596,500.00	4,446,570.00	4,372,710.00
Public Works	2,376,000.00	2,156,000.00	2,212,000.00	2,188,000.00	2,229,300.00	2,196,500.00	2,190,500.00	2,095,500.00	2,217,800.00	2,086,650.00
Utility Expense and										
Bulk Purchases	431,000.00	358,000.00	320,000.00	365,500.00	362,000.00	399,500.00	412,500.00	411,000.00	791,500.00	445,000.00
Land Use	60,000.00	56,000.00	61,500.00	53,400.00	81,900.00	63,300.00	62,205.00	42,205.00	45,705.00	63,705.00
Sanitary Landfill	570,000.00	535,000.00	525,000.00	505,000.00	480,000.00	500,000.00	515,000.00	515,000.00	545,000.00	530,000.00
Insurance	1,750,000.00	1,788,000.00	1,714,625.00	1,763,000.00	1,910,500.00	1,905,500.00	1,928,000.00	1,825,052.00	1,677,500.00	1,559,000.00
Health and Human Services	234,312.00	248,990.00	252,694.00	245,325.00	257,579.00	257,857.00	270,760.00	243,036.00	261,036.00	259,407.00
Parks and Recreation	422,317.00	432,317.00	449,317.00	360,817.00	362,617.00	346,817.00	375,250.00	375,750.00	430,800.00	442,300.00
Education	490,181.00	483,281.00	461,208.00	460,081.00	446,130.00	430,987.00	437,365.00	449,822.36	480,577.70	561,000.00
Deferred Charges and Statutory										
Expenditures	1,712,000.00	1,665,000.00	1,488,826.71	1,434,250.00	1,378,515.18	1,312,808.00	1,316,230.00	1,395,338.00	1,258,433.00	1,353,321.00
Grants	209,579.46	208,995.40	291,233.14	106,970.84	107,733.17	215,267.59	171,445.23	222,040.92	166,967.22	178,552.82
Capital Improvements	200,000.00	130,000.00	300,000.00	300,000.00	100,000.00	100,000.00	75,000.00	150,000.00	75,000.00	75,000.00
Debt Service	2,110,128.50	3,076,318.98	2,268,402.00	2,390,838.00	2,020,397.00	1,699,816.00	1,896,277.00	1,836,126.00	1,684,043.00	1,637,035.00
Sewer	1,321,064.00	1,356,353.00	1,225,987.00	1,165,219.00	1,430,816.00	1,222,157.00	930,780.00	1,096,715.92	1,157,862.00	1,186,630.00
Contingent	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	1,500.00
Reserve for Uncollected Taxes	880,000.00	870,000.00	860,000.00	840,000.00	820,000.00	790,000.00	790,000.00	787,235.29	767,592.62	750,790.97
	<u>\$ 18,759,031.96</u>	<u>\$ 19,120,405.38</u>	<u>\$ 18,143,542.85</u>	<u>\$ 17,643,750.84</u>	<u>\$ 17,799,827.35</u>	<u>\$ 16,660,609.59</u>	<u>\$ 16,734,812.23</u>	<u>\$ 16,797,921.49</u>	<u>\$ 16,761,686.54</u>	<u>\$ 16,253,401.79</u>

Appropriations divided between inside "CAPS" and outside "CAPS" have been combined.

BOROUGH OF SOUTH RIVER
ELECTRIC UTILITY OPERATING FUND EXPENDITURES BY FUNCTION
FOR THE LAST TEN (10) FISCAL YEARS
(ABSTRACTED FROM BOROUGH RECORDS)
[UNAUDITED]

Function	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Operating	\$ 10,388,000.00	\$ 10,685,000.00	\$ 10,625,000.00	\$ 10,405,000.00	\$ 10,455,000.00	\$ 10,435,000.00	\$ 10,493,000.00	\$ 10,540,000.00	\$ 10,035,000.00	\$ 11,615,000.00
Capital Improvements	220,000.00	275,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	205,000.00	300,000.00
Debt Service	543,600.00	536,884.00	734,167.00	863,671.00	854,500.00	866,721.00	857,316.00	873,793.00	843,414.00	964,538.00
Deferred Charges and Statutory Expenditures	313,000.00	321,000.00	311,000.00	300,000.00	305,584.00	291,404.00	288,578.00	281,262.00	259,605.00	244,578.00
Surplus - General Budget	3,200,000.00	3,978,500.00	3,250,000.00	3,250,000.00	3,300,000.00	3,350,000.00	3,556,371.00	3,556,371.00	3,556,371.00	443,000.00
	<u>\$ 14,664,600.00</u>	<u>\$ 15,796,384.00</u>	<u>\$ 14,940,167.00</u>	<u>\$ 14,838,671.00</u>	<u>\$ 14,935,084.00</u>	<u>\$ 14,963,125.00</u>	<u>\$ 15,215,265.00</u>	<u>\$ 15,271,426.00</u>	<u>\$ 14,899,390.00</u>	<u>\$ 13,567,116.00</u>

BOROUGH OF SOUTH RIVER
PARKING UTILITY OPERATING FUND
EXPENDITURES BY FUNCTION
FOR THE LAST TEN (10) FISCAL YEAR
(ABSTRACTED FROM BOROUGH RECORDS)
[UNAUDITED]

<u>Function</u>	<u>Fiscal Year</u>									
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Operating	\$ 39,000.00	\$ 38,000.00	\$ 33,000.00	\$ 30,300.00	\$ 33,000.00	\$ 29,000.00	\$ 29,000.00	\$ 28,000.00	\$ 27,000.00	\$ 12,650.00
Capital Improvements	6,500.00	6,500.00	6,500.00	6,500.00	6,500.00	9,000.00	14,000.00	15,000.00	8,000.00	
Debt Service	22,000.00	22,000.00	21,700.00	21,700.00	21,500.00	21,000.00				
Deferred Charges and Statutory Expenditures	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	4,500.00	4,500.00	4,500.00	17,000.00	350.00
	<u>\$ 72,500.00</u>	<u>\$ 71,500.00</u>	<u>\$ 66,200.00</u>	<u>\$ 63,500.00</u>	<u>\$ 66,000.00</u>	<u>\$ 63,500.00</u>	<u>\$ 47,500.00</u>	<u>\$ 47,500.00</u>	<u>\$ 52,000.00</u>	<u>\$ 13,000.00</u>

BOROUGH OF SOUTH RIVER
WATER UTILITY OPERATING FUND EXPENDITURES BY FUNCTION
FOR THE LAST TEN (10) FISCAL YEARS
(ABSTRACTED FROM BOROUGH RECORDS)
[UNAUDITED]

Function	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Operating	\$ 2,851,000.00	\$ 2,954,000.00	\$ 2,641,000.00	\$ 2,665,000.00	\$ 2,640,000.00	\$ 2,850,000.00	\$ 2,745,000.00	\$ 2,745,000.00	\$ 2,599,000.00	\$ 2,535,500.00
Capital Improvements	325,000.00	326,000.00	231,000.00	425,000.00	320,000.00	220,000.00	285,000.00	190,000.00	165,000.00	200,000.00
Debt Service	463,125.00	485,735.00	546,819.00	572,189.00	661,689.00	624,992.00	554,626.00	540,498.00	665,199.00	626,079.00
Deferred Charges and Statutory Expenditures	402,500.00	195,500.00	195,500.00	187,000.00	185,056.00	176,269.00	182,052.00	175,508.00	155,431.50	223,051.00
	<u>\$ 4,041,625.00</u>	<u>\$ 3,961,235.00</u>	<u>\$ 3,614,319.00</u>	<u>\$ 3,849,189.00</u>	<u>\$ 3,806,745.00</u>	<u>\$ 3,871,261.00</u>	<u>\$ 3,766,678.00</u>	<u>\$ 3,651,006.00</u>	<u>\$ 3,584,630.50</u>	<u>\$ 3,584,630.00</u>

BOROUGH OF SOUTH RIVER
CURRENT FUND REVENUES BY SOURCE
FOR THE LAST TEN (10) FISCAL YEARS
(ABSTRACTED FROM BOROUGH RECORDS)
[UNAUDITED]

Source	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Surplus Anticipated	\$ 1,708,796.50	\$ 1,344,844.98	\$ 1,419,581.07	\$ 1,404,582.00	\$ 1,392,790.18	\$ 1,501,790.00	\$ 1,339,848.00	\$ 1,482,773.56	\$ 1,126,612.64	\$ 1,126,612.23
Taxes (1)	11,133,073.04	10,853,377.66	10,270,105.55	9,839,002.72	9,166,411.11	8,579,324.78	8,544,615.02	8,215,900.89	8,369,973.55	8,489,749.20
Delinquent Taxes	524,498.97	583,780.85	692,610.25	583,562.07	636,497.88	488,139.24	640,720.55	633,863.95	569,445.37	672,115.20
Miscellaneous	4,662,097.83	5,718,097.95	4,998,284.79	5,024,231.72	5,398,200.05	5,332,262.00	5,656,664.79	5,583,430.41	5,317,543.61	5,177,658.01
State Aid	825,291.01	825,291.00	825,291.00	825,291.00	825,291.00	825,291.00	825,291.00	825,290.68	825,291.00	825,291.00
State and Federal Grants	194,379.46	193,795.40	286,033.14	101,770.84	102,533.17	215,267.59	169,545.23	218,240.92	161,967.22	173,552.82
Nonbudget Revenues and Other Items	1,326,402.59	1,424,070.26	885,858.91	988,751.12	824,104.36	1,304,565.91	942,134.16	1,052,050.46	1,027,197.00	1,054,637.96
	<u>\$ 20,374,539.40</u>	<u>\$ 20,943,258.10</u>	<u>\$ 19,377,764.71</u>	<u>\$ 18,767,191.47</u>	<u>\$ 18,345,827.75</u>	<u>\$ 18,246,640.52</u>	<u>\$ 18,118,818.75</u>	<u>\$ 18,011,550.87</u>	<u>\$ 17,398,030.39</u>	<u>\$ 17,519,616.42</u>

(1) Excludes tax allocated to county and school.

BOROUGH OF SOUTH RIVER
PROPERTY TAX RATES
PER \$100 OF ASSESSED VALUATION
FOR THE LAST TEN (10) FISCAL YEARS
[UNAUDITED]

<u>Year</u>	<u>Borough</u>		<u>School</u>	<u>County</u>		<u>Total</u>	<u>Collection Rates Current</u>	<u>Delinquent Taxes as Percent of Levy</u>
	<u>Regular</u>	<u>Library</u>		<u>Regular</u>	<u>Open Space</u>			
2020 *	\$ 0.680	\$ 0.031	\$ 1.201	\$ 0.346	\$ 0.029	\$ 2.287	98.52%	3.19%
2019	2.443	0.115	4.334	1.240	0.105	8.237	98.35%	3.31%
2018	2.331	0.112	4.254	1.240	0.102	8.039	98.03%	3.49%
2017	2.254	0.109	4.068	1.215	0.099	7.745	97.63%	3.80%
2016	2.073	0.108	3.995	1.178	0.098	7.452	97.87%	3.37%
2015	1.953	0.104	3.980	1.153	0.095	7.285	97.59%	3.46%
2014	1.889	0.105	3.857	1.171	0.096	7.118	98.14%	2.82%
2013	1.854	0.108	3.717	1.134	0.097	6.910	97.48%	3.26%
2012	1.864	0.114	3.517	1.118	0.103	6.716	97.40%	3.10%
2011	1.863	0.123	3.439	1.130	0.111	6.666	97.59%	2.71%

Source: Tax Collector.

* Revaluation effective for 2020

BOROUGH OF SOUTH RIVER
MUNICIPAL PROPERTY TAX LEVIES AND COLLECTIONS
FOR THE LAST TEN (10) FISCAL YEARS
[UNAUDITED]

<u>Year Ended</u> <u>December 31,</u>	<u>Total</u> <u>Tax Levy</u>	<u>Current Tax</u> <u>Collections</u>	<u>Percentage</u> <u>of Collections</u>
2020	\$ 34,572,066.72	\$ 34,060,000.24	98.52%
2019	33,823,850.99	33,266,659.54	98.35%
2018	33,031,600.85	32,381,285.91	98.03%
2017	31,882,585.24	31,128,301.33	97.63%
2016	30,696,741.03	30,044,663.91	97.87%
2015	30,073,829.82	29,350,585.26	97.59%
2014	29,524,806.74	28,976,314.33	98.14%
2013	28,611,548.77	27,893,367.80	97.48%
2012	28,288,691.60	27,553,240.39	97.40%
2011	28,202,908.07	27,522,627.54	97.59%

BOROUGH OF SOUTH RIVER
DELINQUENT TAXES AND TAX TITLE LIENS
FOR THE LAST TEN (10) FISCAL YEARS
[UNAUDITED]

<u>Year Ended December 31,</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2020	\$ 656,174.25	\$ 445,456.12	\$ 1,101,630.37	3.19%
2019	641,601.95	476,554.51	1,118,156.46	3.31%
2018	579,203.13	572,030.65	1,151,233.78	3.49%
2017	522,627.14	687,883.62	1,210,510.76	3.80%
2016	458,642.83	575,742.35	1,034,385.18	3.37%
2015	400,698.24	638,959.22	1,039,657.46	3.46%
2014	300,547.14	531,795.92	832,343.06	2.82%
2013	297,573.52	633,792.42	931,365.94	3.26%
2012	274,332.41	603,257.04	877,589.45	3.10%
2011	149,613.83	613,734.94	763,348.77	2.71%

BOROUGH OF SOUTH RIVER
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
FOR THE LAST TEN (10) FISCAL YEARS
[UNAUDITED]

<u>Year Ended December 31,</u>	<u>Aggregate Assessed Valuations of Real Property</u>	<u>Estimated Full Cash Valuations</u>	<u>Percentage of Net Assessed to Estimated Full Cash Valuations</u>
2020 *	\$ 1,511,133,400	\$ 1,523,319,960	99.20%
2019	409,978,600	1,440,543,219	28.46%
2018	410,476,700	1,419,843,307	28.91%
2017	411,212,600	1,383,622,476	29.72%
2016	411,689,000	1,350,242,703	30.49%
2015	412,491,700	1,338,389,682	30.82%
2014	413,942,900	1,292,763,585	32.02%
2013	413,350,800	1,311,808,315	31.51%
2012	420,807,700	1,349,175,056	31.19%
2011	422,492,500	1,441,461,958	29.31%

Source: Table of Equalized Valuations, State of New Jersey, Division of Taxation.

* Revaluation effective for 2020

BOROUGH OF SOUTH RIVER
SCHEDULE OF TEN LARGEST TAXPAYERS
[UNAUDITED]

<u>Taxpayer</u>	<u>Assessed Value - 2020</u>	<u>As a Percent of Net Assessed Valuation Taxable</u>
LIT Industrial, LP	\$ 49,100,900	3.25%
LIT Northend, LLC	32,810,300	2.17%
Leonardine Gardens	14,776,600	0.98%
East Coast Village Green Apartments	9,745,300	0.64%
Emess Apts., Ltd.	8,554,800	0.57%
Absolutely Property Management	4,174,500	0.28%
Felmore Associates	3,439,300	0.23%
425 Whitehead, LLC	3,338,600	0.22%
Sherwood Court	3,251,300	0.22%
Zifovski, Zlatan & Lube	<u>3,157,100</u>	<u>0.21%</u>
	<u>\$ 132,348,700</u>	<u>8.76%</u>

Source: Municipal Tax Collector.

BOROUGH OF SOUTH RIVER
COMPUTATION OF LEGAL DEBT MARGIN
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020
[UNAUDITED]

Average Equalized Valuation	\$ <u>1,461,235,495.33</u>
Borrowing Margin - 3½% of Average Equalized Valuation Basis	\$ 51,143,242.34
Net Debt	<u>25,108,829.09</u>
Remaining Borrowing Power	\$ <u>26,034,413.25</u>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt - Borough of South River	\$ <u>40,468,829.09</u>	\$ <u>15,360,000.00</u>	\$ 25,108,829.09
Overlapping Debt Apportioned to the Municipality: County of Middlesex (\$437,455,272 at 1.2445%) (1)			<u>5,444,130.86</u>
			\$ <u>30,552,959.95</u>

Source: (1) County of Middlesex Annual Debt Statement.

BOROUGH OF SOUTH RIVER
RATIO OF BONDED DEBT, BOND ANTICIPATION NOTES AND
LOANS TO EQUALIZED VALUE AND DEBT PER CAPITA
FOR THE LAST TEN (10) FISCAL YEARS
[UNAUDITED]

<u>Year Ended</u> <u>December 31,</u>	<u>Borough</u> <u>Population</u>		<u>Equalized</u> <u>Valuation</u> (2)	<u>Net</u> <u>Debt</u> (3)	<u>Ratio of Net</u> <u>Debt to</u> <u>Equalized</u> <u>Valuation</u>	<u>Net</u> <u>Debt Per</u> <u>Capita</u>
2020	16,008	(1)	\$ 1,523,319,960.00	\$ 34,210,829.09	2.25%	\$ 2,137.11
2019	16,008	(1)	1,440,543,219.00	36,646,520.26	2.54%	2,289.26
2018	16,008	(1)	1,419,843,307.00	36,145,384.81	2.55%	2,257.96
2017	16,008	(1)	1,383,622,476.00	37,385,497.44	2.70%	2,335.43
2016	16,008	(1)	1,350,242,703.00	40,726,823.42	3.02%	2,544.15
2015	16,008	(1)	1,338,389,682.00	44,308,713.88	3.31%	2,767.91
2014	16,008	(1)	1,292,763,585.00	35,941,326.57	2.78%	2,245.21
2013	16,008	(1)	1,311,808,315.00	35,477,618.68	2.70%	2,216.24
2012	16,008	(1)	1,349,175,056.00	38,286,066.19	2.84%	2,391.68
2011	16,008	(1)	1,441,461,958.00	34,923,696.77	2.42%	2,181.64

(1) Based on the 2010 U.S. Census.

(2) Per the State of New Jersey only Real Property included.

(3) Per Annual Debt Statement, including self-liquidating debt.

BOROUGH OF SOUTH RIVER
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
FOR BONDED DEBT, BOND ANTICIPATION NOTES AND LOANS (1)
FOR THE LAST TEN (10) FISCAL YEARS
[UNAUDITED]

<u>Year Ended</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Debt</u> <u>Service</u>	<u>Total</u> <u>Current Fund</u> <u>Governmental</u> <u>Fund Expenditures</u>	<u>Ratio of</u> <u>Debt Service to</u> <u>Current Fund</u> <u>Expenditures</u>
2020	\$ 1,546,883.90	\$ 546,201.38	\$ 2,093,085.28	\$ 18,759,031.96	11.16%
2019	2,318,824.17	751,316.34	3,070,140.51	19,120,405.38	16.06%
2018	1,598,451.93	663,769.93	2,262,221.86	18,143,542.85	12.47%
2017	1,698,270.42	685,246.04	2,383,516.46	17,643,750.84	13.51%
2016	1,439,475.96	573,174.64	2,012,650.60	17,799,827.35	11.31%
2015	1,320,172.73	373,446.13	1,693,618.86	16,660,609.59	10.17%
2014	1,471,581.01	418,243.53	1,889,824.54	16,734,812.23	11.29%
2013	1,415,338.11	414,865.33	1,830,203.44	16,797,921.49	10.90%
2012	1,189,095.20	491,936.04	1,681,031.24	16,761,686.54	10.03%
2011	1,120,672.50	512,991.33	1,633,663.83	16,253,401.79	10.05%

(1) Excludes Electric, Water and Parking Utilities and Special Assessment Debt.

BOROUGH OF SOUTH RIVER
CALCULATION OF "SELF-LIQUIDATING PURPOSE" PER N.J.S. 40A:2-45
ELECTRIC UTILITY OPERATING FUND
[UNAUDITED]

Cash Receipts from Fees, Rents and Other Charges		\$ 16,965,617.15
Deductions:		
Operating and Maintenance Cost	\$ 10,701,000.00	
Debt Service	<u>538,600.00</u>	
Total Deductions		<u>11,239,600.00</u>
Excess in Revenues		\$ <u>5,726,017.15</u>

BOROUGH OF SOUTH RIVER
CALCULATION OF "SELF-LIQUIDATING PURPOSE" PER N.J.S. 40A:2-45
PARKING UTILITY OPERATING FUND
[UNAUDITED]

Cash Receipts from Fees, Rents and Other Charges		\$	74,396.82
Deductions:			
Operating and Maintenance Cost	\$	44,000.00	
Debt Service		<u>21,000.00</u>	
Total Deductions			<u>65,000.00</u>
Excess/(Deficit) in Revenues		\$	<u>9,396.82</u>

BOROUGH OF SOUTH RIVER
CALCULATION OF "SELF-LIQUIDATING PURPOSE" PER N.J.S. 40A:2-45
WATER UTILITY OPERATING FUND
[UNAUDITED]

Cash Receipts from Fees, Rents and Other Charges		\$ 4,197,912.28
Deductions:		
Operating and Maintenance Cost	\$ 3,053,500.00	
Debt Service	<u>325,303.57</u>	
Total Deductions		<u>3,378,803.57</u>
Excess in Revenues		\$ <u><u>819,108.71</u></u>

BOROUGH OF SOUTH RIVER
DEMOGRAPHIC STATISTICS
FOR THE LAST TEN (10) FISCAL YEARS
UNAUDITED

<u>Year Ended December 31,</u>	<u>Population</u>	<u>Unemployment Rate (2)</u>	<u>Housing Unit Counts (3)</u>	<u>Per Capita Income</u>
2020	16,008 (1)	10.7%	4,325	\$ N/A
2019	16,008 (1)	4.4%	4,324	N/A
2018	16,008 (1)	5.4%	4,348	N/A
2017	16,008 (1)	6.2%	4,361	N/A
2016	16,008 (1)	6.3%	4,368	N/A
2015	16,008 (1)	7.1%	4,373	N/A
2014	16,008 (1)	8.2%	4,428	N/A
2013	16,008 (1)	9.5%	4,422	N/A
2012	16,008 (1)	11.7%	4,426	N/A
2011	16,008 (1)	11.6%	4,425	N/A

(1) 2010 U.S. Census.

(2) NJ Department of Labor

(3) Borough Tax Collector's Office

BOROUGH OF SOUTH RIVER
MISCELLANEOUS STATISTICS
DECEMBER 31, 2020

Date of Incorporation	1898
Form of Government	Borough
Area	2.87 square miles

	<u>Full Time</u>	<u>Part Time</u>
Employees:		
Administrative	29	15
Police	40	12
Crossing Guards		14
Public Works	23	6
Parks and Recreation	5	19
Volunteer Firemen		60
Emergency Medical Service - Volunteers		15
Other (part time employees)		17
Total Employees	<u>97</u>	<u>158</u>

Source: Borough Records.

AUDITOR'S COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS
DECEMBER 31, 2020

An audit of the financial accounts and transactions of the Borough of South River, County of Middlesex, New Jersey, for the year ended December 31, 2020, has been completed. The General Comments are herewith set forth:

Scope of Audit

The audit covered the financial transactions of the Finance Department and the other various offices and departments collecting fees within the Borough of South River, County of Middlesex, New Jersey.

The audit did not and could not determine the character of services rendered for which payment had been made or for which reserves had been set up, nor could it determine the character, proper price or quantity of materials supplied for which claims had been passed. These details were necessarily covered by the internal review and control before approval of such claims by the Governing Body.

Control Deficiencies:

2020-1 Segregation of Duties

Conditions exist whereby the same person may collect, record and deposit cash receipts in the following offices - Clerk, Code Enforcement, Police, and Recreation.

This condition is the result of multiple tasks performed by the same individual within the respective offices.

Contracts and Agreements Required to be Advertised Per N.J.S. 40A:11-4

N.J.S. 40A:11-4 states "every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate of \$17,500.00, due to the absence of a Qualified Purchasing Agent (QPA), except by contract or agreement."

The Governing Body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$17,500.00 within the fiscal year. Where questions arise as to whether any contract or agreement might result in violation of the statute, the Borough Attorney's opinion should be sought before a commitment is made.

GENERAL COMMENTS (CONTINUED)
DECEMBER 31, 2020

Contracts and Agreements Required to be Advertised Per N.J.S. 40A:11-4 (Continued)

The minutes indicate that bids were requested by public advertising for the following items:

Improvements to Albourne Street	Replacement of Well #2
Firehouse Building Demolition and	Replacement of Filter Media
Site Remediation	

In addition, the following items were purchased under State Contract:

Automotive Gasoline	Police Vehicles (2)
Fuel Oil	Police Vehicle Equipment & Lighting
Rock Salt	Police Protective Gear & Equipment
Tires	Generator and Lighting Repairs
Bucket Truck	Playground Equipment
Pole and Wire Trailer	Website and Recreation Platform
Asphalt Hotbox	Wireless Service
Firefighter Equipment, Supplies & Lights	Office Supplies
Firefighter Turnout Gear	

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violations existed.

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S. 40A:11-5.

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$17,500.00 "for the performance of any work or the furnishing or hiring of any materials or supplies" other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of N.J.S. 40A:11-6.

GENERAL COMMENTS (CONTINUED)
DECEMBER 31, 2020

Collection of Interest on Delinquent Taxes and Assessments

The statute provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes and assessments on or before the date when they would become delinquent.

The Borough, on January 1, 2020, adopted the following resolution authorizing interest to be charged on delinquent taxes and assessments:

WHEREAS, it is advisable that taxes and other assessments be paid promptly so to enable the Borough to meet its obligations as they fall due and payable; and

WHEREAS, N.J.S.A. 54:4-67, as amended, permits a municipality to charge interest on delinquent taxes and assessments; and

WHEREAS, the Borough Council has decided that such stated interest rate shall prevail for the year 2020, as set forth in said Statute, be charged on any such delinquent taxes and/or assessments; and

NOW, THEREFORE, BE IT AND IT IS HEREBY RESOLVED by the Borough Council of the Borough of South River in the County of Middlesex, New Jersey, that the following interest rates shall be charged:

8% per annum on the first \$1,500.00 of such delinquency;
18% per annum on any amount in excess of said \$1,500.00; and

BE IT FURTHER RESOLVED that a penalty of 6% of the amount of the delinquency with interest included, shall be charged to a taxpayer with a delinquency in excess of \$10,000.00 who fails to pay said delinquency prior to the end of the year.

BE IT FURTHER RESOLVED that the Tax Collector of the Borough of South River is hereby authorized to allow a ten (10) day grace period (taxes are due quarterly - February 1st, May 1st, August 1st and November 1st) and if unpaid within the ten (10) days after these dates, the account becomes delinquent and subject from the due date at the interest rate above mentioned.

It appears, from an examination of the Tax Collector's records, that interest was collected in accordance with the foregoing ordinance for delinquent taxes.

Delinquent Taxes and Tax Title Liens

The detail of all unpaid taxes for 2020 is being properly carried in the Tax Collector's records. An abstract taken from these records as at December 31, 2020, covering all unpaid charges on that date, was verified with the accounting control figures shown in this report. The detail of unpaid prior year's taxes and tax title liens is being properly carried in the Tax Collector's records.

GENERAL COMMENTS (CONTINUED)
DECEMBER 31, 2020

Delinquent Taxes and Tax Title Liens (Continued)

The last tax sale was held on October 22, 2020 and was complete with respect to taxes.

The following comparison is made of the number of tax title liens receivable on December 31st of the last three (3) years:

<u>Year</u>	<u>Number of Liens</u>		
	<u>Tax</u>	<u>Water</u>	<u>Electric</u>
2020	17	6	5
2019	19	6	6
2018	21	7	7

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a tax paying basis.

Delinquent Electric and Water Utility Rents

The Borough contracts with a private independent service company to handle the billing, collection and inquiry phase of the Borough's two (2) utilities.

Outside Service – Internal Procedures

The Borough's outside service for Utility billings and collections is required to file a "Report on Description of the Organization's System and the Suitability of the Design and Operating Effectiveness of Controls for the billing processing system in accordance with Statement on Standards for Attestation Engagements (SSAE #16)". The new company did not provide the required SSAE#16 report on these controls; however, did provide the Borough with SSAE#16 report for the company they subcontract with to handle all the mailed in deposits for processing. The Borough should determine the adequacy of the report for future use.

Water Utility Receivables

The detail of the Consumer Accounts Receivable as reflected on the Combined Comparative Statement of Assets, Liabilities, Reserves and Fund Balance (Exhibit E-1) have been proven to the detail as maintained by the outside service for utility billings and collections on file in the Water Utility Collector's office.

Electric Utility Receivables

The detail of the Consumer Accounts Receivable as reflected on the Combined Comparative Statement of Assets, Liabilities, Reserves and Fund Balance (Exhibit E-1) have been proven to the detail as maintained by the outside service for utility billings and collections on file in the Electric Utility Collector's office.

GENERAL COMMENTS (CONTINUED)
DECEMBER 31, 2020

Parking Utility

The Parking Utility personnel collect coins from the meters and also sell monthly permits for parking spots.

Cash Balances

The cash balances in all funds were verified by independent certifications obtained from the depositories as of December 31, 2020 and August 31, 2020 in connection with the supplemental reconciliations.

Cash counts were made at various dates in all departments of the Borough and bank balances were independently reconciled to the books and records or to such schedules of receipts and disbursements provided for audit.

Revenues

Receipts from licenses, fees, fines and costs, etc., for major departments, including the Municipal Court, were checked to the records maintained to the extent deemed necessary.

Expenditures

The vouchers for all funds were examined to the extent deemed necessary to determine that they carried the properly executed certifications as required by statute. Our examination of expenditures revealed for the most part, compliance with procedures and requirements have been adhered to.

Payroll

An examination was made of the employees' compensation records for the year 2020 to determine that salaries were paid in conformity with the amounts of salaries and wages authorized by ordinance.

Our examination of payroll did not cover verification of the validity and reasonableness of the allocation of salaries for individuals whose job encompasses activities that relate to more than one of the Borough's operating funds or Departments. The allocation of salaries for individuals whose duties encompass more than one fund or appropriation is done at the sole discretion of the management of the Borough. It is proper and legal to allocate salaries amongst funds as long as the duties of the individuals relate to the costs charged to the fund or appropriation.

The Borough utilizes an outside vendor as a service bureau for the processing and transmitting of the Borough's net payroll and payroll (withholding) agencies. On file at the Borough is the Service Organization Control (SOC 1) Report – Payroll Service in accordance with SSAE #16.

OTHER COMMENTS
DECEMBER 31, 2020

Miscellaneous Comments

Interfunds Receivable/Payable

There is one interfund receivable/payable which relates to the Grant Fund which is caused by the Fund not having a checking account requiring the activity to be accounted for in the Current Fund.

Reserves

Reserves, unexpended appropriations and improvements authorizations in all funds (including the grant fund) should be reviewed on an ongoing basis for utilization, refund to the funding source or cancellation to the appropriate fund balance.

Surety Bonds

Surety Bonds were tested as part of our normal annual audit procedures. The Surety Bonds for the Tax Collector, Municipal Court Employees and Chief Financial Officer were tested for adequacy and deemed to be sufficient.

Technical Directives – State of New Jersey

The general ledger for 2020 was maintained in accordance with acceptable accounting control standards. (NJAC 5:30-5:7)

A complete encumbrance system for budgetary purposes was maintained during 2020. (NJAC 5:30-5:2)

A fixed assets detail was maintained in 2020. (NJAC 5:30-5:6)

Construction Code Official

Our examination of the Uniform Construction Code Annual Report revealed the revenues for 2020 in accordance with the report were \$121,871.00 and expenditures were \$169,640.00. The revenue and expenditures should be reviewed annually for sufficiency.

A separate report in accordance with Local Finance Board Notice #17-15 for Uniform Construction Code was filed in conjunction with the audit.

Local School District Taxes

The payment made and amount due to the Local School District as of December 31, 2020 was verified by the School Board Secretary.

OTHER COMMENTS (CONTINUED)
DECEMBER 31, 2020

Miscellaneous Comments (Continued)

Internal Control Documentation

Statement on Auditing Standards 115 sets forth requirements upon the auditee that includes the documentation of its internal controls. We suggest the Borough initiate this process and also consider utilizing the framework established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) for its documentation, which includes the five components of internal controls, as follows: Control Environment; Risk Assessment; Control Activities; Information and Communication; and Monitoring. In addition, we suggest the documentation should also include the internal controls that exist over grant compliance along with providing for this documentation in conjunction with information relating to job descriptions and procedures manual.

Administration and Accounting of State & Federal Grants

The acceptance of grant funds also places additional requirements upon the Borough with respect to the Borough's system of internal control. Based upon the matrix of requirements applicable to the specific grant, the Borough's internal controls are required to include systems and policies and procedures designed to ensure with the compliance requirements. In addition, we suggest the Borough review all of the applicable grant agreements and the Borough's system of internal controls in order to ensure the Borough's internal controls are functioning at the requisite levels to meet with the various accounting and compliance requirements.

Cybersecurity

With the ever increasing challenges relating to cybersecurity, each organization determines what particular assessment or combination of assessments best fits its information security strategy. We suggest management continue to assess risks related to cybersecurity along with the utilization of specialized assessments, which would also include a periodic reporting mechanism to those charged with governance.

Condition of Records - Other Officials Collecting Fees

Our reviews of the records maintained for other officials collecting fees, which were designed to determine that minimum levels of internal control and accountability were met, and that cash receipts were deposited or turned over to the Borough's Treasurer's accounts within a 48-hour period as required by N.J.S.A. 40A:5-15. There were no exceptions to report.

Municipal Clerk's Office and the Recreation Department prepare monthly reports. No exceptions were noted for items tested.

OTHER COMMENTS (CONTINUED)
DECEMBER 31, 2020

Miscellaneous Comments (Continued)

Length of Service Awards Program

The Borough by referendum authorized a Length of Service Awards Program (LOSAP) which is accounted for in a separate and distinct fund from the Borough. A separate Accountant's Review Report has been prepared for its operations as of December 31, 2020.

Appreciation

I desire to express my appreciation for the cooperation received from the Borough Officials and Employees and the courtesies extended to us during the course of the audit.

A formal exit conference, in accordance with audit requirements generally accepted in the United States of America, has been held on the contents of this audit with the appropriate Borough Officials.

Corrective Action Plan

A corrective action plan was not required for the 2020 audit since there were no recommendations and no plan of action is required for 2020 as a similar condition exists.

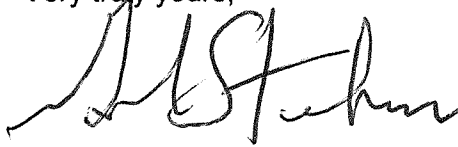
RECOMMENDATIONS
DECEMBER 31, 2020

None.

The problems and weaknesses noted in my audit were not of such a magnitude that they would affect my ability to express an opinion on the financial statements taken as a whole.

Should any questions arise as to my comments or recommendations, or should you desire assistance in implementing my recommendations, please do not hesitate to call me.

Very truly yours,

A handwritten signature in black ink, appearing to read 'G. Stankiewicz', written over a horizontal line.

Gerard Stankiewicz
Certified Public Accountant
Registered Municipal Accountant #431

For the Firm
SAMUEL KLEIN AND COMPANY, LLP