

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

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

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

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

BOROUGH OF SOUTH RIVER
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2022

	<u>Page</u>
 <u>INTRODUCTORY SECTION</u>	
Letter of Transmittal	1-8
Table of Organization	9
Roster of Officials	10
Consultants and Advisors	11
 <u>FINANCIAL SECTION</u>	
Independent Auditors' Report	12-15
Report on Internal Control over Financial Reporting and Compliance and Other Matters based on an Audit of Financial Statements – Regulatory Basis Performed in accordance with <i>Government Auditing Standards</i>	16-17
 <u>Exhibit Number</u>	
 <u>GENERAL PURPOSE FINANCIAL STATEMENTS</u>	
A Combined Statement of Assets, Liabilities, Reserves and Fund Balance - All Fund Types and Accounts - Regulatory Basis	18-19
A-1 Combined Statement of Revenues, Expenses and Change in Fund Balance – Budget and Actual – Current and Utility Operating Funds - Regulatory Basis	20-22
A-2 Statement of Fund Balance - Trust Other Fund - Regulatory Basis	23
A-3 Statement of Fund Balance - General Capital Fund - Regulatory Basis	24
A-4 Combined Statement of Fund Balance –Utility Capital Funds – Regulatory Basis	25
Notes to Financial Statements	26-80
 Required Supplementary Information	
RSI-1 Schedule of Borough Proportionate Share of Net Pension Liability – Public Employees Retirement System	81
RSI-2 Schedule of Borough's Contributions Public Employees Retirement System	82
RSI-3 Schedule of Borough Proportionate Share of Net Pension Liability – Police & Firemen's Retirement System	83
RSI-4 Schedule of Borough's Contributions Police & Firemen's Retirement System	84

BOROUGH OF SOUTH RIVER
TABLE OF CONTENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Page

FINANCIAL SECTION (CONTINUED)

Exhibit Number

COMBINING AND INDIVIDUAL FUND AND ACCOUNT GROUP STATEMENTS

Current Fund:		
B	Comparative Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis	85-86
B-1	Comparative Statement of Operations and Change in Fund Balance - Regulatory Basis	87-88
B-2	Statement of Revenues - Regulatory Basis	89-90
B-3	Statement of Expenditures - Regulatory Basis	91-97
B-4	Statement of Taxes Receivable and Analysis of Property Tax Levy	98-99
B-5	Statement of Tax Title Liens Receivable	100
B-6	Statement of 2021 Appropriation Reserves	101-104
B-7	Statement of Local District School Tax	105
B-8	Schedule of Various Reserves	106
B-9	Statement of Grants Receivable - Grant Fund	107
B-10	Statement of Appropriated Reserves - Grant Fund	108-109
B-11	Statement of Unappropriated Reserves - Grant Fund	110
Trust and Agency Funds:		
C	Comparative Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis	111-112
C-1	Statement of Various Reserves – Trust Fund #1	113
C-2	Statement of Various Reserves – Trust Fund #2	114
C-3	Statement of Reserve for Animal Control Expenditures	115
C-4	Statement of Payroll Deductions Payable	116
C-5	Statement of Reserve for New Jersey Unemployment Compensation Insurance	117
C-6	Statement of Reserves for Electric Utility Consumer Deposits	118
C-7	Statement of Reserves for Law Enforcement Trust Fund	119
C-8	Statement of Reserves for Tax Title Lien Premium/Redemption – Trust Other Fund	120
General Capital Fund:		
D	Comparative Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis	121-122
D-1	Analysis of Cash and Cash Equivalents	123-124
D-2	Statement of Intergovernmental Accounts Receivable	125
D-3	Statement of Deferred Charges to Future Taxation - Unfunded	126

BOROUGH OF SOUTH RIVER
TABLE OF CONTENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Page

FINANCIAL SECTION (CONTINUED)

Exhibit Number

<u>COMBINING AND INDIVIDUAL FUND AND ACCOUNT GROUP STATEMENTS (CONTINUED)</u>		
General Capital Fund:		
D-4	Statement of Serial Bonds	127
D-5	Statement of Bond Anticipation Notes	128
D-6	Statement of Due to U.S. Department of Agriculture	129-130
D-7	Statement of Improvement Authorizations	131-132
D-8	Statement of Capital Improvement Fund	133
D-9	Statement of Bonds and Notes Authorized but not Issued	134
Utility Operating Funds - Combined Statements:		
E	Combined Comparative Statement of Assets, Liabilities, Reserves and Fund Balance - Electric Utility, Parking Utility and Water Utility Operating Funds -Regulatory Basis	135
Electric Utility Operating Fund:		
EE-1	Comparative Statement of Operations and Change in Fund Balance - Regulatory Basis	136
EE-2	Statement of Revenues - Regulatory Basis	137
EE-3	Statement of Expenditures - Regulatory Basis	138
EE-4	Statement of Consumer Accounts Receivable	139
EE-5	Statement of Consumer Liens Receivable	139
EE-6	Statement of 2021 Appropriation Reserves	140
EE-7	Statement of Accrued Interest on Notes	141
Parking Utility Operating Fund:		
EP-1	Statement of Operations and Change in Fund Balance - Regulatory Basis	142
EP-2	Statement of Revenues - Regulatory Basis	143
EP-3	Statement of Expenditures - Regulatory Basis	144
EP-4	Statement of 2021 Appropriation Reserves	145

BOROUGH OF SOUTH RIVER
TABLE OF CONTENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Page

FINANCIAL SECTION (CONTINUED)

Exhibit Number

	<u>COMBINING AND INDIVIDUAL FUND AND ACCOUNT GROUP STATEMENTS (CONTINUED)</u>	
	Water Utility Operating Fund:	
EW-1	Comparative Statement of Operations and Change in Fund Balance - Regulatory Basis	146
EW-2	Statement of Revenues - Regulatory Basis	147
EW-3	Statement of Expenditures - Regulatory Basis	148
EW-4	Statement of Consumer Accounts Receivable	149
EW-5	Statement of Consumer Liens Receivable	149
EW-6	Statement of 2021 Appropriation Reserves	150
EW-7	Statement of Accrued Interest on Bonds and Notes	151
	Utility Capital Funds - Combined Statements:	
F	Combined Comparative Statement of Assets, Liabilities and Reserves - Electric Utility, Parking Utility and Water Utility Capital Funds - Regulatory Basis	152-153
	Electric Utility Capital Fund:	
FE-1	Analysis of Cash and Cash Equivalents	154
FE-2	Statement of Fixed Capital	155
FE-3	Statement of Fixed Capital Authorized and Uncompleted	156
FE-4	Statement of Serial Bonds	157
FE-5	Statement of Bond Anticipation Notes	158
FE-6	Statement of Improvement Authorizations	159
FE-7	Statement of Capital Improvement Fund	160
FE-8	Statement of Bonds and Notes Authorized but not Issued	161
	Parking Utility Capital Fund:	
FP-1	Analysis of Cash and Cash Equivalents	162
FP-2	Statement of Fixed Capital	163
FP-3	Statement of Fixed Capital Authorized and Uncompleted	164
FP-4	Statement of Bond Anticipation Notes	165
FP-5	Statement of Improvement Authorizations	166
FP-6	Statement of Capital Improvement Fund	167
FP-7	Statement of Bonds and Notes Authorized but not Issued	168

BOROUGH OF SOUTH RIVER
TABLE OF CONTENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

	<u>Page</u>
<u>FINANCIAL SECTION (CONTINUED)</u>	
<u>Exhibit Number</u>	
<u>COMBINING AND INDIVIDUAL FUND AND ACCOUNT GROUP STATEMENTS (CONTINUED)</u>	
Water Utility Capital Fund:	
FW-1 Analysis of Cash and Cash Equivalents	169
FW-2 Statement of Fixed Capital	170-171
FW-3 Statement of Fixed Capital Authorized and Uncompleted	172
FW-4 Statement of Serial Bonds	173
FW-5 Statement of Bond Anticipation Notes	174
FW-6 Statement of Improvement Authorizations	175
FW-7 Statement of Capital Improvement Fund	176
FW-8 Statement of Bonds and Notes Authorized but not Issued	177
Capital Assets Account:	
G Comparative Statement of Governmental Capital Assets	178
<u>STATISTICAL SECTION [UNAUDITED]</u>	
H-1 Current Fund Expenditures by Function	179
H-2 Electric Utility Operating Fund Expenditures by Function	180
H-3 Parking Utility Operating Fund Expenditures by Function	181
H-4 Water Utility Operating Fund Expenditures by Function	182
H-5 Current Fund Revenues by Source	183
H-6 Property Tax Rates Per \$100 of Assessed Valuation	184
H-7 Municipal Property Tax Levies and Collections	185
H-8 Delinquent Taxes and Tax Title Liens	186
H-9 Assessed and Estimated Actual Value of Taxable Property	187
H-10 Schedule of Ten Largest Taxpayers	188
H-11 Computation of Legal Debt Margin	189
H-12 Ratio of Bonded Debt, Bond Anticipation Notes and Loans to Equalized Value and Debt Per Capita	190
H-13 Ratio of Annual Debt Service Expenditures for Bonded Debt, Bond Anticipation Notes and Loans	191
H-14 Calculation of "Self-Liquidating Purpose" Per N.J.S. 40A:2-45 Electric Utility Operating Fund	192
H-15 Calculation of "Self-Liquidating Purpose" Per N.J.S. 40A:2-45 Parking Utility Operating Fund	193
H-16 Calculation of "Self-Liquidating Purpose" Per N.J.S. 40A:2-45 Water Utility Operating Fund	194
H-17 Demographic Statistics	195
H-18 Miscellaneous Statistics	196

BOROUGH OF SOUTH RIVER
TABLE OF CONTENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Page

SINGLE AUDIT (STATE) SECTION

Independent Auditors' Report on Compliance for Each Major State Program and Report on Internal Control over Compliance Required by the Uniform Guidance	197-199
Notes to the Schedules of Expenditures of State Assistance	200
Schedule of Findings and Questioned Costs	201-203
Summary Schedule of Prior Year Findings	204
Schedule of Expenditures of State Financial Assistance	205

AUDITOR'S COMMENTS AND RECOMMENDATIONS

General Comments:	
Scope of Audit	206
Control Deficiencies	206
Contracts and Agreements Required to be Advertised per N.J.S. 40A:11-4	206-207
Collection of Interest on Delinquent Taxes and Assessments	208
Delinquent Taxes and Tax Title Liens	208-209
Delinquent Electric and Water Utility Rents	209
Parking Utility	210
Cash Balances	210
Revenues	210
Expenditures	210
Payroll	210
Miscellaneous Comments:	
Interfunds Receivable/Payable	211
Reserves	211
Surety Bonds	211
Technical Directives – State of New Jersey	211
Construction Code Official	211
Local School District Taxes	211
Free Public Library	212
Internal Control Documentation	212
Administration and Accounting of State and Federal Grants	212
Cybersecurity	212
Condition of Records – Other Officials Collecting Fees	213
Length of Service Awards Program	213
Appreciation	213
Corrective Action Plan	213
Recommendations	214

INTRODUCTORY SECTION

BOROUGH OF SOUTH RIVER
MIDDLESEX COUNTY
NEW JERSEY
08882-1247



September 29, 2023

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, 2022 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 five (5) sections: Introductory, Financial, Statistical, Single Audit 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 \$20,350,794.34, total expenditures of \$19,567,242.24, and a fund balance increase of \$780,711.91 as of December 31, 2022. The following schedule summarizes revenues and expenses for 2022 and 2021.

	<u>2022</u>	<u>2021</u>	<u>Increase/(Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
<u>Revenues</u>				
Fund Balance	\$ 2,100,000.00	\$ 1,934,711.00	\$ 165,289.00	8.54 %
Real Estate Taxes	11,902,579.17	11,541,601.08	360,978.09	3.13
Delinquent Tax Receipts	1,093,837.24	462,787.30	631,049.94	136.36
Miscellaneous Anticipated Revenue	1,380,072.03	1,286,190.60	93,881.43	7.30
Construction Code	189,899.00	173,856.00	16,043.00	9.23
Miscellaneous - Electric Utility Surplus	3,100,000.00	3,150,000.00	(50,000.00)	(1.59)
Grants	183,749.24	493,998.54	(310,249.30)	(62.80)
Intergovernmental Revenue	825,291.00	825,291.00	0.00	0.00
Other Credits to Income	868,084.05	1,164,923.82	(296,839.77)	(25.48)
Nonbudget Revenue	807,282.61	870,214.18	(62,931.57)	(7.23)
	<u>\$ 22,450,794.34</u>	<u>\$ 21,903,573.52</u>	<u>\$ 547,220.82</u>	<u>2.50 %</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 2022 over 2021 was as follows:

<u>Expenditures</u>	<u>2022</u>	<u>2021</u>	<u>Increase/(Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
General Government	\$ 927,600.00	\$ 817,500.00	\$ 110,100.00	13.47 %
Public Safety	5,111,850.00	5,045,250.00	66,600.00	1.32
Public Works	2,521,000.00	2,539,000.00	(18,000.00)	(0.71)
Utility Expense and Bulk Purchases	457,000.00	416,000.00	41,000.00	9.86
Land Use	60,000.00	78,000.00	(18,000.00)	(23.08)
Sanitary Landfill	600,000.00	600,000.00	0.00	0.00
Insurance	1,749,000.00	1,606,000.00	143,000.00	8.90
Health and Human Services	235,636.00	144,860.00	90,776.00	62.66
Parks and Recreation	474,867.00	454,317.00	20,550.00	4.52
Education - Library	560,973.00	507,773.00	53,200.00	10.48
Construction Code	157,000.00	115,500.00	41,500.00	35.93
Deferred Charges and Statutory Expenditures	1,818,832.00	1,858,000.00	(39,168.00)	(2.11)
Grants	290,321.24	521,998.54	(231,677.30)	(44.38)
Capital Improvements	150,000.00	175,000.00	(25,000.00)	(14.29)
Debt Service	2,159,511.00	2,148,923.00	10,588.00	0.49
Sewer	1,393,152.00	1,419,908.00	(26,756.00)	(1.88)
Contingent	500.00	500.00	0.00	0.00
Reserve for Uncollected Taxes	900,000.00	890,000.00	10,000.00	1.12
	<u>\$ 19,567,242.24</u>	<u>\$ 19,338,529.54</u>	<u>\$ 228,712.70</u>	<u>1.18 %</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 5,805 residential and 671 commercial accounts. Revenues in 2022 exclusive of fund balance utilized were \$15,523,440.70 and expenditures exclusive of the transfer to the general budget were \$12,232,250.00. Fund balance increased \$191,190.70. The Electric Utility debt was considered to be self-liquidating for 2022, and, as a result, the Fund's debt is not factored into the Borough's statutory net debt. The following schedule summarizes revenue and expenses for 2022 and 2021.

	<u>2022</u>	<u>2021</u>	<u>Increase/(Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
<u>Revenues</u>				
Fund Balance Utilized	\$ 3,100,000.00	\$ 3,150,000.00	\$ (50,000.00)	(1.59) %
Electric Charges	14,620,380.60	13,830,796.69	789,583.91	5.71
Miscellaneous Revenue	2,094.00		2,094.00	100.00
Nonbudget Revenue	327,439.07	172,492.97	154,946.10	89.83
Other Credits to Income	<u>573,527.03</u>	<u>958,649.87</u>	<u>(385,122.84)</u>	<u>(40.17)</u>
	<u>\$ 18,623,440.70</u>	<u>\$ 18,111,939.53</u>	<u>\$ 511,501.17</u>	<u>2.82 %</u>
<u>Expenditures</u>				
Operating Expenses	\$ 10,903,000.00	\$ 10,568,000.00	\$ 335,000.00	3.17 %
Capital Improvements	450,000.00	220,000.00	230,000.00	104.55
Debt Service	549,250.00	544,334.00	4,916.00	0.90
Deferred Charges	330,000.00	325,000.00	5,000.00	1.54
Surplus (General Budget)	<u>3,100,000.00</u>	<u>3,150,000.00</u>	<u>(50,000.00)</u>	<u>(1.59)</u>
	<u>\$ 15,332,250.00</u>	<u>\$ 14,807,334.00</u>	<u>\$ 524,916.00</u>	<u>3.54 %</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 2022 exclusive of fund balance utilized were \$63,865.54 and expenditures were \$97,000.00. Fund balance decreased by \$33,134.46. The following schedule summarizes revenue and expenses for 2022 and 2021.

	<u>2022</u>	<u>2021</u>	<u>Increase/(Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
<u>Revenues</u>				
Fund Balance Utilized	\$ 58,000.00	\$ 32,500.00	\$ 25,500.00	78.46 %
Parking Permit Fee	36,295.68	39,034.42	(2,738.74)	(7.02)
Nonbudget Revenue	3,103.25	2,007.86	1,095.39	54.56
Other Credits to Income	24,466.61	31,383.73	(6,917.12)	(22.04) %
	<u>\$ 121,865.54</u>	<u>\$ 104,926.01</u>	<u>\$ 16,939.53</u>	<u>16.14 %</u>
<u>Expenditures</u>				
Operating Expenses	\$ 39,500.00	\$ 38,000.00	\$ 1,500.00	3.95 %
Capital Improvements	32,000.00	6,500.00	25,500.00	392.31
Debt Service	22,000.00	22,000.00	0.00	0.00
Deferred Charges	3,500.00	5,000.00	(1,500.00)	(30.00)
	<u>\$ 97,000.00</u>	<u>\$ 71,500.00</u>	<u>\$ 25,500.00</u>	<u>35.66 %</u>

Water Utility Fund

The Water Utility serves the entire Borough which encompasses approximately 4,878 accounts. Revenues exclusive of fund balance were \$4,617,405.07 and expenditures were \$4,542,900.00. Fund balance increased \$74,505.07. The Water Utility Fund was considered to be self-liquidating for 2022 and, as a result, the Fund's debt is not factored into the Borough's statutory net debt. The following schedule summarizes revenues and expenses for 2022 and 2021.

	<u>2022</u>	<u>2021</u>	<u>Increase/(Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
<u>Revenues</u>				
Fund Balance Utilized	\$ 388,708.00	\$ 275,000.00	\$ 113,708.00	41.35 %
Water Rents	4,178,609.58	4,199,771.50	(21,161.92)	(0.50)
Miscellaneous Revenue	19,192.00	13,757.00	5,435.00	39.51
Nonbudget Revenue	88,490.20	82,906.74	5,583.46	6.73
Other Credits to Income	331,113.29	21,179.95	309,933.34	NM
	<u>\$ 5,006,113.07</u>	<u>\$ 4,592,615.19</u>	<u>\$ 413,497.88</u>	<u>9.00 %</u>
<u>Expenditures</u>				
Operating Expenses	\$ 3,111,000.00	\$ 3,021,000.00	\$ 90,000.00	2.98 %
Capital Improvements	610,000.00	640,000.00	(30,000.00)	(4.69)
Debt Service	619,400.00	499,800.00	119,600.00	23.93
Deferred Charges	202,500.00	207,500.00	(5,000.00)	(2.41)
	<u>\$ 4,542,900.00</u>	<u>\$ 4,368,300.00</u>	<u>\$ 174,600.00</u>	<u>4.00 %</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 2023 Municipal Budget as adopted reflects a rate of 73.2 cents per \$100 of assessed valuation representing an increase from the prior year in the Local Purpose Tax Rate. The 2023 Budget as adopted will have increase of \$1,105,209.35 or 5.83% compared to 2022 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 partially funded by the NJDOT and other roads are substantially complete.
- Improvement to First Street, Claremont Avenue, Obert Street, Clayton Court, Gordon Street, Wilcox Avenue, and Ferris Street partially funded by NJDOT are in the design phase.

- 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 residential assessment continues.
- Ongoing computer equipment and network upgrades,
- Improvements to the Borough's downtown area continues.
- Improvement to the water treatment plant.
- Rehabilitation to well #2.
- Improvements to Appleby Avenue, Morningside Avenue and 5th Street partially funded by NJDOT are in the design phase.
- Battery storage facility is operational which will bring savings to transmission and capacity costs.

CASH MANAGEMENT

The Borough invests all surplus funds for appropriate periods of time as determined by the Chief Financial Officer. During 2022, funds were deposited in interest bearing accounts.

DEBT ADMINISTRATION

The current outstanding net debt of the Borough is \$24,999,104.91 which represents 1.484% of its average equalized value. Debt Service appropriations for 2022 were \$3,350,161.00 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.

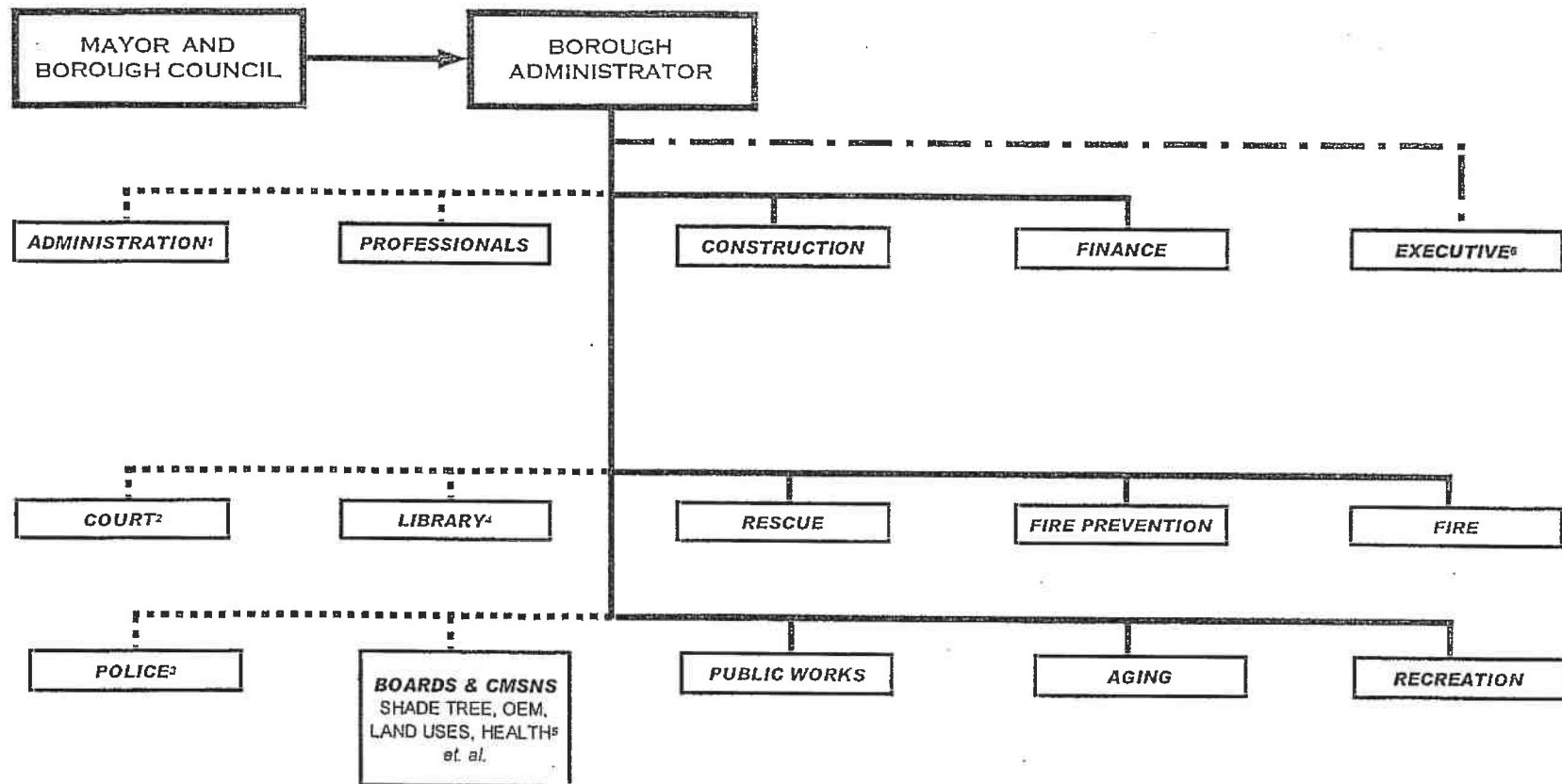
Respectfully submitted,

Arthur Londensky

Arthur Londensky
Borough Administrator

Joseph Zanga

Joseph Zanga
Chief Financial Officer



- Direct Report
- - - Staff Report
- 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, 2022

Governing Body

John M. Krenzel, Mayor
Tony Ciulla, Councilman, Council President
Donna Balazs, Councilwoman
Peter Guindi, Councilman
James Gurchensky, Councilman
Julie Meira, Councilwoman
Jason Oliveira, Councilman

Other Officials

Arthur Londensky, Business Administrator
Susan Minock, Borough Clerk [*through March 25, 2023*]
Alyssa Hager, Borough Clerk [*effective August 1, 2023*]
Michelle Urbanowiz, 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
Robert Janzekovich, Prosecutor
Andrea Wyatt, Esq., Borough Attorney
David Samuel, Borough Engineer

BOROUGH OF SOUTH RIVER
CONSULTANTS AND ADVISORS
DECEMBER 31, 2022

AUDIT FIRM

Gerard Stankiewicz, CPA, RMA
of the firm
Samuel Klein and Company, LLP
36 West Main Street, Suite 303
Freehold, New Jersey 07728

ATTORNEYS

GENERAL COUNSEL

Andrea Wyatt, Esq.
Rothstein, Mandell, Strohm, Halm & Cipriani, PA
150 Airport Road
Lakewood, NJ 08701

LABOR COUNSEL

Arthur R. Thibault, Esq.
Apruzzese, McDermott, Mastro & Murphy, P.C.
PO Box 112
Liberty Corner, NJ 07938

BOND COUNSEL

Meghan Ann Bennett, Esq.
Gluck Walrath LLP
4 Paragon Way
Freehold, NJ 07728

OFFICIAL DEPOSITORIES

Provident Bank
6 Jackson Street
South River, NJ 08882

Northfield Bank
1410 St. Georges Avenue
Avenel, NJ 07001

FINANCIAL SECTION

SAMUEL KLEIN AND COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

550 BROAD STREET, 11TH FLOOR
NEWARK, N.J. 07102-9969
PHONE (973) 624-6100
FAX (973) 624-6101

36 WEST MAIN STREET, SUITE 303
FREEHOLD, N.J. 07728-2291
PHONE (732) 780-2600
FAX (732) 780-1030

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

Opinions

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, 2022, 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.

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, 2022, and change in financial position thereof for the year then ended.

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 New 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

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 – regulatory basis been audited, the financial statements 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, 2022, 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, 2022 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.

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 34.21% of the assets and liabilities of the Borough's Trust Funds as of December 31, 2022.

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 Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements – regulatory basis as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards* and auditing standards prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements – regulatory basis, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Borough of South River, State of New Jersey's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements – regulatory basis.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough of South River, State of New Jersey's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Other Information

Our audit was performed for the purpose of forming an opinion on the financial statements of the Borough of South River, County of Middlesex, New Jersey. The information included Combining and Individual Funds and Account Statements as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements of the Borough of South River, County of Middlesex, New Jersey. The information included in the Combining and Individual Funds and Account Statements are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the financial statements.

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 information contained in the Statistical Section have not been subjected to auditing procedures applied in the audit of the financial statements – regulatory basis 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 29, 2023, 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
Certified Public Accountant
Registered Municipal Accountant #431



SAMUEL KLEIN AND COMPANY, LLP

Freehold, New Jersey
September 29, 2023

SAMUEL KLEIN AND COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

550 BROAD STREET, 11TH FLOOR

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FREEHOLD, N.J. 07728-2291

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FAX (732) 780-1030

**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, 2022, 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 29, 2023.

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 29, 2023

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, 2022
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2021)

	Governmental Funds				Utilities *	General Capital Asset	Totals	
	Current	General Capital	Trust Funds	Operating	Capital	Account	(Memorandum Only)	
							2021	2021
ASSETS AND OTHER DEBITS								
Cash and Cash Equivalents	\$ 8,035,942.67	\$ 88,055.22	\$ 2,747,966.26	\$ 8,364,255.70	\$ 2,091,422.94		\$ 21,327,642.79	\$ 19,854,314.84
Investment-BAN				22,000.00			22,000.00	43,000.00
Amount Held by Plan Administrator (unaudited)			1,431,122.56				1,431,122.56	1,696,075.53
Intergovernmental Accounts Receivable		822,757.56					822,757.56	1,062,993.25
Receivables and Other Assets:								
Delinquent Property Taxes	427,911.18						427,911.18	426,934.22
Consumer Accounts Receivable				3,221,505.55			3,221,505.55	3,004,304.54
Liens Receivable	229,999.38			21,664.86			251,664.24	739,550.71
Inventory				333,178.37			333,178.37	352,689.32
Property Acquired for Taxes -								
Assessed Valuation	47,300.00						47,300.00	47,300.00
Other Accounts Receivable	7,374.23		4,565.29	57,812.00			69,751.52	65,863.71
Interfunds Receivable					140,857.45		140,857.45	
Deferred Charges		24,999,104.91					24,999,104.91	25,281,594.61
Fixed Capital					43,695,640.94		43,695,640.94	41,700,395.51
Fixed Assets						\$ 34,709,869.97	34,709,869.97	34,147,075.12
Grant Fund:								
Grants Receivable	132,680.65						132,680.65	159,465.13
Interfunds Receivable	880,546.22						880,546.22	765,276.55
	\$ 9,761,754.33	\$ 25,909,917.69	\$ 4,183,654.11	\$ 12,020,416.48	\$ 45,927,921.33	\$ 34,709,869.97	\$ 132,513,533.91	\$ 129,346,833.04

* 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, 2022
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2021)

	Governmental Funds				Utilities *	General	Totals	
	Current	General Capital	Trust Funds	Operating	Capital	Capital Asset Account	(Memorandum Only)	
							2021	2021
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>								
Liabilities and Reserves:								
Appropriation Reserves	\$ 939,433.19			\$ 1,692,496.56			\$ 2,631,929.75	\$ 1,901,071.67
Reserve for Losap (unaudited)			\$ 1,431,122.56				1,431,122.56	1,696,075.53
Other Liabilities and Reserves	2,767,761.35	\$ 2,101,289.78	2,747,651.48	2,152,347.04	\$ 1,140,303.68		10,909,353.33	10,925,729.82
Improvement Authorizations		2,893,079.10			4,000,842.59		6,893,921.69	5,467,079.63
Accrued Interest on Bonds, Loans and Notes				8,105.58			8,105.58	7,544.29
Interfunds Payable	880,546.22	140,857.45					1,021,403.67	765,276.55
Serial Bonds		8,600,000.00			1,905,000.00		10,505,000.00	12,720,000.00
Bond Anticipation Notes		3,485,000.00			2,418,000.00		5,903,000.00	6,179,000.00
Loans Payable		8,352,500.79					8,352,500.79	8,608,212.51
Reserve for Receivables and Other Assets	712,584.79			3,634,160.78			4,346,745.57	4,632,424.21
Reserve for Amortization					34,982,640.94		34,982,640.94	33,356,395.51
Deferred Reserve for Amortization					1,053,000.00		1,053,000.00	178,000.00
Grant Fund:								
Reserve for Encumbrances	17,626.46						17,626.46	37,101.87
Unappropriated/Appropriated Reserves	995,600.41						995,600.41	887,639.81
Total Liabilities and Reserves	\$ 6,313,552.42	\$ 25,572,727.12	\$ 4,178,774.04	\$ 7,487,109.96	\$ 45,499,787.21		\$ 89,051,950.75	\$ 87,361,551.40
Equity and Other Credits:								
Fund Balance	\$ 3,448,201.91	\$ 337,190.57	\$ 4,880.07	\$ 4,533,306.52	\$ 428,134.12		\$ 8,751,713.19	\$ 7,838,206.52
Investment in General Capital Assets						\$ 34,709,869.97	34,709,869.97	34,147,075.12
Total Equity and Other Credits	\$ 3,448,201.91	\$ 337,190.57	\$ 4,880.07	\$ 4,533,306.52	\$ 428,134.12	\$ 34,709,869.97	\$ 43,461,583.16	\$ 41,985,281.64
Total Liabilities, Reserves and Fund Balance	\$ 9,761,754.33	\$ 25,909,917.69	\$ 4,183,654.11	\$ 12,020,416.48	\$ 45,927,921.33	\$ 34,709,869.97	\$ 132,513,533.91	\$ 129,346,833.04

* 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, 2022

	Current Fund			Utility Operating Funds *		
	Final Budget	Actual	Variance Favorable/ (Unfavorable)	Final Budget	Actual	Variance Favorable/ (Unfavorable)
Revenues:						
Fund Balance Anticipated	\$ 2,100,000.00	\$ 2,100,000.00		\$ 3,546,708.00	\$ 3,546,708.00	
Rents				16,404,156.00	18,835,285.86	\$ 2,431,129.86
Miscellaneous Revenues	4,613,741.00	4,669,971.03	\$ 56,230.03	21,286.00	21,286.00	
State Aid	825,291.00	825,291.00				
Grants	183,749.24	183,749.24				
	\$ 7,722,781.24	\$ 7,779,011.27	\$ 56,230.03	\$ 19,972,150.00	\$ 22,403,279.86	\$ 2,431,129.86
Receipts from Delinquent Taxes	420,000.00	1,093,837.24	673,837.24			
Amount to be Raised by Taxes for Support of Municipal Budget:						
Local Tax for Municipal Purposes						
Including Reserve for Uncollected Taxes	10,863,488.00	11,341,606.17	478,118.17			
Municipal Library Tax	560,973.00	560,973.00				
Budget Totals	\$ 19,567,242.24	\$ 20,775,427.68	\$ 1,208,185.44	\$ 19,972,150.00	\$ 22,403,279.86	\$ 2,431,129.86
Nonbudget Revenue		807,282.61	807,282.61		419,032.52	419,032.52
Other Credits to Income		868,084.05	868,084.05		929,106.93	929,106.93
Taxes Allocated to School and County	25,321,859.20	25,321,859.20				
Total Revenues	\$ 44,889,101.44	\$ 47,772,653.54	\$ 2,883,552.10	\$ 19,972,150.00	\$ 23,751,419.31	\$ 3,779,269.31

* 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, 2022

	Current Fund			Utility Operating Funds *		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable/ (Unfavorable)</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable/ (Unfavorable)</u>
Expenditures:						
Current:						
Within "CAPS":						
General Government	\$ 927,600.00	\$ 927,600.00				
Public Safety	5,125,350.00	5,125,350.00				
Public Works	2,141,000.00	2,141,000.00				
Health and Human Services	235,636.00	235,636.00				
Utility Expense and Bulk Purchases	457,000.00	457,000.00				
Sanitary Landfill	600,000.00	600,000.00				
Land Use	60,000.00	60,000.00				
Insurance	1,749,000.00	1,749,000.00				
Parks and Recreation	474,867.00	474,867.00				
Contingent	500.00	500.00				
Deferred Charges and Statutory Expenditures	1,818,832.00	1,818,832.00				
Excluded from "CAPS":						
Public Safety	143,500.00	143,500.00				
Public Works	380,000.00	380,000.00				
Education - Library	560,973.00	560,973.00				
Sewer	1,393,152.00	1,393,152.00				
Grants	290,321.24	290,321.24				
Operating - Utility				\$ 14,053,500.00	\$ 14,053,500.00	
Deferred Charges and Statutory Expenditures				536,000.00	536,000.00	
Capital Improvements	150,000.00	150,000.00		1,092,000.00	1,092,000.00	
Debt Service	2,159,511.00	2,159,511.00		1,190,650.00	1,190,650.00	
Budget - Anticipated Surplus to Current				3,100,000.00	3,100,000.00	
Reserve for Uncollected Taxes	900,000.00	900,000.00				
Total Budget Expenditures	\$ 19,567,242.24	\$ 19,567,242.24		\$ 19,972,150.00	\$ 19,972,150.00	

* 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, 2022

	Current Fund			Utility Operating Funds *		
	Final Budget	Actual	Variance Favorable/ (Unfavorable)	Final Budget	Actual	Variance Favorable/ (Unfavorable)
Expenditures (Continued):						
County and School Taxes	\$ 25,321,859.20	\$ 25,321,859.20				
Other Expenses		2,840.19	\$ (2,840.19)			
Total Expenditures	\$ 44,889,101.44	\$ 44,891,941.63	\$ (2,840.19)	\$ 19,972,150.00	\$ 19,972,150.00	
Excess in Revenues over Expenditures		\$ 2,880,711.91	\$ 2,880,711.91		\$ 3,779,269.31	\$ 3,779,269.31
Fund Balance, January 1, 2022		2,667,490.00	2,667,490.00		4,300,745.21	4,300,745.21
		\$ 5,548,201.91	\$ 5,548,201.91		\$ 8,080,014.52	\$ 8,080,014.52
Decreased by:						
Utilization as Anticipated Revenue		\$ 2,100,000.00	\$ 2,100,000.00		\$ 3,546,708.00	\$ 3,546,708.00
Fund Balance, December 31, 2022		\$ 3,448,201.91	\$ 3,448,201.91		\$ 4,533,306.52	\$ 4,533,306.52

* Electric, Water and Parking Utility

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

	Trust Other Fund #1	Trust Other Fund #2	Total
<u>BALANCE, DECEMBER 31, 2021</u>	\$ 598.22	\$ 4,281.85	\$ 4,880.07
<u>BALANCE, DECEMBER 31, 2022</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, 2021</u>	\$ 436,371.86
<u>INCREASED BY</u>	
Premium on Sale of Bond Anticipation Notes	30,111.10
Miscellaneous	<u>707.61</u>
	\$ 467,190.57
<u>DECREASED BY</u>	
Transferred to Current Fund as Anticipated Revenue	<u>130,000.00</u>
<u>BALANCE, DECEMBER 31, 2022</u>	<u>\$ 337,190.57</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, 2021</u>	\$ 287,295.02	\$ 15,663.00	\$ 125,761.36	\$ 428,719.38
<u>INCREASED BY</u>				
Premium on Sale of Bond Anticipation Notes	<u>2,256.05</u>	<u> </u>	<u>18,444.69</u>	<u>20,700.74</u>
	\$ 289,551.07	\$ 15,663.00	\$ 144,206.05	\$ 449,420.12
<u>DECREASED BY</u>				
Transferred to Operating Fund as Anticipated Revenue	<u>2,094.00</u>	<u> </u>	<u>19,192.00</u>	<u>21,286.00</u>
<u>BALANCE, DECEMBER 31, 2022</u>	<u>\$ 287,457.07</u>	<u>\$ 15,663.00</u>	<u>\$ 125,014.05</u>	<u>\$ 428,134.12</u>

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

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 2020 census, is 16,118.

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, 2022

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, 2022

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, 2022

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, 2022

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, 2022

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, 2022

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 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.

(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 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, 2022

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Other Accounting Standards (Continued)

- *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.

- *GASB Statement 99. Omnibus 2022 in Authoritative Guidance.* The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The practice issues addressed by this Statement are as follows:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*.
- Clarification of provisions in Statement No. 87, *Leases*.
- Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*.
- Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*.
- Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for accounting for the distribution benefits (SNAP).

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Other Accounting Standards (Continued)

- *GASB Statement 99. (Continued)*
 - Disclosures related to nonmonetary transactions.
 - Terminology updates related to certain provisions of Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position.
 - Terminology used in Statement No. 53 to refer to resource flows statements.

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

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement No. 34, as amended, and terminology updates related to Statement No. 53 and Statement No. 63 are effective upon issuance.
 - The requirements related to leases, PPPSs, and SBITAs are effective for fiscal years beginning after June 15, 2022 and all reporting periods thereafter.
 - The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53 are effective for fiscal years beginning after June 15, 2023 and all reporting periods thereafter.
- *GASB Statement 100. Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62.* The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting charges and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability.

This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes.

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Other Accounting Standards (Continued)

- *GASB Statement 100.* (Continued)

Effective Date: The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023 and all reporting periods thereafter. Earlier application is encouraged.

- *GASB Statement 101. Compensated Absences.* The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

Effective Date: The requirements of this Statement are effective for fiscal years beginning after December 15, 2023 and all reporting periods thereafter. Earlier application is encouraged.

F. Subsequent Events

Management has reviewed and evaluated all events and transactions from December 31, 2022 through September 29, 2023, 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.

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.

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

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

A. Cash and Cash Equivalents (Continued)

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.
- 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.

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

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

B. Investments (Continued)

- 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 \$22,000.00 with no interest and a maturity date of November 17, 2023.

C. Risk

As of December 31, 2022, 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, 2022 was \$22,903,044.43. 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.

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.

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

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

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>2022</u>	<u>2021</u>	<u>2020 *</u>	<u>2019</u>	<u>2018</u>
Tax Rate	\$ 2.428	\$ 2.337	\$ 2.287	\$ 8.237	\$ 8.039
Apportionment of Tax Rate:					
Municipal	0.718	0.700	0.680	2.443	2.331
Library	0.037	0.033	0.031	0.115	0.112
County:					
Regular	0.397	0.369	0.346	1.240	1.240
Open Space	0.034	0.031	0.029	0.105	0.102
Local School	1.242	1.204	1.201	4.334	4.254

* Revaluation effective for 2020

Assessed Valuation

2022	\$ 1,513,486,100.00
2021	1,509,579,100.00
2020 *	1,511,133,400.00
2019	409,978,600.00
2018	410,476,700.00

* Revaluation effective for 2020

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

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

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collections</u>
2022	\$ 36,797,446.23	\$ 36,324,438.37	98.70%
2021	35,339,555.46	34,855,353.20	98.63%
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%

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>
2022	\$ 229,999.38	\$ 427,911.18	\$ 657,910.56	1.78%
2021	687,616.86	422,351.49	1,109,968.35	3.14%
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%

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>
2022	\$ 47,300.00
2021	47,300.00
2020	47,300.00
2019	47,300.00
2018	47,300.00

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

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>
2022	\$ 14,578,290.28	\$ 14,620,380.60
2021	14,371,873.14	13,830,796.69
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

* 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.

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>
2022	\$ 4,418,551.38	\$ 4,165,280.73
2021	4,414,376.53	4,199,771.50
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

* 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.

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 5. UTILITY RECEIVABLES AND COLLECTIONS (CONTINUED)

Comparison of Parking Utility Collections

<u>Year</u>	<u>Cash Collections</u>
2022	\$ 36,295.68
2021	39,034.42
2020	39,877.82
2019	55,134.91
2018	59,728.79

Note 6. CAPITAL (GENERAL FIXED) ASSETS

During 2022 the following changes occurred in the capital assets of the Borough:

<u>CAPITAL ASSETS:</u>	<u>Dec 31, 2021</u>	<u>Increased by</u>	<u>Dec 31, 2022</u>
Land	\$ 4,848,616.00		\$ 4,848,616.00
Buildings	19,670,226.98		19,670,226.98
Vehicles	7,008,933.28	\$ 217,532.74	7,226,466.02
Equipment	2,619,298.86	345,262.11	2,964,560.97
	<u>\$ 34,147,075.12</u>	<u>\$ 562,794.85</u>	<u>\$ 34,709,869.97</u>

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

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>				
2022	\$ 3,448,201.91	\$ 2,425,000.00	N/A	70.33%
2021	2,667,490.00	2,100,000.00	N/A	78.73%
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%
<u>Electric Utility Operating Fund</u>				
2022	\$ 3,911,327.67	\$ 3,050,000.00	None	77.98%
2021	3,720,136.97	3,100,000.00	None	83.33%
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%
<u>Parking Utility Operating Fund</u>				
2022	\$ 57,201.02	\$ 30,837.00	None	53.91%
2021	90,335.48	58,000.00	None	64.21%
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%
<u>Water Utility Operating Fund</u>				
2022	\$ 564,777.83	\$ 554,290.00	None	98.14%
2021	490,272.76	388,708.00	None	79.28%
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%

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 8. 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 2022 the following changes occurred in the debt of the Borough:

	Balance <u>Dec 31, 2021</u>	Decreased <u>by</u>	Balance <u>Dec 31, 2022</u>
General Capital Fund:			
Serial Bonds	\$ 10,010,000.00	\$ 1,410,000.00	\$ 8,600,000.00
USDA Loan	8,608,212.51	255,711.72	8,352,500.79
Bond Anticipation Notes	<u>3,485,000.00</u>		<u>3,485,000.00</u>
	<u>\$ 22,103,212.51</u>	<u>\$ 1,665,711.72</u>	<u>\$ 20,437,500.79</u>
Electric Utility Capital Fund:			
Serial Bonds	\$ 525,000.00	\$ 525,000.00	-
Bond Anticipation Notes	<u>261,000.00</u>		<u>\$ 261,000.00</u>
	<u>\$ 786,000.00</u>	<u>525,000.00</u>	<u>\$ 261,000.00</u>
Parking Utility Capital Fund:			
Bond Anticipation Notes	<u>\$ 43,000.00</u>	<u>\$ 21,000.00</u>	<u>\$ 22,000.00</u>
Water Utility Capital Fund:			
Serial Bonds	\$ 2,185,000.00	\$ 280,000.00	\$ 1,905,000.00
Bond Anticipation Notes	<u>2,390,000.00</u>	<u>255,000.00</u>	<u>2,135,000.00</u>
	<u>\$ 4,575,000.00</u>	<u>\$ 535,000.00</u>	<u>\$ 4,040,000.00</u>
	<u>\$ 27,507,212.51</u>	<u>\$ 2,746,711.72</u>	<u>\$ 24,760,500.79</u>

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 8. **MUNICIPAL DEBT (CONTINUED)**

Summary of Municipal Debt (Excluding Current and Operating Debt)

	<u>Year 2022</u>	<u>Year 2021</u>	<u>Year 2020</u>
Issued:			
General:			
Bonds, Loans and Notes	\$ 20,437,500.79	\$ 22,103,212.51	\$ 22,562,957.56
Electric Utility:			
Bonds and Notes	261,000.00	786,000.00	1,025,000.00
Parking Utility:			
Bonds and Notes	22,000.00	43,000.00	64,000.00
Water Utility:			
Bonds, Loans and Notes	<u>4,040,000.00</u>	<u>4,575,000.00</u>	<u>3,815,000.00</u>
Total Issued	<u>\$ 24,760,500.79</u>	<u>\$ 27,507,212.51</u>	<u>\$ 27,466,957.56</u>
Authorized But Not Issued:			
General:			
Bonds and Notes	\$ 4,561,604.12	\$ 3,178,382.10	\$ 2,545,871.53
Electric Utility:			
Bonds and Notes	500,000.00	500,000.00	761,000.00
Parking Utility:			
Bonds and Notes	15,000.00	15,000.00	15,000.00
Water Utility:			
Bonds and Notes	<u>2,822,000.00</u>	<u>2,247,000.00</u>	<u>3,422,000.00</u>
Total Authorized But Not Issued	<u>\$ 7,898,604.12</u>	<u>\$ 5,940,382.10</u>	<u>\$ 6,743,871.53</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 32,659,104.91</u>	<u>\$ 33,447,594.61</u>	<u>\$ 34,210,829.09</u>

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 8. 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 1.484%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 3,948,000.00	\$ 3,948,000.00	\$ None
Electric Utility Debt	761,000.00	761,000.00	None
Parking Utility Debt	37,000.00	37,000.00	None
Water Utility Debt	6,862,000.00	6,862,000.00	None
General Debt	<u>24,999,104.91</u>	<u>None</u>	<u>24,999,104.91</u>
	<u>\$ 36,607,104.91</u>	<u>\$ 11,608,000.00</u>	<u>\$ 24,999,104.91</u>

Net Debt \$24,999,104.91 divided by Equalized Valuation basis per N.J.S. 40A:2-2 As Amended, \$1,684,585,672 equals 1.484%. The Annual Debt Statement has been filed.

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

4.0% of Average Equalized Valuation Basis (Municipal)	\$ 67,383,426.88
Net Debt	<u>24,999,104.91</u>
Remaining Borrowing Power	<u>\$ 42,384,321.97</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, 2022

Note 8. 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		\$ 17,869,405.92
Deductions:		
Operating and Maintenance Costs	\$ 11,233,000.00	
Debt Service	<u>547,852.98</u>	
Total Deductions		<u>11,780,852.98</u>
Excess in Revenue		\$ <u>6,088,552.94</u>

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		\$ 4,652,293.79
Deductions:		
Operating and Maintenance Costs	\$ 3,313,500.00	
Debt Service	<u>618,945.71</u>	
Total Deductions		<u>3,932,445.71</u>
Excess in Revenue		\$ <u>719,848.08</u>

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, 2022

Note 8. 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		\$ 97,398.93
Deductions:		
Operating and Maintenance Costs	\$ 43,000.00	
Debt Service	<u>21,000.00</u>	
		<u>64,000.00</u>
Excess in Revenue		<u>\$ 33,398.93</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.

Long-Term Debt

General Capital Fund:

\$10,500,000 General Obligation Bonds, Series 2019A
Annual maturities of \$700,000.00 to \$725,000.00 through
December 1, 2034 at interest rates of 2.00% to 3.00%. \$ 8,600,000.00 *

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%. \$ 1,905,000.00 *

\$ 10,505,000.00

- * 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, 2022

Note 8. MUNICIPAL DEBT (CONTINUED)

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

Serial Bonds:

Calendar Year	General Capital Fund		
	Principal	Interest	Total
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
2026	725,000.00	147,156.26	872,156.26
2027	725,000.00	125,406.26	850,406.26
	<u>3,625,000.00</u>	<u>822,781.30</u>	<u>4,447,781.30</u>
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
2031	700,000.00	66,500.00	766,500.00
2032	700,000.00	50,750.00	750,750.00
	<u>3,575,000.00</u>	<u>406,468.78</u>	<u>3,981,468.78</u>
2033	700,000.00	34,125.00	734,125.00
2034	700,000.00	17,500.00	717,500.00
	<u>1,400,000.00</u>	<u>51,625.00</u>	<u>1,451,625.00</u>
	<u>\$ 8,600,000.00</u>	<u>\$ 1,280,875.08</u>	<u>\$ 9,880,875.08</u>

Calendar Year	Water Utility Capital Fund		
	Principal	Interest	Total
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
2026	280,000.00	24,100.00	304,100.00
2027	265,000.00	15,700.00	280,700.00
	<u>1,385,000.00</u>	<u>154,100.00</u>	<u>1,539,100.00</u>
2028	260,000.00	10,400.00	270,400.00
2029	260,000.00	5,200.00	265,200.00
	<u>520,000.00</u>	<u>15,600.00</u>	<u>535,600.00</u>
	<u>\$ 1,905,000.00</u>	<u>\$ 169,700.00</u>	<u>\$ 2,074,700.00</u>

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 8. 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>
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
2026	1,005,000.00	171,256.26	1,176,256.26
2027	990,000.00	141,106.26	1,131,106.26
	<u>5,010,000.00</u>	<u>976,881.30</u>	<u>5,986,881.30</u>
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
2031	700,000.00	66,500.00	766,500.00
2032	700,000.00	50,750.00	750,750.00
	<u>4,095,000.00</u>	<u>422,068.78</u>	<u>4,517,068.78</u>
2033	700,000.00	34,125.00	734,125.00
2034	700,000.00	17,500.00	717,500.00
	<u>1,400,000.00</u>	<u>51,625.00</u>	<u>1,451,625.00</u>
	<u>\$ 10,505,000.00</u>	<u>\$ 1,450,575.08</u>	<u>\$ 11,955,575.08</u>

United States Department of Agriculture – Community Facilities Loan

General Capital Fund

Original Loan Amount - 2016	<u>\$ 9,800,000.00</u>
Balance December 31, 2022	<u>\$ 8,352,500.79</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

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 8. **MUNICIPAL DEBT (CONTINUED)**

Bond Anticipation Notes

At December 31, 2022, the Borough's outstanding Bond Anticipation Notes (BAN) are as follows:

<u>Fund</u>	<u>Interest Rate</u>	<u>Original Issue Date</u>	<u>Amount</u>	<u>Payment Required</u>	
				<u>First</u>	<u>Final</u>
General Capital	4.00%	2020	\$ 2,335,000.00	2023	2031
General Capital	4.00%	2021	1,150,000.00	2024	2032
Electric Utility Capital	4.00%	2021	261,000.00	2024	2032
Parking Utility Capital *	0.00%	2014	22,000.00	2017	2025
Water Utility Capital	4.00%	2020	1,080,000.00	2023	2031
Water Utility Capital	4.00%	2021	1,055,000.00	2024	2032
			<u>\$ 5,903,000.00</u>		

The budget for 2023 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, 2023 at no interest.

Bonds and Notes Authorized But Not Issued

At December 31, 2022, the Borough had authorized but not issued bonds and notes as follows:

General Capital Fund	\$ 4,561,604.12
Electric Utility Capital Fund	500,000.00
Water Utility Capital Fund	2,822,000.00
Parking Utility Capital Fund	<u>15,000.00</u>
	<u>\$ 7,898,604.12</u>

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 8. MUNICIPAL DEBT (CONTINUED)

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 and due to Bond Registrar/Paying Agent of \$81,840. 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 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 four (4) improvement authorizations totaling \$4,185,411.00 for various capital improvements, sewer system improvements, water system improvements, acquisition of public works equipment, and park improvements, which are funded by the Capital Improvement Fund of \$133,812.44, ARPA Grant of \$825,782.56, NJDOT Grant of \$681,405.00, Bonds and Notes Authorized in the amount of \$2,479,000.00 and Capital Fund balance \$65,411.00.

Copy Machine Leases

The Borough is obligated under two (2) 60-month copy machine leases expiring March 31, 2024. As of December 31, 2022, the copier lease payouts for the remaining years is as follows:

2023	\$ 4,018.20
2024	<u>1,004.55</u>
	<u>\$ 5,022.75</u>

There is no stated interest rates and the Borough is responsible for any overage charges.

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 9. 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		Increase/ (Decrease)
	<u>2022</u>	<u>2021</u>	
Balance of Tax*	\$ 9,037,383.00	\$ 8,713,146.00	\$ 324,237.00
Deferred	<u>7,559,686.00</u>	<u>7,559,686.00</u>	<u>None</u>
Payable	<u>\$ 1,477,697.00</u>	<u>\$ 1,153,460.00</u>	<u>\$ 324,237.00</u>

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

Note 10. 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/gasb-notices.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:

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 10. PENSION PLANS (CONTINUED)

Description of Systems (Continued)

Public Employees' Retirement System (Continued)

<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

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

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 10. PENSION PLANS (CONTINUED)

Description of Systems (Continued)

Police and Firemen's Retirement System (Continued)

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.

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 2022 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		
	2022	2021	2020
Covered Payroll	\$ 4,224,988	\$ 4,203,477	\$ 4,085,029
Actuarial Contribution Requirements	663,686	661,098	632,568
Total Contributions Employer Share	663,686	661,098	632,568
Percent of Covered Payroll	15.71 %	15.73 %	15.49 %
Employee's Share	316,874	315,261	306,377
Percent of Covered Payroll	7.50 %	7.50 %	7.50 %

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 10. 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, 2023 would be needed in the amount of \$717,390 since the obligation relates to the period December 31, 2022 and prior. The accrual (under GAAP) would affect the fund balance at yearend.

	PFRS		
	2022	2021	2020
Covered Payroll	\$ 3,586,060	\$ 3,536,162	\$ 3,445,878
Actuarial Contribution Requirements	1,186,832	1,134,797	1,001,490
Total Contributions Employer Share	1,186,832	1,134,797	1,001,490
Percent of Covered Payroll	33.10 %	32.09 %	29.06 %
Employee's Share	358,606	353,616	344,588
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, 2023 would be needed in the amount of \$1,295,478 since the obligation relates to the period December 31, 2022 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, 2022

Note 10. 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, 2022 and June 30, 2021 Independent Auditor's Report dated May 18, 2023 and July 21, 2022, respectively.

The Borough's reported liability of \$8,585,242 and \$6,713,557 for its proportionate share of the net pension liability at December 31, 2022 (*measurement date of June 30, 2022*) and December 31, 2021 (*measurement date of June 30, 2021*), respectively. The net pension liability was measured as of June 30, 2022 and June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by actuarial valuations as of July 1, 2021 and July 1, 2020, which were rolled forward. 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>2022</u>	<u>2021</u>
Local Group Share	\$ 15,219,184,920	\$ 11,972,782,878
Borough Proportionate Percentage	0.0568883966 %	0.0566712326 %
Difference - Increase/(Decrease)	0.0002171640 %	

For the year ended December 31, 2022, the Borough's recognizable (under GAAP) pension benefit was \$1,856,752. At December 31, 2022, 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 of assumptions	\$ 26,600	\$ 1,285,551
Net difference between expected and actual experience	61,964	54,644
Net difference between projected and actual investment earnings on pension plan investments	355,335	
Changes in proportion	33,110	1,127,406
Borough contributions made subsequent to yearend	<u>717,390</u>	
Total	<u>\$ 1,194,399</u>	<u>\$ 2,467,601</u>

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 10. PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

The \$717,390 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, 2022, the plan measurement date is June 30, 2022) would be recognized (under GAAP) as a reduction of the net pension liability in the Borough year ended December 31, 2022. 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>
2023	\$ (730,249)
2024	(372,037)
2025	(181,435)
2026	395,823
2027	(869)

Additional Information:

Collective (local employers) balances at June 30, 2022 and June 30, 2021 are as follows:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Collective deferred outflows of resources	\$ 1,660,772,008	\$ 1,164,738,169
Collective deferred inflows of resources	3,236,303,935	8,339,123,762
Collective net pension liability	15,219,184,920	11,972,782,878
Collective pension expenses	(1,032,778,934)	(1,599,674,464)
Borough's proportion (of Local Group)	0.0568883966 %	0.0566712326 %

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which rolled forward to June 30, 2022. This actuarial valuation used the following assumptions:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75 – 6.55% (based on years of service)
Investment Rate of Return:	7.00%

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 10. PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 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-2021.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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, 2022) 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, 2022 are summarized in the following table:

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 10. 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 %	8.12 %
Non-U.S. Developed Market Equity	13.50	8.38
Emerging Market Equity	5.50	10.33
Private Equity	13.00	11.80
Real Estate	8.00	11.19
Real Assets	3.00	7.60
High Yield	4.00	4.95
Private Credit	8.00	8.10
Investment Grade Credit	7.00	3.38
Cash Equivalents	4.00	1.75
U.S. Treasuries	4.00	1.75
Risk Mitigation Strategies	<u>3.00</u>	4.91
	<u>100.00 %</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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 100% 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, 2022

Note 10. 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, 2022 and June 30, 2021, 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, 2022			
<u>[Measurement Date June 30, 2022]</u>			
	1% Decrease	At Current	1% Increase
	<u>6.00%</u>	<u>Discount Rate</u>	<u>8.00%</u>
		<u>7.00%</u>	
Borough's proportionate share of the pension liability	\$ 11,029,521	\$ 8,585,242	\$ 6,505,062

December 31, 2021			
<u>[Measurement Date June 30, 2021]</u>			
	1% Decrease	At Current	1% Increase
	<u>6.00%</u>	<u>Discount Rate</u>	<u>8.00%</u>
		<u>7.00%</u>	
Borough's proportionate share of the pension liability	\$ 9,142,499	\$ 6,713,557	\$ 4,652,250

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).

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 10. PENSION PLANS (CONTINUED)

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

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, 2022 and June 30, 2021 Independent Auditor's Report dated July 25, 2023 and August 26, 2022, respectively.

The Borough's reported liability of \$11,401,687 and \$7,443,158 for its proportionate share of the net pension liability at December 31, 2022 (*measurement date of June 30, 2022*) and December 31, 2021 (*measurement date of June 30, 2021*), respectively. The net pension liability was measured as of June 30, 2022 and June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by actuarial valuations as of July 1, 2021 and July 1, 2020, which were rolled forward. 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>2022</u>	<u>2021</u>
Local Group Share	\$ 13,483,472,009	\$ 9,364,849,587
Borough Proportionate Percentage	0.0996097600 %	0.1018334054 %
Difference - Decrease	(0.0022236454)	

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 10. PENSION PLANS (CONTINUED)

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

For the year ended December 31, 2022, the Borough's recognizable (under GAAP) pension benefit was \$1,046,646. At December 31, 2022, 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 of assumptions	\$ 31,248	\$ 1,435,247
Net difference between expected and actual experience	516,071	698,508
Net difference between projected and actual investment earnings on pension plan investment	1,044,060	
Changes in proportion	551,486	249,460
Borough contributions made subsequent to measurement date	<u>1,295,478</u>	
Total	<u>\$ 3,438,343</u>	<u>\$ 2,383,215</u>

The \$1,295,478 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, 2022, the plan measurement date is June 30, 2022) would be recognized (under GAAP) as a reduction of the net pension liability in the Borough year ended December 31, 2022. 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>
2023	\$ (484,109)
2024	(309,376)
2025	(294,715)
2026	615,613
2027	5,933
Thereafter	6,220

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 10. PENSION PLANS (CONTINUED)

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

Additional Information:

Collective (local employers) balances at June 30, 2022 and June 30, 2021 are as follows:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Collective deferred outflows of resources	\$ 2,163,793,985	\$ 817,271,932
Collective deferred inflows of resources	2,805,919,493	6,875,738,520
Collective pension expense/(benefit)	165,943,124	(742,955,825)
Collective net pension liability		
Local Group	13,483,472,009	9,364,849,587
Less: Special Funding Situation (1)	<u>2,037,115,833</u>	<u>2,055,697,552</u>
	<u>\$ 11,446,356,176</u>	<u>\$ 7,309,152,035</u>
Borough's proportion (of Local Group)	0.0996097600 %	0.1018334054 %

(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 \$2,037,115,833 and \$2,055,697,552 as of June 30, 2022 and June 30, 2021, 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.

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 10. PENSION PLANS (CONTINUED)

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

Additional Information: (Continued)

(1) Special Funding Situation

	State Proportionate Share Net Pension Liability <u>Attributed to Borough</u>	State Pension <u>Expense Proportion</u>
June 30, 2022	\$ 2,029,166.00	\$ 234,112.00
June 30, 2021	2,093,387.00	233,142.00
June 30, 2020	2,036,969.00	230,850.00

Actuarial Assumptions

The collective total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which rolled forward to June 30, 2022. This actuarial valuation used the following assumptions.

Inflation rate:

Price	2.75%
Wage	3.25%

Salaries Increase:

Through all Future Years	3.25 – 16.25% (based on years of services)
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Investment Rate of Return	7.00%
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Mortality Rates

Employee mortality rates were based on the PubS-2010 amount-weighted mortality table with a 105.6% adjustment for males and 102.5% adjustment for females. For healthy annuitants mortality rates were based on the PubS-2010 amount-weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females. Disability rates were based on the PubS-2010 amount-weighted mortality table with a 152.0% adjustment for males and 109.3% adjustment for females. Mortality improvement is based on Scale MP-2021.

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 10. PENSION PLANS (CONTINUED)

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

Mortality Rates (Continued)

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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, 2022) 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, 2022 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 %	8.12 %
Non-U.S. Developed Market Equity	13.50	8.38
Emerging Market Equity	5.50	10.33
Private Equity	13.00	11.80
Real Estate	8.00	11.19
Real Assets	3.00	7.60
High Yield	4.00	4.95
Private Credit	8.00	8.10
Investment Grade Credit	7.00	3.38
Cash Equivalents	4.00	1.75
U.S. Treasuries	4.00	1.75
Risk Mitigation Strategies	<u>3.00</u>	4.91
	<u>100.00 %</u>	

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 10. 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, 2022. 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 100% 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, 2022 and June 30, 2021, 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, 2022			
<u>[Measurement Date June 30, 2022]</u>			
	1% Decrease	At Current	1% Increase
	<u>6.00%</u>	<u>Discount Rate</u>	<u>8.00%</u>
		<u>7.00%</u>	
Borough's proportionate share of the pension liability	\$ 15,644,346	\$ 11,401,687	\$ 7,869,653
December 31, 2021			
<u>[Measurement Date June 30, 2021]</u>			
	1% Decrease	At Current	1% Increase
	<u>6.00%</u>	<u>Discount Rate</u>	<u>8.00%</u>
		<u>7.00%</u>	
Borough's proportionate share of the pension liability	\$ 11,302,203	\$ 7,443,158	\$ 4,230,920

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).

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 11. 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 \$45,181,762 and \$53,869,443 for the years ended December 31, 2022 and December 31, 2021, respectively.

Key actuarial assumption – the total OPEB liability in the December 31, 2022 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	3.72%

Medical Trend:

- Medical: 5.3% in 2022, reducing by 0.2% per annum, leveling at 4.5% per annum in 2026
- Drug: 6.5% in 2022, reducing by 0.5% per annum, leveling at 4.5% per annum in 2026.
- Medicare Advantage: 4.5% per annum
- Dental and Vision: 3.5% per annum

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 10. POST EMPLOYMENT RETIREMENT BENEFITS (CONTINUED)

Plan Description (Continued)

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

Mortality rates were based on the PUB2010 "*General*" classification headcount weighted mortality with generational improvement using Scale MP-2021.

Turnover based on NJ State Pensions Ultimate Withdrawal Rates – prior to benefits 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 2022 medical and prescription drug premiums and the plan option selected. Plan selections are assumed to remain unchanged in retirement. Prior to age 65, the age specific cost was derived based on per person costs at the average age of the active population (43) and scaled to each age based on the medical cost aging factors. At age 65, Medicare Advantage becomes the primary payor of medical benefits aging factors are not applied.

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.

Actuarial Valuation Method – Entry Age Normal Funding Method based on a level percentage of salary. 2022 salaries were reported as \$6.105 million.

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 11. POST EMPLOYMENT RETIREMENT BENEFITS (CONTINUED)

Plan Description (Continued)

	December 31, 2022	December 31, 2021
	Total OPEB Liability	
Balance as of December 31,	\$ 53,869,443	\$ 56,098,718
Changes for the year:		
Interest cost	1,106,959	1,186,718
Service cost	376,138	451,506
Difference between expected and actual experience	(4,072,917)	
Changes in assumptions	(5,078,435)	(2,721,499)
Benefit payments	(1,019,426)	(1,146,000)
Net Changes	(8,687,681)	(2,229,275)
Balance as of December 31,	\$ 45,181,762	\$ 53,869,443

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:

	December 31, 2022 [Measurement Date]		
	At 1% Decrease (2.72%)	At Discount Rate (3.72%)	At 1% Increase (4.72%)
Total OPEB Liability	\$ 52,302,452	\$ 45,181,762	\$ 39,656,832

	December 31, 2021 [Measurement Date]		
	At 1% Decrease (1.06%)	At Discount Rate (2.06%)	At 1% Increase (3.06%)
Total OPEB Liability	\$ 61,982,454	\$ 53,869,443	\$ 47,315,122

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 11. POST EMPLOYMENT RETIREMENT BENEFITS (CONTINUED)

Plan Description (Continued)

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:

<u>December 31, 2022 [Measurement Date]</u>			
	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 39,984,403	\$ 45,181,762	\$ 51,812,354
<u>December 31, 2021 [Measurement Date]</u>			
	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 47,812,632	\$ 53,869,443	\$ 61,215,992

OPEB Expense – for the year ended December 31, 2022 and December 31, 2021, the Borough recognized OPEB expense of \$947,397 and \$1,722,198, respectively.

The following table illustrates the Deferred Inflows and Outflows as of December 31, 2022 under GASB 75 prior to any reduction due to the fiscal year 2022 amortizations.

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Difference between expected and actual experience		\$ (7,994,613)
Changes of assumptions	<u>\$ 6,983,506</u>	<u>(7,073,739)</u>
Total	<u>\$ 6,983,506</u>	<u>\$ (15,068,352)</u>

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 11. 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>Amount</u>
2023	\$ (535,700)
2024	(535,700)
2025	(535,700)
2026	(535,700)
2027	(535,700)
Total Thereafter	(5,406,346)

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 directly contribute 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>
2022	29	0.176399 %	\$ 5,951,366	\$ 976,149
2021	30	0.184627	7,129,109	972,794
2020	- NOT APPLICABLE -			

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 11. POST EMPLOYMENT RETIREMENT BENEFITS (CONTINUED)

Plan Description (Continued)

The State of New Jersey's total for special funding situation was as follows:

	<u>State Total</u>	
	<u>Net OPEB Liability</u>	<u>Employer OPEB Expense/(Benefit) and Related Revenue</u>
2022	\$ 3,373,809,587	\$ (553,375,659)
2021	3,861,357,890	(526,896,727)
2020	5,462,303,132	(271,914,772)

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>
2022	45	\$ 88,238.10
2021	45	71,866.32
2020	45	71,939.27

NOTE 12. 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.

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

NOTE 12. DEFINED CONTRIBUTION RETIREMENT PROGRAM (CONTINUED)

Description of System (Continued)

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.

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.

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 13. 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 and detail is as follows:

<u>Year</u>	<u>Amount</u>
2022	\$ 620,490.75
2021	646,759.74
2020	632,879.80

Note 14. INTERFUNDS RECEIVABLE AND PAYABLE

Interfund receivable and payable balances at December 31, 2022 were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund		\$ 880,546.22
Grant Fund	\$ 880,546.22	
General Capital Fund		140,857.45
Water Utility Operating Fund	<u>140,857.45</u>	<u>140,857.45</u>
	<u>\$ 1,021,403.67</u>	<u>\$ 1,021,403.67</u>

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 15. 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, 2022 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	\$ 3,100,000.00	\$ 58,000.00	\$ 388,708.00	\$ 3,546,708.00
Rents	14,620,380.60	36,295.68	4,178,609.58	18,835,285.86
Miscellaneous	2,094.00		19,192.00	21,286.00
Budget Totals	<u>\$ 17,722,474.60</u>	<u>\$ 94,295.68</u>	<u>\$ 4,586,509.58</u>	<u>\$ 22,403,279.86</u>
Nonbudget Revenue	\$ 327,439.07	\$ 3,103.25	\$ 88,490.20	\$ 419,032.52
Other Credits to Income:				
Current Appropriations Canceled	1,397.02	1,000.00	454.29	2,851.31
Unexpended Balance of Appropriation Reserves Lapsed and Encumbrances Canceled	572,130.01	23,466.61	330,659.00	926,255.62
Total Revenues	<u>\$ 18,623,440.70</u>	<u>\$ 121,865.54</u>	<u>\$ 5,006,113.07</u>	<u>\$ 23,751,419.31</u>
Expenditures:				
Operating:				
Salaries and Wages	\$ 1,500,000.00	\$ 12,000.00	\$ 735,000.00	\$ 2,247,000.00
Other Expenses	2,403,000.00	27,500.00	1,351,000.00	3,781,500.00
Purchase of Power/Water	7,000,000.00		1,025,000.00	8,025,000.00
Capital Improvements	450,000.00	32,000.00	610,000.00	1,092,000.00
Debt Service	549,250.00	22,000.00	619,400.00	1,190,650.00
Deferred Charges and Statutory Expenditures	330,000.00	3,500.00	202,500.00	536,000.00
Surplus - General Budget	3,100,000.00			3,100,000.00
Total Expenditures	<u>\$ 15,332,250.00</u>	<u>\$ 97,000.00</u>	<u>\$ 4,542,900.00</u>	<u>\$ 19,972,150.00</u>
Excess in Revenue	<u>\$ 3,291,190.70</u>	<u>\$ 24,865.54</u>	<u>\$ 463,213.07</u>	<u>\$ 3,779,269.31</u>
Fund Balance, January 1, 2022	<u>\$ 3,720,136.97</u>	<u>\$ 90,335.48</u>	<u>\$ 490,272.76</u>	<u>\$ 4,300,745.21</u>
	<u>\$ 7,011,327.67</u>	<u>\$ 115,201.02</u>	<u>\$ 953,485.83</u>	<u>\$ 8,080,014.52</u>
Decreased by:				
Utilization as Anticipated Revenue	<u>\$ 3,100,000.00</u>	<u>\$ 58,000.00</u>	<u>\$ 388,708.00</u>	<u>\$ 3,546,708.00</u>
Fund Balance, December 31, 2022	<u><u>\$ 3,911,327.67</u></u>	<u><u>\$ 57,201.02</u></u>	<u><u>\$ 564,777.83</u></u>	<u><u>\$ 4,533,306.52</u></u>

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 16. 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, 2022, 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, 2022, the Fund reported for all years combined, total assets of \$7,051,187 liabilities and reserves of \$32,983,484, which includes loss reserves of \$31,476,944 and an unrestricted net position deficit balance of \$25,538,559.

The information was abstracted from the Annual Independent Financial Audit of the JIF as of December 31, 2021, which expressed a qualified opinion. The audit for the period December 31, 2022 is in progress.

In 2021 the JIF billed the Borough \$988,663.79 for what is their pro rata share of an accumulated deficit of the JIF. The Borough has commenced repayment in accordance with the seven (7) year repayment terms that have been offered. The original balance owed is subject to review and adjustment on an annual basis.

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 16. 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>Dec. 31,</u>	<u>Employer</u> <u>Contributions</u>	<u>Refunded</u>	<u>Interest</u> <u>Earned</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2022	\$ 54,525.67	\$ 58,020.20	\$ 2,327.78	\$ 28,274.11	\$ 187,911.17
2021	76,071.20		580.61	58,293.20	101,311.63
2020	97,320.99		136.61	44,242.29	82,953.02

Note 17. 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, 2022

Note 18. 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, 2022 revealed net assets available for benefits of \$1,492,930.50. The Borough's contribution for December 31, 2022 is \$61,807.94. Contributions for the past three (3) years are as follows:

	<u>Total</u>	<u>Per Member</u>
2022	\$ 61,807.94	\$ 1,468.63
2021	64,317.54	1,531.37
2020	60,906.72	1,450.16

Note 19. 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 \$537,893.54.

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, 2022

Note 19. 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, 2022 of \$75,000.00 which represents an estimate for the tax appeals. In the event the appeals are awarded in excess of that amount, then a charge to Fund Balance/(Operations) will be needed.

Note 20: INTERLOCAL AGREEMENTS/SHARED SERVICES

Public Safety – Broadband High Frequency Services

The Borough has entered into an agreement with the Township of East Brunswick for the public safety communications service. The agreement provides the service for a monthly fee in 2022 of \$6,832.00 or \$81,984.00 annually. The agreement may be terminated with at least twelve (12) month notice.

Shared Services – Emergency Medical Services (EMS)

The Borough entered into an agreement with the Township of East Brunswick to provide emergency medical services. The agreement commenced on February 1, 2022 and there is no expiration date; however, it can be terminated with ninety (90) days notice. The fee is \$2,000.00 per month.

Sewer Treatment

The Borough provides sewer utility service through local collection lines which feed ultimately into the Middlesex County Utilities Authority treatment plant in the Township of Sayreville. The agreement was entered into in 1955. The Borough pays a quarterly charge based on an annual estimate. The annual estimate is based on various factors including quantity and quality of flow and actual expenditures. An annual reconciliation is done which can result in a refund or an added bill. The agreement has termination clauses, but it is unlikely that any termination will occur. The sewer operation is accounted for in the Current Fund and thus supported by taxation.

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 20: **INTERLOCAL AGREEMENT/SHARED SERVICES**

Sewer Treatment (Continued)

Expenditures for the last three (3) years is as follows:

2022	\$	1,415,397.00
2021		1,347,661.00
2020		1,346,336.00

Water Supply

The Borough has a water supply contract with the Township of East Brunswick through December 31, 2036 to provide a daily maximum flow of 850,000 gallons. The cost per million gallons is calculated on a base rate from 2016 plus a factor for cost of living. The amount per million gallons for 2022 was \$3,239.04. There is also a provision for excess usage on wells. Expenditures for the last three (3) years is as follows:

2022	\$	1,024,756.00
2021		879,444.00
2020		875,778.00

The Borough's Water Utility Fund provides the funding for the water system through user rates. The purchase of water represents about one-third 1/3 of the Borough's requirement.

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, 2022 financial statements. Management does not believe that there will be an adverse impact for the year ending December 31, 2023. 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 NINE (9) 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>
2022	0.0568883966 %	\$ 8,585,242	\$ 4,224,988	203.20 %	62.91 %
2021	0.0566713260	6,713,557	4,203,477	159.71	70.34
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 nine (9) 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 was 7.00% as of June 30, 2021 and 7.00% as of June 30, 2022.

BOROUGH OF SOUTH RIVER
SCHEDULE OF THE BOROUGH'S CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)
LAST NINE (9) 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>
2022	\$ 663,686	\$ 663,686	None	\$ 4,224,988	15.71 %
2021	661,098	661,098	None	4,203,477	15.73
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 nine (9) 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 was 7.00% as of June 30, 2021 and 7.00% as of June 30, 2022.

BOROUGH OF SOUTH RIVER
SCHEDULE OF THE BOROUGH PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
POLICE & FIREMEN'S RETIREMENT SYSTEM (PFRS)
LAST NINE (9) 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>
2022	0.0996097600 %	\$ 11,401,687	\$ 3,586,060	317.94 %	68.33 %
2021	0.1018334054	7,443,158	3,536,162	210.49	77.26
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 nine (9) 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 was 7.00% as of June 30, 2021 and 7.00% as of June 30, 2022.

BOROUGH OF SOUTH RIVER
SCHEDULE OF THE BOROUGH'S CONTRIBUTIONS
POLICE & FIREMEN'S RETIREMENT SYSTEM (PFRS)
LAST NINE (9) 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>
2022	\$ 1,186,832	\$ 1,186,832	None	\$ 3,586,060	33.10 %
2021	1,134,797	1,134,797	None	3,536,162	32.09
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 nine (9) 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 was 7.00% as of June 30, 2021 and 7.00% as of June 30, 2022.

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, 2022 AND 2021

	Balance December 31, <u>2022</u>	Balance December 31, <u>2021</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 8,035,942.67	\$ 6,691,075.71
Receivables and Other Assets with Full Reserves:		
Taxes Receivable	427,911.18	426,934.22
Tax Title Liens Receivable	229,999.38	687,616.86
Property Acquired for Taxes - Assessed Valuation	47,300.00	47,300.00
Other Accounts Receivable:		
Revenue Accounts Receivable	<u>7,374.23</u>	<u>3,833.42</u>
Total Current Fund	\$ <u>8,748,527.46</u>	\$ <u>7,856,760.21</u>
Grant Fund:		
Grants Receivable	\$ 132,680.65	\$ 159,465.13
Interfund Receivable- Due from Current Fund	<u>880,546.22</u>	<u>765,276.55</u>
Total Grant Fund	\$ <u>1,013,226.87</u>	\$ <u>924,741.68</u>
Total Assets	\$ <u><u>9,761,754.33</u></u>	\$ <u><u>8,781,501.89</u></u>

BOROUGH OF SOUTH RIVER
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
AS OF DECEMBER 31, 2022 AND 2021

	Balance December 31, <u>2022</u>	Balance December 31, <u>2021</u>
<u>LIABILITIES, RESERVES AND</u>		
<u>FUND BALANCE</u>		
Current Fund:		
Liabilities:		
Appropriation Reserves	\$ 939,433.19	\$ 918,252.62
Reserve for Encumbrances	709,028.98	549,095.01
Accounts Payable	72,790.71	78,944.62
Prepaid Taxes	188,333.90	281,894.53
Due to State of New Jersey:		
Ch. 20,P.L. 1971	44,542.13	43,792.13
DCA Training Fees	1,883.00	2,435.00
Various Reserves	273,485.63	230,435.25
Local School Taxes Payable	1,477,697.00	1,153,460.00
Interfunds Payable-		
Due to Grant Fund	<u>880,546.22</u>	<u>765,276.55</u>
	\$ 4,587,740.76	\$ 4,023,585.71
Reserve for Receivables and Other Assets	712,584.79	1,165,684.50
Fund Balance	<u>3,448,201.91</u>	<u>2,667,490.00</u>
Total Current Fund	\$ <u>8,748,527.46</u>	\$ <u>7,856,760.21</u>
Grant Fund:		
Reserve for Grants:		
Appropriated	\$ 158,667.41	\$ 61,857.25
Unappropriated	836,933.00	825,782.56
Reserve for Encumbrances	<u>17,626.46</u>	<u>37,101.87</u>
Total Grant Fund	\$ <u>1,013,226.87</u>	\$ <u>924,741.68</u>
Total Liabilities, Reserves and Fund Balance	\$ <u><u>9,761,754.33</u></u>	\$ <u><u>8,781,501.89</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, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Revenues and Other Income Realized:		
Fund Balance Utilized	\$ 2,100,000.00	\$ 1,934,711.00
Miscellaneous Revenues Anticipated	4,669,971.03	4,610,046.60
State Aid	825,291.00	825,291.00
Grants	183,749.24	493,998.54
Receipts from Delinquent Taxes	1,093,837.24	462,787.30
Amount to be Raised by Taxation for Support of Municipal Budget	11,902,579.17	11,541,601.08
Nonbudget Revenues	807,282.61	870,214.18
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves		
Lapsed and Reserve for Encumbrances Canceled	867,623.90	1,122,512.67
Current Appropriations Canceled	2.15	155.29
Cancellation of Prior Year Grant Appropriated and Unappropriated Reserves	458.00	9,507.86
Cancellation of Accounts Payable		32,748.00
Taxes Allocated to School and County Taxes	<u>25,321,859.20</u>	<u>24,203,752.12</u>
Total Income	<u>\$ 47,772,653.54</u>	<u>\$ 46,107,325.64</u>
Expenditures:		
Budget and Emergency Appropriations:		
Within "CAPS":		
General Government	\$ 927,600.00	\$ 817,500.00
Land Use	60,000.00	78,000.00
Insurance	1,749,000.00	1,606,000.00
Public Safety	5,125,350.00	5,039,250.00
Public Works	2,141,000.00	2,164,000.00
Health and Human Services	235,636.00	144,860.00
Parks and Recreation	474,867.00	454,317.00
Utility Expense and Bulk Purchases	457,000.00	416,000.00
Sanitary Landfill	600,000.00	600,000.00
Contingent	500.00	500.00
Deferred Charges and Statutory Expenditures	1,818,832.00	1,758,000.00
Excluded from "CAPS":		
Public Safety	143,500.00	121,500.00
Public Works	380,000.00	375,000.00
Education - Library	560,973.00	507,773.00
Sewer	1,393,152.00	1,419,908.00

BOROUGH OF SOUTH RIVER
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE -
REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Expenditures (Continued):		
Budget and Emergency Appropriations (Continued):		
Excluded from "CAPS" (Continued):		
Federal and State Grants	\$ 290,321.24	\$ 521,998.54
Capital Improvements	150,000.00	175,000.00
Municipal Debt Service	2,159,511.00	2,148,923.00
Deferred Charges and Statutory Expenditures		100,000.00
Reserve for Uncollected Taxes	900,000.00	890,000.00
County Taxes	6,517,037.08	6,026,648.55
County Added and Omitted Taxes:		
2022	8,596.12	
2021		10,387.57
2020		355.49
Local District School Taxes	18,796,226.00	18,166,716.00
Cancellation of Prior Grant Receivables	458.00	13,823.01
Prior Years Senior Citizens and Veterans Disallowed	<u>2,382.19</u>	<u>5,520.92</u>
Total Expenditures	\$ <u>44,891,941.63</u>	\$ <u>43,561,981.08</u>
Statutory Excess to Fund Balance	\$ 2,880,711.91	\$ 2,545,344.56
Fund Balance, January 1	<u>2,667,490.00</u>	<u>2,056,856.44</u>
	\$ 5,548,201.91	\$ 4,602,201.00
Decreased by:		
Utilized as Anticipated Revenue	<u>2,100,000.00</u>	<u>1,934,711.00</u>
Fund Balance, December 31	\$ <u><u>3,448,201.91</u></u>	\$ <u><u>2,667,490.00</u></u>

BOROUGH OF SOUTH RIVER
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

	Budget as <u>Modified</u>	Realized	Excess or (Deficit)
Fund Balance Anticipated	\$ 2,100,000.00	\$ 2,100,000.00	
Miscellaneous Revenues:			
Licenses:			
Alcoholic Beverages	\$ 27,000.00	\$ 33,152.83	\$ 6,152.83
Other	4,000.00	4,043.00	43.00
Fees and Permits	95,000.00	76,780.05	(18,219.95)
Fines and Costs - Municipal Court	40,000.00	64,656.41	24,656.41
Interest and Costs on Taxes	91,000.00	99,719.52	8,719.52
Anticipated Operating Surplus - Electric	<u>3,100,000.00</u>	<u>3,100,000.00</u>	
	\$ 3,357,000.00	\$ 3,378,351.81	\$ 21,351.81
State Aid Without Offsetting Appropriations:			
Energy Receipts Tax	\$ 800,008.00	\$ 800,008.00	
Consolidated Municipal Property Tax Relief Aid	<u>25,283.00</u>	<u>25,283.00</u>	
	\$ 825,291.00	\$ 825,291.00	
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	\$ 155,000.00	\$ 181,899.00	\$ 26,899.00
Zoning Fees	<u>8,500.00</u>	<u>8,000.00</u>	(500.00)
	\$ 163,500.00	\$ 189,899.00	\$ 26,399.00
Special Items of Revenue Offset with Appropriations:			
Clean Communities Program	\$ 29,481.07	\$ 29,481.07	
Body Armor Replacement Fund	1,843.59	1,843.59	
Middlesex County Office on Aging Grant:			
Physical	5,000.00	5,000.00	
Residential Maintenance	9,000.00	9,000.00	
Information & Assistance	10,000.00	10,000.00	
Assisted Transportation	47,050.00	47,050.00	
Socialization and Recreation	3,500.00	3,500.00	
Mental Health	50,000.00	50,000.00	
Recycling Enhancement Grant	5,000.00	5,000.00	
Recycling Tonnage Grant	<u>22,874.58</u>	<u>22,874.58</u>	
	\$ 183,749.24	\$ 183,749.24	

BOROUGH OF SOUTH RIVER
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

	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	\$ 848,000.00	\$ 848,838.95	\$ 838.95
Cable Television Percentage of Revenue - 2%	39,241.00	39,241.87	0.87
Payment in Lieu of Taxes - National Church Residence - Willet Manor	38,000.00	39,196.65	1,196.65
Payment in Lieu of Taxes - National Church Residence - South River Landing	38,000.00	44,442.75	6,442.75
General Capital Fund Balance	<u>130,000.00</u>	<u>130,000.00</u>	
	<u>\$ 1,093,241.00</u>	<u>\$ 1,101,720.22</u>	<u>\$ 8,479.22</u>
Receipts from Delinquent Taxes	<u>\$ 420,000.00</u>	<u>\$ 1,093,837.24</u>	<u>\$ 673,837.24</u>
Amount to be Raised by Taxation for Support of Municipal Budget:			
Local Tax for Municipal Purposes	\$ 10,863,488.00	\$ 11,341,606.17	\$ 478,118.17
Minimum Library Tax	<u>560,973.00</u>	<u>560,973.00</u>	
	<u>\$ 11,424,461.00</u>	<u>\$ 11,902,579.17</u>	<u>\$ 478,118.17</u>
Budget Totals	\$ 19,567,242.24	\$ 20,775,427.68	\$ 1,208,185.44
Nonbudget Revenue		<u>807,282.61</u>	<u>807,282.61</u>
	<u>\$ 19,567,242.24</u>	<u>\$ 21,582,710.29</u>	<u>\$ 2,015,468.05</u>
Detail:			
Budget as Adopted	\$ 19,529,839.17		
Added by N.J.S.A. 40A:4-87	<u>37,403.07</u>		
	<u>\$ 19,567,242.24</u>		

BOROUGH OF SOUTH RIVER
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

	<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	\$ 122,000.00	\$ 97,000.00	\$ 80,753.00		\$ 16,247.00	
Other Expenses	15,000.00	15,000.00	10,518.51		4,481.49	
Cable Television	15,000.00	15,000.00	9,363.30	\$ 336.89	5,299.81	
Communication and Technology:						
Salaries and Wages	3,600.00	3,600.00	3,600.00			
Other Expenses	5,000.00	5,000.00	4,381.47		618.53	
Human Resources:						
Other Expenses	60,000.00	80,000.00	61,916.02	5,000.00	13,083.98	
Mayor and Council:						
Salaries and Wages	26,000.00	26,000.00	25,999.80		0.20	
Other Expenses	11,000.00	11,000.00	3,913.59	75.00	7,011.41	
Borough Clerk:						
Salaries and Wages	94,000.00	94,000.00	88,453.34		5,546.66	
Other Expenses	13,000.00	15,000.00	12,814.11	408.07	1,777.82	
Codification of Ordinances	8,000.00	8,000.00	1,195.00		6,805.00	
Elections:						
Salaries and Wages	1,000.00	1,000.00			1,000.00	
Other Expenses	9,000.00	9,000.00	8,388.75		611.25	
Financial Administration:						
Salaries and Wages	116,000.00	116,000.00	115,135.69		864.31	
Other Expenses	35,000.00	35,000.00	14,782.29	9,396.70	10,821.01	
Audit Services:						
Other Expenses	34,000.00	34,000.00		32,800.00	1,200.00	
Collection of Taxes:						
Salaries and Wages	52,000.00	52,000.00	48,570.65		3,429.35	
Other Expenses	8,000.00	8,000.00	7,806.01	187.84	6.15	
Assessment of Taxes:						
Salaries and Wages	33,000.00	33,000.00	32,425.12		574.88	
Other Expenses	32,500.00	32,500.00	8,151.18		24,348.82	
Legal Services:						
Other Expenses	120,000.00	160,000.00	141,516.05	6,393.65	12,090.30	
Engineering Services and Costs:						
Other Expenses	25,000.00	25,000.00	10,689.25	789.00	13,521.75	
Economic Development Commission:						
Other Expenses	26,500.00	26,500.00			26,500.00	
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, 2022

	<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	17,000.00	17,000.00	13,913.45	\$ 322.00	\$ 2,764.55	
Board of Adjustment:						
Salaries and Wages	16,000.00	16,000.00	15,488.78		511.22	
Other Expenses	17,000.00	17,000.00	3,951.91		13,048.09	
<u>INSURANCE</u>						
Liability Insurance	286,013.00	286,013.00	272,024.74		13,988.26	
Workers' Compensation	157,987.00	157,987.00	157,987.00			
Group Health Benefits	1,310,000.00	1,225,000.00	1,112,541.54	66,145.65	46,312.81	
Unemployment Insurance	20,000.00	20,000.00	20,000.00			
Health Benefit Waiver	60,000.00	60,000.00	53,896.09		6,103.91	
<u>PUBLIC SAFETY FUNCTIONS</u>						
Police:						
Salaries and Wages	3,805,000.00	3,805,000.00	3,735,792.07		69,207.93	
Other Expenses	150,000.00	150,000.00	112,815.51	33,094.00	4,090.49	
Special Police:						
Salaries and Wages	110,000.00	110,000.00	92,596.10		17,403.90	
Other Expenses	15,000.00	15,000.00	844.35	5,053.25	9,102.40	
School Guards:						
Salaries and Wages	235,000.00	235,000.00	207,697.84		27,302.16	
Other Expenses	3,500.00	3,500.00	1,109.50	2,383.17	7.33	
Juvenile Conference Committee:						
Other Expenses	500.00	500.00			500.00	
Police Dispatch/911:						
Salaries and Wages	233,000.00	233,000.00	225,520.74		7,479.26	
Other Expenses	6,000.00	6,000.00	3,837.09		2,162.91	
Office of Emergency Management:						
Other Expenses	7,100.00	7,100.00	5,553.45	271.25	1,275.30	
Aid to Volunteer Fire Companies:						
Other Expenses	90,000.00	91,301.75	62,659.44	27,976.25	666.06	
Clothing Allowance	40,000.00	38,698.25	38,698.25			

BOROUGH OF SOUTH RIVER
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

	<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	\$ 81,000.00	\$ 81,000.00	\$ 50,319.34		\$ 30,680.66	
Other Expenses	3,000.00	3,000.00	56.99		2,943.01	
Municipal Prosecutor:						
Other Expenses	15,000.00	15,000.00	14,888.00		112.00	
Municipal Court:						
Salaries and Wages	181,000.00	161,000.00	139,073.51		21,926.49	
Other Expenses	13,000.00	13,000.00	5,477.67		7,522.33	
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	640,000.00	640,000.00	598,181.63		41,818.37	
Other Expenses	120,000.00	120,000.00	82,352.15	\$ 3,404.30	34,243.55	
Garbage and Trash Removal:						
Salaries and Wages	680,000.00	680,000.00	669,366.95		10,633.05	
Other Expenses	20,000.00	20,000.00	8,077.33		11,922.67	
Public Buildings and Grounds:						
Other Expenses	180,000.00	188,000.00	165,162.59	12,768.50	10,068.91	
Vehicle Maintenance:						
Salaries and Wages	103,000.00	108,000.00	104,297.97		3,702.03	
Other Expenses	300,000.00	300,000.00	256,515.64	15,726.33	27,758.03	
Lease/Purchase of Police Car(s)	85,000.00	85,000.00	28,223.58	56,678.75	97.67	
<u>HEALTH AND HUMAN SERVICES FUNCTIONS</u>						
Board of Health:						
Salaries and Wages	10,500.00	10,500.00	10,098.08		401.92	
Other Expenses	1,500.00	1,500.00	798.00	42.72	659.28	
County Health Program (C. 329, P.L. 1975)	70,136.00	70,136.00	70,135.00		1.00	

BOROUGH OF SOUTH RIVER
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

	<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	\$ 80,000.00	\$ 80,000.00	\$ 33,531.33		\$ 46,468.67	
Other Expenses	13,000.00	13,000.00	10,446.36	\$ 200.93	2,352.71	
Environmental Commission (N.J.S.A. 56A-1 et seq.):						
Other Expenses	21,500.00	21,500.00	12,343.51	1,000.00	8,156.49	
Animal Control:						
Salaries and Wages	10,000.00	10,000.00			10,000.00	
Other Expenses	25,000.00	25,000.00	633.14	375.00	23,991.86	
Municipal Alliance:						
Salaries and Wages	4,000.00	4,000.00	3,999.97		0.03	
<u>PARK AND RECREATION FUNCTIONS</u>						
Board of Recreation Commissioners:						
Salaries and Wages	69,000.00	69,000.00	66,027.47		2,972.53	
Other Expenses	13,500.00	13,500.00	7,816.18	1,589.18	4,094.64	
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	3,900.23		9,099.77	
Holiday Lighting	500.00	500.00	364.96	51.26	83.78	
Cultural Arts Heritage Commission (N.J.S.A. 40:33A-1 et seq.):						
Other Expenses	5,567.00	5,567.00	5,567.00			
Maintenance of Parks:						
Salaries and Wages	332,000.00	332,000.00	300,913.44		31,086.56	
Other Expenses	30,550.00	30,550.00	15,263.61	2,843.82	12,442.57	
<u>UTILITY EXPENSES AND BULK PURCHASES</u>						
Telephone	55,000.00	55,000.00	41,756.34	2,927.79	10,315.87	
Heat	60,000.00	60,000.00	41,712.41	8,745.15	9,542.44	
Gasoline, Lubricants and Oil	80,000.00	105,000.00	89,789.96	12,691.16	2,518.88	
Office Supplies	24,000.00	24,000.00	14,871.79	2,664.90	6,463.31	
Postage	25,000.00	25,000.00	17,361.73		7,638.27	
Sewer Department:						
Salaries and Wages	68,000.00	68,000.00	65,776.99		2,223.01	
Other Expenses	40,000.00	40,000.00	18,493.39	429.98	21,076.63	
Computer Maintenance Service Contract	60,000.00	80,000.00	59,795.76	4,479.87	15,724.37	
<u>LANDFILL/SOLID WASTE DISPOSAL COSTS</u>						
Sanitary Landfill - Contractual	600,000.00	600,000.00	452,501.90	90,939.90	56,558.20	

BOROUGH OF SOUTH RIVER
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

	<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	\$ 147,000.00	\$ 147,000.00	\$ 128,253.07		\$ 18,746.93	
Other Expenses	10,000.00	10,000.00	2,122.00	\$ 635.94	7,242.06	
Accumulated Absences	25,000.00	25,000.00	25,000.00			
Total Operations within "CAPS"	\$ 11,780,453.00	\$ 11,770,453.00	\$ 10,469,317.95	\$ 408,828.20	\$ 892,306.85	
<u>CONTINGENT</u>	\$ 500.00	\$ 500.00			\$ 500.00	
Total Operations Including Contingent - within "CAPS"	\$ 11,780,953.00	\$ 11,770,953.00	\$ 10,469,317.95	\$ 408,828.20	\$ 892,806.85	
Detail:						
Salaries and Wages	\$ 7,283,750.00	\$ 7,243,750.00	\$ 6,873,272.88		\$ 370,477.12	
Other Expenses (Including Contingent)	4,497,203.00	4,527,203.00	3,596,045.07	\$ 408,828.20	522,329.73	
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"</u>						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	\$ 335,000.00	\$ 335,000.00	\$ 330,593.00		\$ 4,407.00	
Social Security System (O.A.S.I.)	282,000.00	292,000.00	287,686.06		4,313.94	
Police & Firemen's Retirement System	1,186,832.00	1,186,832.00	1,186,832.00			
Defined Contribution Retirement Plan	5,000.00	5,000.00			5,000.00	
Total Deferred Charges and Statutory Expenditures - Expenditures - Municipal within "CAPS"	\$ 1,808,832.00	\$ 1,818,832.00	\$ 1,805,111.06		\$ 13,720.94	
Total General Appropriations for Municipal Purposes within "CAPS"	\$ 13,589,785.00	\$ 13,589,785.00	\$ 12,274,429.01	\$ 408,828.20	\$ 906,527.79	
<u>OPERATIONS - EXCLUDED FROM "CAPS"</u>						
Other Operations - Excluded from "CAPS":						
Sanitation:						
County Sewerage Authority Contract						
Operating and Maintenance	\$ 903,584.00	\$ 903,584.00	\$ 903,583.68		\$ 0.32	
Debt Service	412,789.00	412,789.00	412,788.64		0.36	
Deficit Prior Year	76,779.00	76,779.00	76,778.18		0.82	
Maintenance of Free Public Library	560,973.00	560,973.00	542,559.29	\$ 18,413.71		
Length of Service Award Program (LOSAP)	80,000.00	80,000.00		80,000.00		
Total Other Operations - Excluded from "CAPS"	\$ 2,034,125.00	\$ 2,034,125.00	\$ 1,935,709.79	\$ 98,413.71	\$ 1.50	

BOROUGH OF SOUTH RIVER
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

	<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	\$ 380,000.00	\$ 380,000.00	\$ 268,842.83	\$ 92,651.92	\$ 18,505.25	
Township of East Brunswick:						
Emergency Medical Services	22,000.00	22,000.00	22,000.00			
Radio Safety Communications System	<u>41,500.00</u>	<u>41,500.00</u>	<u>41,156.16</u>		<u>343.84</u>	
Total Interlocal Municipal Service Agreements	<u>\$ 443,500.00</u>	<u>\$ 443,500.00</u>	<u>\$ 331,998.99</u>	<u>\$ 92,651.92</u>	<u>\$ 18,849.09</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)		\$ 29,481.07	\$ 29,481.07			
Body Armor Replacement Fund	\$ 1,843.59	1,843.59	1,843.59			
NJ Recycling Tonnage Grant	22,874.58	22,874.58	22,874.58			
County of Middlesex:						
Older Americans Act:						
Grant:						
Residential	9,000.00	9,000.00	9,000.00			
Physical	5,000.00	5,000.00	5,000.00			
Socialization and Recreation	3,500.00	3,500.00	3,500.00			
Assisted Transportation	43,128.00	47,050.00	47,050.00			
Information and Assistance	6,000.00	10,000.00	10,000.00			
Mental Health	50,000.00	50,000.00	50,000.00			
Match:						
Information and Assistance	1,000.00	1,000.00	1,000.00			
Assisted Transportation	55,572.00	55,572.00	55,572.00			
Mental Health	40,000.00	40,000.00	40,000.00			
Bullet Proof Vest Grant						
Recycling Enhancement Grant	5,000.00	5,000.00	5,000.00			
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>\$ 252,918.17</u>	<u>\$ 290,321.24</u>	<u>\$ 280,321.24</u>		<u>\$ 10,000.00</u>	
Total Operations - Excluded from "CAPS"	<u>\$ 2,730,543.17</u>	<u>\$ 2,767,946.24</u>	<u>\$ 2,548,030.02</u>	<u>\$ 191,065.63</u>	<u>\$ 28,850.59</u>	
Detail:						
Other Expenses	\$ 2,730,543.17	\$ 2,767,946.24	\$ 2,548,030.02	\$ 191,065.63	\$ 28,850.59	

BOROUGH OF SOUTH RIVER
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

	<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	<u>75,000.00</u>	<u>75,000.00</u>	<u>38,189.96</u>	\$ 109,135.15	\$ 4,054.81	
Total Capital Improvements Excluded from "CAPS"	<u>\$ 150,000.00</u>	<u>\$ 150,000.00</u>	<u>\$ 36,810.04</u>	<u>\$ 109,135.15</u>	<u>\$ 4,054.81</u>	
<u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</u>						
Payment of Bond Principal	\$ 1,410,000.00	\$ 1,410,000.00	\$ 1,410,000.00			
Interest on Bonds	247,307.00	247,307.00	247,306.26			\$ 0.74
Interest on Notes	43,563.00	43,563.00	43,562.59			0.41
United States Department of Agriculture:						
Principal	255,712.00	255,712.00	255,711.72			0.28
Interest	<u>202,929.00</u>	<u>202,929.00</u>	<u>202,928.28</u>			<u>0.72</u>
Total Municipal Debt Service - Excluded from "CAPS"	<u>\$ 2,159,511.00</u>	<u>\$ 2,159,511.00</u>	<u>\$ 2,159,508.85</u>			<u>\$ 2.15</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>\$ 5,040,054.17</u>	<u>\$ 5,077,457.24</u>	<u>\$ 4,744,348.91</u>	<u>\$ 300,200.78</u>	<u>\$ 32,905.40</u>	<u>\$ 2.15</u>
Total General Appropriations - Excluded from "CAPS"	<u>\$ 5,040,054.17</u>	<u>\$ 5,077,457.24</u>	<u>\$ 4,744,348.91</u>	<u>\$ 300,200.78</u>	<u>\$ 32,905.40</u>	<u>\$ 2.15</u>
Subtotal General Appropriations	\$ 18,629,839.17	\$ 18,667,242.24	\$ 17,018,777.92	\$ 709,028.98	\$ 939,433.19	\$ 2.15
<u>RESERVE FOR UNCOLLECTED TAXES</u>	<u>900,000.00</u>	<u>900,000.00</u>	<u>900,000.00</u>			
Total General Appropriations	<u>\$ 19,529,839.17</u>	<u>\$ 19,567,242.24</u>	<u>\$ 17,918,777.92</u>	<u>\$ 709,028.98</u>	<u>\$ 939,433.19</u>	<u>\$ 2.15</u>
<u>Detail:</u>						
Budget as Adopted		\$ 19,529,839.17				
Added by NJSA 40A:4-87		<u>37,403.07</u>				
		<u>\$ 19,567,242.24</u>				

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

Year	Balance December 31, 2021	2022 Levy	Added Taxes	Collection		Due From State of New Jersey Chap. 20, P.L. 1971	Transferred to Tax Title Liens Receivable	Remitted and Canceled	Balance December 31, 2022
				2021	2022				
2020	\$ 4,582.73				\$ 4,582.73				
2021	422,351.49		\$ 2,382.19		424,733.68				
	\$ 426,934.22		\$ 2,382.19		\$ 429,316.41				
2022		\$ 36,797,446.23		\$ 281,894.53	35,973,043.84	\$ 69,500.00	\$ 25,665.80	\$ 19,430.88	\$ 427,911.18
	\$ 426,934.22	\$ 36,797,446.23	\$ 2,382.19	\$ 281,894.53	\$ 36,402,360.25	\$ 69,500.00	\$ 25,665.80	\$ 19,430.88	\$ 427,911.18

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

Collected in 2021	\$ 281,894.53
Collected in 2022	35,973,043.84
Senior Citizens & Veterans	69,500.00
	<u>36,324,438.37</u>
Less:	
Allocated to School	(18,796,226.00)
Allocated to County	(6,525,633.20)
Add:	
Reserve for Uncollected Taxes	900,000.00
	<u>\$ 11,902,579.17</u>

Analysis of Receipts from Delinquent Taxes - Revenue:

Collected in 2022	\$ 429,316.41
Tax Title Liens Collected in 2022	371,180.09
Interest and Costs	293,340.74
	<u>\$ 1,093,837.24</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	\$ 36,747,442.53
Added Taxes (54:63.1 et. seq.)	48,425.44
6% Penalty on Tax	<u>1,578.26</u>
	<u>\$ 36,797,446.23</u>

TAX LEVY

Local District School Tax:

Levy, School Year July 1, 2022 to June 30, 2023	\$ 18,796,226.00
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County Taxes:

County Tax	\$ 6,009,433.72
County Open Space Preservation Tax	507,603.36
County Added and Omitted Taxes (54:4-63.1 & 12 et. seq.)	<u>8,596.12</u>
Total County Taxes	<u>6,525,633.20</u>

\$ 25,321,859.20

Local Tax for Municipal Purpose	\$ 10,863,488.00
Local Tax for Library Purpose	560,973.00
Add: Additional Tax Levied	<u>51,126.02</u>

Total Tax for Municipal Purpose 11,475,587.02

\$ 36,797,446.22

DETAIL OF PRIOR YEAR ADDED TAXES

Senior Citizens' Deductions Disallowed	\$ <u>2,382.19</u>
	<u>\$ 2,382.19</u>

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

<u>BALANCE, DECEMBER 31, 2021</u>		\$	687,616.86
<u>INCREASED BY</u>			
Interest and Costs Accrued to Liens	\$	286,079.79	
Transferred from Taxes Receivable		<u>25,665.80</u>	<u>311,745.59</u>
			\$ 999,362.45
<u>DECREASED BY</u>			
Cash Received:			
Delinquent Taxes	\$	371,180.09	
Interest and Cost		293,340.74	
Property Donated		<u>104,842.24</u>	<u>769,363.07</u>
<u>BALANCE, DECEMBER 31, 2022</u>		\$	<u>229,999.38</u>

BOROUGH OF SOUTH RIVER
CURRENT FUND
STATEMENT OF 2021 APPROPRIATION RESERVES

	Balance December 31, 2021		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	\$ 5,746.42		\$ 5,746.42		\$ 5,746.42
Mayor and Council	3,601.92		3,601.92		3,601.92
Borough Clerk	10,390.16		10,390.16		10,390.16
Elections	1,000.00		1,000.00		1,000.00
Financial Administration	12,746.93		12,746.93		12,746.93
Collection of Taxes	4,526.78		4,526.78		4,526.78
Assessment of Taxes	210.06		210.06		210.06
Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.):					
Planning Board	1,922.98		1,922.98		1,922.98
Board of Adjustment	8,963.61		8,963.61		8,963.61
Police	140,048.14		140,048.14		140,048.14
Special Police	31,878.50		31,878.50		31,878.50
School Guards	38,482.68		28,482.68	\$ 3,248.48	25,234.20
Police Dispatch/911	15,411.96		15,411.96		15,411.96
Code Enforcement	5,161.50		5,161.50		5,161.50
Municipal Court	6,273.85		6,273.85		6,273.85
Public Defender (P.L. 1997, C. 256)	250.00		250.00		250.00
Road Repairs and Maintenance	19,659.47		19,659.47		19,659.47
Garbage and Trash Removal	24,295.23		24,295.23		24,295.23
Vehicle Maintenance	4,063.35		4,063.35		4,063.35
Board of Health	624.93		624.93		624.93
Office on Aging	35,000.00		35,000.00		35,000.00
Municipal Alliance	32.37		32.37		32.37
Board of Recreation Commissioners	10,072.78		10,072.78		10,072.78
Maintenance of Parks	8,998.70		8,998.70		8,998.70
Sewer Department	11,290.11		11,290.11		11,290.11
Uniform Construction Code - Appropriations					
Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)	6,540.88		6,540.88		6,540.88
Total Salaries and Wages	\$ 407,193.31		\$ 397,193.31	\$ 3,248.48	\$ 393,944.83

BOROUGH OF SOUTH RIVER
CURRENT FUND
STATEMENT OF 2021 APPROPRIATION RESERVES

	Balance December 31, 2021		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>			
Other Expenses:					
Operations - Within "CAPS":					
General Administration:					
Other Expenses	\$ 4,340.99	\$ 1,526.00	\$ 5,866.99	\$ 1,135.00	\$ 4,731.99
Cable Television	913.53	3,049.41	3,962.94	3,049.41	913.53
Human Resources	7,644.96	10,000.00	17,644.96	3,759.25	13,885.71
Mayor and Council	1,043.10	2,000.00	3,043.10	2,000.00	1,043.10
Borough Clerk:					
Other Expenses	1,787.85	815.14	2,602.99	926.17	1,676.82
Codification of Ordinances	185.00		185.00		185.00
Elections	66.78		66.78		66.78
Financial Administration	3,752.34	8,258.93	12,011.27	5,423.40	6,587.87
Audit Services	800.00	32,200.00	33,000.00	32,200.00	800.00
Collection of Taxes	3,223.03	739.00	3,962.03	807.00	3,155.03
Assessment of Taxes	5,486.24		5,486.24		5,486.24
Legal Services	13,707.59	18,232.50	31,940.09	18,232.50	13,707.59
Engineering Services and Costs	12,064.75	8,983.25	21,048.00	774.00	20,274.00
Economic Development Commission	1,464.10		1,464.10		1,464.10
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	589.11	2,515.00	3,104.11	2,215.00	889.11
Update of Master Plan	100.00	10,242.50	10,342.50	10,242.50	100.00
Board of Adjustment	10,614.84	1,500.00	12,114.84	1,549.88	10,564.96
Insurance:					
Liability Insurance	122.65		122.65		122.65
Workers' Compensation	750.00		750.00		750.00
Group Health Benefits	82,212.43	36,490.92	128,703.35	126,455.42	2,247.93
Health Benefit Waiver	19,227.43		19,227.43		19,227.43
Police	3,997.50	23,606.68	27,604.18	21,943.53	5,660.65
Special Police	12,387.28	2,070.36	14,457.64	2,070.36	12,387.28
School Guards	2,900.99	42.00	2,942.99	42.00	2,900.99
Juvenile Conference Committee	500.00		500.00		500.00
Police Dispatch - 911	3,367.15	1,005.82	4,372.97	1,005.82	3,367.15
Office of Emergency Management	1,887.75		1,887.75		1,887.75
Aid to Volunteer Fire Companies					
Other Expenses	3,070.08	15,297.28	18,367.36	13,828.48	4,538.88
Clothing Allowance	2.90		2.90		2.90
Emergency Medical Services	11,000.00		11,000.00		11,000.00
Code Enforcement	2,435.01		2,435.01		2,435.01
Municipal Prosecutor	112.00		112.00		112.00

BOROUGH OF SOUTH RIVER
CURRENT FUND
STATEMENT OF 2021 APPROPRIATION RESERVES

	Balance December 31, 2021		Balance After Transfers	Paid or Charged	Balance Lapsed
	<u>Appropriation Reserves</u>	<u>Reserve for Encumbrances</u>			
Other Expenses (Continued):					
Operations - Within "CAPS" (Continued):					
Municipal Court	\$ 4,230.35	\$ 3,003.12	\$ 7,233.47	\$ 3,003.12	\$ 4,230.35
Road Repairs and Maintenance	24,317.67	12,514.00	36,831.67	6,304.61	30,527.06
Garbage and Trash Removal	11,409.70		11,409.70		11,409.70
Public Buildings and Grounds	19,717.00	17,989.60	37,706.60	19,828.86	17,877.74
Vehicle Maintenance:					
Other Expenses	22,544.40	23,950.03	46,494.43	23,115.61	23,378.82
Board of Health					
Other Expenses	740.98		740.98		740.98
County Health Program (C.329, P.L.1975)	0.19		0.19		0.19
Office on Aging	3,073.71	274.28	3,347.99	273.55	3,074.44
Environmental Commission (N.J.S.A. 56A-1 et seq.)	1,500.00		1,500.00	263.00	1,237.00
Animal Control	7,975.00	2,025.00	10,000.00	675.00	9,325.00
Board of Recreation Commissioners	5,790.94	173.70	5,964.64	173.70	5,790.94
Celebration of Public Events, Anniversary or Holiday:					
Fireworks	300.00		300.00		300.00
Memorial Day Parade	750.00		750.00		750.00
Senior Events	8,709.57		8,709.57		8,709.57
Holiday Lighting	58.15	241.85	300.00	241.85	58.15
Cultural Arts Heritage Commission (N.J.S.A. 40:33A-1 et seq.)		4,095.00	4,095.00	4,095.00	
Maintenance of Parks	13,806.65	757.32	14,563.97	163.65	14,400.32
Telephone	3,990.36	1,083.59	5,073.95	1,083.59	3,990.36
Heat	12,044.86	6,425.88	18,470.74	6,425.88	12,044.86
Gasoline, Lubricants and Oil	19,476.35	4,774.09	24,250.44	4,774.09	19,476.35
Office Supplies	10,613.63	1,276.60	11,890.23	1,270.62	10,619.61
Postage	7,751.14		7,751.14		7,751.14
Sewer Department	658.55	21,070.65	21,729.20	21,713.92	15.28
Computer Maintenance Service Contract	8,177.37		8,177.37		8,177.37
Sanitary Landfill - Contractual	44,456.41	48,000.00	92,456.41	49,223.64	43,232.77
Uniform Construction Code - Appropriations Offset by					
Dedicated Revenues (N.J.A.C. 5:23-4.17)	1,922.01		1,922.01		1,922.01
Contingent	500.00		500.00		500.00

BOROUGH OF SOUTH RIVER
CURRENT FUND
STATEMENT OF 2021 APPROPRIATION RESERVES

	Balance December 31, 2021		Balance After Transfers	Paid or Charged	Balance Lapsed
	<u>Appropriation Reserves</u>	<u>Reserve for Encumbrances</u>			
Other Expenses (Continued):					
Operations - Within "CAPS" (Continued):					
Deferred Charges And Statutory Expenditures - Municipal Within "CAPS":					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	\$ 5,700.50		\$ 5,700.50		\$ 5,700.50
Social Security System (O.A.S.I.)	15,516.39		15,516.39		15,516.39
Defined Contribution Retirement Plan	1,000.00		1,000.00		1,000.00
Police and Firemen's Retirement System of New Jersey	5,203.00		5,203.00		5,203.00
Operations - Excluded from "CAPS":					
Other Operations - Excluded from "CAPS":					
Sanitation:					
County Sewerage Authority Contract	1.58		1.58		1.58
Maintenance of Free Public Library		\$ 23,031.06	23,031.06	\$ 23,031.06	
Length of Service Award Program (LOSAP)		80,000.00	80,000.00	64,317.54	15,682.46
Interlocal Municipal Service Agreements:					
Middlesex County Improvement Authority:					
Recycling	14,255.44	31,600.64	45,856.08	28,353.43	17,502.65
East Brunswick - Radio Safety Communication System	343.84		343.84		343.84
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":					
Park Improvements	11,766.19	88,233.81	100,000.00	90,483.81	9,516.19
Total Other Expenses	\$ 511,059.31	\$ 549,095.01	\$ 1,070,154.32	\$ 596,475.25	\$ 473,679.07
Grand Total	\$ 918,252.62	\$ 549,095.01	\$ 1,467,347.63	\$ 599,723.73	\$ 867,623.90

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

BALANCE, DECEMBER 31, 2021

Payable	\$ 1,153,460.00	
Deferred School Taxes	<u>7,559,686.00</u>	\$ 8,713,146.00

INCREASED BY

Levy, School Year July 1, 2022 to June 30, 2023		<u>18,796,226.00</u>
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		\$ 27,509,372.00
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DECREASED BY

Cash Disbursed		<u>18,471,989.00</u>
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BALANCE, DECEMBER 31, 2022

Payable	\$ 1,477,697.00	
Deferred School Taxes	<u>7,559,686.00</u>	\$ <u>9,037,383.00</u>

2022 LIABILITY FOR LOCAL DISTRICT SCHOOL TAX

2022 School Taxes Paid		\$ 18,471,989.00
Less: School Taxes Payable, December 31, 2021		<u>1,153,460.00</u>

		\$ 17,318,529.00
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Add: School Taxes Payable, December 31, 2022		<u>1,477,697.00</u>
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<u>AMOUNT CHARGED TO OPERATIONS</u>		<u>\$ 18,796,226.00</u>
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BOROUGH OF SOUTH RIVER
CURRENT FUND
SCHEDULE OF VARIOUS RESERVES

	Balance December 31, <u>2021</u>	<u>Increased by</u>	Balance December 31, <u>2022</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		142,490.00
Codification of Ordinances	3,839.80		3,839.80
Municipal Relief Fund Aid	<u> </u>	\$ <u>43,050.38</u>	<u>43,050.38</u>
	<u>\$ 230,435.25</u>	<u>\$ 43,050.38</u>	<u>273,485.63</u>

BOROUGH OF SOUTH RIVER
GRANT FUND
STATEMENT OF GRANTS RECEIVABLE

	Balance December 31, 2021	2022 Budget Revenue Realized	Decreased by		Balance December 31, 2022
			Cash Received	Canceled	
Federal:					
County of Middlesex:					
Office on Aging Grant:					
Physical:					
2022		\$ 5,000.00	\$ 2,891.00		\$ 2,109.00
2021	\$ 1,179.00		721.00	\$ 458.00	
Residential Maintenance:					
2022		9,000.00	3,463.00		5,537.00
2021	6,129.00		6,129.00		
Information and Assistance:					
2022		10,000.00	7,500.00		2,500.00
2021	1,608.00		1,608.00		
Assisted Transportation:					
2022		47,050.00	12,069.00		34,981.00
2021	23,888.00		23,888.00		
Socialization and Recreation		3,500.00	1,138.00		2,362.00
Mental Health		50,000.00	23,208.00		26,792.00
Cares Act - Information and Assistance	6,966.00		6,966.00		
Cares Act - Mental Health	18,441.00		18,441.00		
Bulletproof Vest Partnership	13,620.13		7,800.88		5,819.25
	<u>\$ 71,831.13</u>	<u>\$ 124,550.00</u>	<u>\$ 115,822.88</u>	<u>\$ 458.00</u>	<u>\$ 80,100.25</u>
State:					
Clean Communities Program		\$ 29,481.07	\$ 29,481.07		
Body Armor Replacement Fund		1,843.59	1,843.59		
Recycling Tonnage Grant		22,874.58	22,874.58		
State of New Jersey - Department of Law and Public Safety:					
Body Worn Camera Grant	<u>\$ 87,634.00</u>		<u>35,053.60</u>		<u>\$ 52,580.40</u>
	<u>\$ 87,634.00</u>	<u>\$ 54,199.24</u>	<u>\$ 89,252.84</u>		<u>\$ 52,580.40</u>
Local:					
Recycling Enhancement Grant		\$ 5,000.00	\$ 5,000.00		
	<u>\$ 159,465.13</u>	<u>\$ 183,749.24</u>	<u>\$ 210,075.72</u>	<u>\$ 458.00</u>	<u>\$ 132,680.65</u>
Detail:					
Adopted Budget		\$ 146,346.17			
Added by NJSA 40A:4-87		37,403.07			
		<u>\$ 183,749.24</u>			

BOROUGH OF SOUTH RIVER
GRANT FUND
STATEMENT OF APPROPRIATED RESERVES

	Balance December 31, 2021	Transferred from 2022 Budget Appropriations	Appropriation by 40A:4-87	Cash Disbursed	Paid or Charged Reserve for Encumbrances/ (Canceled)	Canceled	Balance December 31, 2022
Federal:							
Passed Through County of Middlesex:							
Office on Aging:							
Physical:							
Grant:							
2022		\$ 5,000.00		\$ 4,275.00			\$ 725.00
2021	\$ 458.00					\$ 458.00	
Residential Maintenance:							
Grant:							
2022		9,000.00		7,910.47	\$ 1,089.53		
Socialization and Recreation:							
Grant:							
2022		3,500.00		3,365.59	134.41		
Assisted Transportation:							
Grant:							
2022		43,128.00	\$ 3,922.00	14,152.11	6,042.79		26,855.10
Match:							
2022		55,572.00		23,850.89			31,721.11
Information and Assistance:							
Grant:							
2022		6,000.00	4,000.00	10,000.00			
Match:							
2022		1,000.00		1,000.00			
Mental Health:							
Grant:							
2022		50,000.00		28,016.36	8,306.00		13,677.64
Match:							
2022		40,000.00		28,875.06	179.73		10,945.21
Cares Act - Mental Health:							
Grant:							
2022	1,126.25			10,640.02	(9,513.77)		
Bullet-Proof Vest Grant:							
2019	473.89			183.69			290.20
2021	1,328.45						1,328.45
	<u>\$ 3,386.59</u>	<u>\$ 213,200.00</u>	<u>\$ 7,922.00</u>	<u>\$ 132,269.19</u>	<u>\$ 6,238.69</u>	<u>\$ 458.00</u>	<u>\$ 85,542.71</u>

BOROUGH OF SOUTH RIVER
GRANT FUND
STATEMENT OF APPROPRIATED RESERVES

	Balance December 31, 2021	Transferred from 2022 Budget Appropriations		Paid or Charged			Balance December 31, 2022
		<u>Budget</u>	<u>Appropriation by 40A:4-87</u>	<u>Cash Disbursed</u>	<u>Reserve for Encumbrances/ (Canceled)</u>	<u>Canceled</u>	
State:							
Drunk Driving Enforcement Fund:							
2019	\$ 417.95			\$ 417.95			
2021	7,083.66			2,034.05			\$ 5,049.61
Clean Communities Program:							
2020	73.11			73.11			
2021	1,097.62			1,089.77			7.85
2022			\$ 29,481.07	29,481.07			
Body Armor Replacement Fund	835.76	\$ 1,843.59		2,679.35			
Recycling Tonnage Grant:							
2020	1,629.56			1,629.56			
2021	2,370.03			2,370.03	\$ (500.00)		500.00
2022		22,874.58		270.31			22,604.27
Alcohol Education and Rehabilitation Program:							
2011	192.61						192.61
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
2021	916.89						916.89
NJS Department of Law and Public Safety:							
Body Worn Camera Grant	40,501.10						40,501.10
	<u>\$ 58,470.66</u>	<u>\$ 24,718.17</u>	<u>\$ 29,481.07</u>	<u>\$ 40,045.20</u>	<u>\$ (500.00)</u>		<u>\$ 73,124.70</u>
Local:							
Recycling Enhancement Grant		\$ 5,000.00		\$ 5,000.00			
	<u>\$ 61,857.25</u>	<u>\$ 242,918.17</u>	<u>\$ 37,403.07</u>	<u>\$ 177,314.39</u>	<u>\$ 5,738.69</u>	<u>\$ 458.00</u>	<u>\$ 158,667.41</u>

BOROUGH OF SOUTH RIVER
GRANT FUND
STATEMENT OF UNAPPROPRIATED RESERVES

	Balance December 31, <u>2021</u>	<u>Received</u>	Transferred to Water <u>Capital Fund</u>	Balance December 31, <u>2022</u>
State:				
American Rescue Plan	\$ 825,782.56	\$ 825,782.56	\$ 825,782.56	\$ 825,782.56
National Opioid		8,662.90		8,662.90
Body Armor Replacement Fund		<u>2,487.54</u>		<u>2,487.54</u>
	<u>\$ 825,782.56</u>	<u>\$ 836,933.00</u>	<u>\$ 825,782.56</u>	<u>\$ 836,933.00</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, 2022 AND 2021**

	<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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
ASSETS										
Cash and Cash Equivalents	\$ 3,910.92	\$ 3,702.59	\$ 7,033.46	\$ 1,228.65	\$ 772,405.19	\$ 738,064.13	\$ 607,854.37	\$ 578,447.36	\$ 545,854.97	\$ 564,753.82
Amount Held by Plan Administrator (Unaudited)										
Due from Municipal Court							2.00	200.00		
Due from Vendor							4,563.29	4,018.29		
Total Assets	<u>\$ 3,910.92</u>	<u>\$ 3,702.59</u>	<u>\$ 7,033.46</u>	<u>\$ 1,228.65</u>	<u>\$ 772,405.19</u>	<u>\$ 738,064.13</u>	<u>\$ 612,419.66</u>	<u>\$ 582,665.65</u>	<u>\$ 545,854.97</u>	<u>\$ 564,753.82</u>
LIABILITIES, RESERVES AND FUND BALANCE										
Due to Vendor							\$ 25,077.69	\$ 25,077.69		
Payroll Deductions Payable	\$ 3,910.92	\$ 3,702.59								
Reserves			\$ 7,033.46	\$ 1,228.65	\$ 771,806.97	\$ 737,465.91	583,060.12	553,306.11	\$ 545,854.97	\$ 564,753.82
	\$ 3,910.92	\$ 3,702.59	\$ 7,033.46	\$ 1,228.65	\$ 771,806.97	\$ 737,465.91	\$ 608,137.81	\$ 578,383.80	\$ 545,854.97	\$ 564,753.82
Fund Balance					598.22	598.22	4,281.85	4,281.85		
Total Liabilities, Reserves and Fund Balance	<u>\$ 3,910.92</u>	<u>\$ 3,702.59</u>	<u>\$ 7,033.46</u>	<u>\$ 1,228.65</u>	<u>\$ 772,405.19</u>	<u>\$ 738,064.13</u>	<u>\$ 612,419.66</u>	<u>\$ 582,665.65</u>	<u>\$ 545,854.97</u>	<u>\$ 564,753.82</u>

**BOROUGH OF SOUTH RIVER
TRUST AND AGENCY FUNDS
COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE -
REGULATORY BASIS
AS OF DECEMBER 31, 2022 AND 2021**

	Length of Service Awards (Unaudited)		Law Enforcement		Electric Consumer Deposits		Unemployment		Totals (Memorandum Only)	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
ASSETS										
Cash and Cash Equivalents			\$ 33,082.22	\$ 24,577.94	\$ 589,913.96	\$ 566,736.87	\$ 187,911.17	\$ 101,311.63	\$ 2,747,966.26	\$ 2,578,822.99
Amount Held by Plan Administrator (Unaudited)	\$ 1,431,122.56	\$ 1,696,075.53							1,431,122.56	1,696,075.53
Due from Municipal Court									2.00	200.00
Due from Vendor									4,563.29	4,018.29
Total Assets	\$ 1,431,122.56	\$ 1,696,075.53	\$ 33,082.22	\$ 24,577.94	\$ 589,913.96	\$ 566,736.87	\$ 187,911.17	\$ 101,311.63	\$ 4,183,654.11	\$ 4,279,116.81
LIABILITIES, RESERVES AND FUND BALANCE										
Due to Vendor									\$ 25,077.69	\$ 25,077.69
Payroll Deductions Payable									3,910.92	3,702.59
Reserves	\$ 1,431,122.56	\$ 1,696,075.53	\$ 33,082.22	\$ 24,577.94	\$ 589,913.96	\$ 566,736.87	\$ 187,911.17	\$ 101,311.63	4,149,785.43	4,245,456.46
	\$ 1,431,122.56	\$ 1,696,075.53	\$ 33,082.22	\$ 24,577.94	\$ 589,913.96	\$ 566,736.87	\$ 187,911.17	\$ 101,311.63	\$ 4,178,774.04	\$ 4,274,236.74
Fund Balance									4,880.07	4,880.07
Total Liabilities, Reserves and Fund Balance	\$ 1,431,122.56	\$ 1,696,075.53	\$ 33,082.22	\$ 24,577.94	\$ 589,913.96	\$ 566,736.87	\$ 187,911.17	\$ 101,311.63	\$ 4,183,654.11	\$ 4,279,116.81

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

	Balance December 31, <u>2021</u>	<u>Increased by</u>	<u>Decreased by</u>	Balance December 31, <u>2022</u>
Reserve for:				
Deposits and Performance Bonds	\$ 85,870.04	\$ 9,227.10	\$ 3,060.00	\$ 92,037.14
Engineering Inspection Fees	4,495.90			4,495.90
Street Opening Deposits	23,467.00	6,000.00	3,000.00	26,467.00
Developer's Escrow	201,339.04	116,901.70	93,355.02	224,885.72
Dumpster Permits	3,450.00	2,000.00	600.00	4,850.00
Affordable Housing	<u>418,843.93</u>	<u>227.28</u>		<u>419,071.21</u>
	<u>\$ 737,465.91</u>	<u>\$ 134,356.08</u>	<u>\$ 100,015.02</u>	<u>\$ 771,806.97</u>

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

	Balance December 31, <u>2021</u>	<u>Increased by</u>	<u>Decreased by</u>	Balance December 31, <u>2022</u>
Reserve for:				
ABC License - Buy Back	\$ 124,607.00			\$ 124,607.00
Recreation Commission (Per N.J.S.A. 40A:4-39)	30,136.66	\$ 31,220.00	\$ 18,507.49	42,849.17
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)	8,526.24	56.00	509.87	8,072.37
Shade Tree	6,549.60	23,850.00		30,399.60
Senior Program	3,256.41	3,397.99	3,652.98	3,001.42
Older Americans Act - Donations	3,517.24	1,666.40	40.00	5,143.64
Senior Program - Trips	17,828.90	3,401.00	220.00	21,009.90
Off Duty Police Services	560.00	176,802.58	176,802.58	560.00
Fire Prevention - Code Deposit	3,128.00			3,128.00
Fire Department - Code Deposit	2,282.00			2,282.00
Municipal Alliance Donations	13,370.93	4,078.00	4,251.53	13,197.40
Public Defender Fees	31,673.85	195.00	6,925.00	24,943.85
Cultural Arts Commission	22,887.96		1,462.38	21,425.58
Special Events	11,793.64	2,724.00	2,997.80	11,519.84
September 11, 2001 Memorial	5,640.72			5,640.72
Board of Health Donations	162,120.50	21,942.60	10,778.90	173,284.20
Accumulated Absences	28,322.77	40,000.00	53,431.03	14,891.74
Developer's Escrow	76,626.86			76,626.86
	<u>\$ 553,306.11</u>	<u>\$ 309,333.57</u>	<u>\$ 279,579.56</u>	<u>\$ 583,060.12</u>

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

<u>BALANCE, DECEMBER 31, 2021</u>		\$ 1,228.65
<u>INCREASED BY</u>		
Dog License Fees - Borough Share	\$ 7,341.40	
Cat License Fees - Borough Share	245.00	
Late Fees and Other Charges	<u>1,575.00</u>	<u>9,161.40</u>
		\$ 10,390.05
<u>DECREASED BY</u>		
Expenditures		<u>3,356.59</u>
<u>BALANCE, DECEMBER 31, 2022</u>		<u><u>\$ 7,033.46</u></u>

BOROUGH LICENSE FEES COLLECTED

<u>Year</u>	<u>Amount</u>
2020	\$ 8,306.60
2021	<u>8,382.80</u>
	<u><u>\$ 16,689.40</u></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, 2021	Increased by		Decreased by	Balance December 31, 2022
		Borough's Share	Payroll Deductions	Disbursements	
Federal Withholding Tax			\$ 1,081,833.09	\$ 1,081,833.09	
FICA and Medicare		\$ 488,926.56	488,926.56	977,853.12	
State of New Jersey Withholding Tax			388,510.06	388,510.06	
Public Employees Retirement System			317,292.51	317,292.51	
PERS Back Deduction			2,045.58	2,045.58	
PERS Loan			77,987.12	77,987.12	
PERS Contributory Group Insurance			21,138.01	21,138.01	
PERS Back Contributory Group Insurance			168.38	168.38	
Police and Firemen's Retirement System			358,392.76	358,392.76	
PFRS Back Deductions			916.60	916.60	
PFRS Loan			90,897.07	90,897.07	
D.C.R.P. Investment			151.20		\$ 151.20
State Unemployment Tax		14,525.67	19,483.74	34,009.00	
Superior Officer Association Dues			8,320.00	8,320.00	
Police Benevolent Association Dues			20,920.00	20,920.00	
AFL/CIO Dues			4,485.12	4,485.12	
I.B.E.W.			6,569.00	6,569.00	
IUJUT Dues			10,960.00	10,960.00	
Garnishment			50,309.93	50,309.93	
Employee Health Benefit Contribution			420,886.72	420,886.72	
Disability	\$ 3,702.59		44,135.26	44,078.13	3,759.72
Employee Dental/Disability Benefit Contribution			44,448.76	44,448.76	
Flexible Spending Account			4,300.40	4,300.40	
Deferred Compensation			148,369.18	148,369.18	
	<u>\$ 3,702.59</u>	<u>\$ 503,452.23</u>	<u>\$ 3,611,447.05</u>	<u>\$ 4,114,690.54</u>	<u>\$ 3,910.92</u>

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

<u>BALANCE, DECEMBER 31, 2021</u>		\$	101,311.63
<u>INCREASED BY</u>			
Due from Current Fund	\$	20,000.00	
Due from Electric Utility Operating Fund		10,000.00	
Due from Water Utility Operating Fund		10,000.00	
Employees Contribution		14,525.67	
Cancellation of P/Y O/S Checks		58,020.20	
Interest Earned		<u>2,327.78</u>	<u>114,873.65</u>
		\$	216,185.28
<u>DECREASED BY</u>			
Unemployment Compensation Paid			<u>28,274.11</u>
<u>BALANCE, DECEMBER 31, 2022</u>		\$	<u>187,911.17</u>

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

<u>BALANCE, DECEMBER 31, 2021</u>		\$	566,736.87
<u>INCREASED BY</u>			
Deposits	\$	60,700.00	
Interest Earned		8,122.13	
Cancellation of Outstanding Checks		<u>2,597.65</u>	<u>71,419.78</u>
			\$ 638,156.65
<u>DECREASED BY</u>			
Refunded			<u>48,242.69</u>
<u>BALANCE, DECEMBER 31, 2022</u>		\$	<u>589,913.96</u>

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

<u>BALANCE, DECEMBER 31, 2021</u>		\$	24,577.94
<u>INCREASED BY</u>			
Funds Received	\$	16,182.25	
Interest Earned		<u>332.87</u>	<u>16,515.12</u>
		\$	41,093.06
<u>DECREASED BY</u>			
Expenditures			<u>8,010.84</u>
<u>BALANCE, DECEMBER 31, 2022</u>		\$	<u><u>33,082.22</u></u>

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

<u>BALANCE, DECEMBER 31, 2021</u>	\$ 564,753.82
<u>INCREASED BY</u>	
Cash Received	<u>283,700.00</u>
	\$ 848,453.82
<u>DECREASED BY</u>	
Refunded	<u>302,598.85</u>
<u>BALANCE, DECEMBER 31, 2022</u>	<u>\$ 545,854.97</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, 2022 AND 2021

	Balance December 31, <u>2022</u>	Balance December 31, <u>2021</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ <u>88,055.22</u>	\$ <u>1,405,557.48</u>
Intergovernmental Accounts Receivable	\$ <u>822,757.56</u>	\$ <u>1,062,993.25</u>
Deferred Charges to Future Taxation:		
Funded	\$ 16,952,500.79	\$ 18,618,212.51
Unfunded	<u>8,046,604.12</u>	<u>6,663,382.10</u>
	\$ <u>24,999,104.91</u>	\$ <u>25,281,594.61</u>
Total Assets	\$ <u><u>25,909,917.69</u></u>	\$ <u><u>27,750,145.34</u></u>

BOROUGH OF SOUTH RIVER
GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
AS OF DECEMBER 31, 2022 AND 2021

<u>LIABILITIES, RESERVES AND</u> <u>FUND BALANCE</u>	Balance December 31, <u>2022</u>	Balance December 31, <u>2021</u>
Serial Bonds	\$ <u>8,600,000.00</u>	\$ <u>10,010,000.00</u>
Bond Anticipation Notes	\$ <u>3,485,000.00</u>	<u>3,485,000.00</u>
USDA Loan Payable	\$ <u>8,352,500.79</u>	<u>8,608,212.51</u>
Other Liabilities and Reserves:		
Capital Improvement Fund	\$ 8,881.33	\$ 8,221.33
Due to Water Utility Capital Fund	140,857.45	
Reserve for Encumbrances	2,092,183.63	2,928,993.47
Reserve for Fire Hoses, Appropriated	<u>224.82</u>	<u>224.82</u>
	\$ <u>2,242,147.23</u>	\$ <u>2,937,439.62</u>
Improvement Authorizations:		
Funded	\$ 99,218.01	\$ 139,363.01
Unfunded	<u>2,793,861.09</u>	<u>2,133,758.34</u>
	\$ <u>2,893,079.10</u>	\$ <u>2,273,121.35</u>
Fund Balance	\$ <u>337,190.57</u>	\$ <u>436,371.86</u>
Total Liabilities, Reserves and Fund Balance	\$ <u><u>25,909,917.69</u></u>	\$ <u><u>27,750,145.34</u></u>

There were Bonds and Notes Authorized but not Issued of \$4,561,604.12 at December 31, 2022.

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

	Balance December 31, 2021	Receipts <u>Miscellaneous</u>	Disbursements Improvement Authorizations	<u>Miscellaneous</u>	Transfer From To	Balance December 31, 2022
Fund Balance	\$ 436,371.86	\$ 30,818.71		\$ 130,000.00		\$ 337,190.57
Capital Improvement Fund	8,221.33	75,000.00			\$ 74,340.00	8,881.33
Reserve for Encumbrances	2,928,993.47			2,158,882.45	168,954.89 \$ 1,491,027.50	2,092,183.63
Due from County of Middlesex HCD	(84,214.81)	41,841.00			163,682.00	(206,055.81)
Due from NJDOT	(978,778.44)	819,486.69			457,410.00	(616,701.75)
Due to/(from) Current Fund		6,452.87		6,452.87		
Due to/(from) Water Capital Fund					140,857.45	140,857.45
Reserve for Fire Hoses, Appropriated	224.82					224.82

Improvement Authorizations:

Ordinance Number	Description					
08-25/08-46	Acquisition of Various Equipment, Road and Drainage Improvements and Various Other Improvements	93,062.00			93,062.00	
12-30	Rehabilitation of the Jackson Street and William Street Pump Stations and Human Resource Building	1,727.44	\$ 150.43			1,577.01
14-14/14-26	Various 2014 Road Improvements	3,927.20				3,927.20
14-30/15-03	Acquisition of Various Capital Equipment	2,777.44	13.47			2,763.97
15-10/16-23/ 17-03/18-16	Construction of a New Firehouse	48,550.49	8,444.90		50.75 987.94	41,042.78
15-18	Acquisition of Various Capital Equipment	1,549.67	107.60			1,442.07
16-07	Acquisition of Various Capital Equipment and Improvements	(260.36)				(260.36)
17-10	Various Capital Improvements	11,889.73	72.25		10,730.00	1,087.48
18-08	Various Federal Housing and Community Development Grant Improvements	2,373.81				2,373.81
18-23	Various Capital Improvements	23,179.21	1,344.12		27,109.50	48,944.59

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

Ordinance Number	Description	Balance December 31, 2021	Receipts	Disbursements		Transfer		Balance December 31, 2022
			Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	
18-26/19-02	Various Capital Improvements for Main Street	\$ 5,983.24		\$ 285.91				\$ 5,697.33
19-09	Acquisition of Various Capital Equipment and Improvements	59,451.58	\$ 11,761.24	965.31		\$ 70.00		70,177.51
20-24	Various Capital Improvements	5,667.39	8,266.74	582.89		17,274.20		(3,922.96)
20-32	Various Capital Improvements and Acquisition of a New Firetruck	9,709.08		951.36		5,465.00		3,292.72
21-09	Various Federal Housing and Community Development Grant Improvements	40,000.00				40,000.00		
21-10	Various Capital Improvements and the Acquisition of Various Capital Equipment	(1,132,683.67)		2,140.00		135,625.89		(1,270,449.56)
21-16	Roof Replacement for Municipal Buildings	(82,165.00)		285.95		13,820.50		(96,271.45)
22-09	Various Capital Improvements and the Acquisition of Various Capital Equipment					831,041.72	\$ 490,500.00	(340,541.72)
22-15	Various Federal Housing and Community Development Grant Improvements					70,765.00	81,841.00	11,076.00
22-22	Various Capital Improvements and the Acquisition of Various Capital Equipment			450.00		273,122.44	41,250.00	(232,322.44)
22-37	Various Federal Housing and Community Development Grant Improvements						81,841.00	81,841.00
		<u>\$ 1,405,557.48</u>	<u>\$ 993,627.25</u>	<u>\$ 15,794.19</u>	<u>\$ 2,295,335.32</u>	<u>\$ 2,355,414.39</u>	<u>\$ 2,355,414.39</u>	<u>\$ 88,055.22</u>

Bracketed Amount Denotes Deficit.

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

<u>Ordinance Number</u>	<u>Description</u>	Balance December 31, <u>2021</u>	Granted/ <u>Adjusted</u>	Cash <u>Receipts</u>	Balance December 31, <u>2022</u>
	County of Middlesex:				
	HCD Funds:				
18-08	Various Improvements	\$ 2,373.81			\$ 2,373.81
21-09	Various Improvements	81,841.00		\$ 41,841.00	40,000.00
22-15	Various Improvements		\$ 81,841.00		81,841.00
22-37	Various Improvements		81,841.00		81,841.00
	Total HCD Funds:	\$ 84,214.81	\$ 163,682.00	\$ 41,841.00	\$ 206,055.81
	State of New Jersey - Department of Transportation:				
19-09	Improvements to Albourne Street Unreserved	\$ 542,200.00		\$ 476,429.19	\$ 65,770.81
20-24	2020 Roadway and Drainage Improvements Unreserved	258,046.19			258,046.19
21-10	2021 Roadway Improvements Unreserved	178,532.25			178,532.25
22-09	2022 Roadway Improvements Unreserved		\$ 457,410.00	343,057.50	114,352.50
	Total NJDOT	\$ 978,778.44	\$ 457,410.00	\$ 819,486.69	\$ 616,701.75
		\$ 1,062,993.25	\$ 621,092.00	\$ 861,327.69	\$ 822,757.56
Detail:					
Unreserved:					
Middlesex County HCD		\$ 84,214.81	\$ 163,682.00	\$ 41,841.00	\$ 206,055.81
NJ DOT		978,778.44	457,410.00	819,486.69	616,701.75
		\$ 1,062,993.25	\$ 621,092.00	\$ 861,327.69	\$ 822,757.56

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

Ordinance Number	Description	Balance December 31, 2021	Decreased By		Balance December 31, 2022	Analysis of Balance December 31, 2022		
			2022 Authorizations	Cash Received		Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
12-30	Rehabilitation of the Jackson Street and William Street Pump Stations and Human Resource Building	\$ 1,013,476.29			\$ 1,013,476.29	\$ 105,000.00		\$ 908,476.29
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	Construction of a New Firehouse	170,000.00			170,000.00	155,000.00		15,000.00
15-18	Acquisition of Various Capital Equipment	107,000.00			107,000.00	75,000.00		32,000.00
16-07	Acquisition of Various Capital Equipment and Improvements	85,000.00			85,000.00		\$ 260.36	84,739.64
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
18-26/19-02	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	925,405.81		\$ 11,761.24	913,644.57	900,000.00		13,644.57
20-12	Various Sewer System Improvements	475,000.00			475,000.00	475,000.00		
20-24	Various Capital Improvements	399,000.00		8,266.74	390,733.26	300,000.00	3,922.96	86,810.30
20-32	Various Capital Improvements and Acquisition of a Firetruck	665,000.00			665,000.00	665,000.00		
21-10	Various Capital Improvements and the Acquisition of Various Capital Equipment	1,486,000.00			1,486,000.00		1,270,449.56	215,550.44
21-16	Roof Replacement for Municipal Buildings	332,500.00			332,500.00	200,000.00	96,271.45	36,228.55
22-09	Various Capital Improvements and the Acquisition of Various Capital Equipment		\$ 619,500.00		619,500.00		340,541.72	278,958.28
22-22	Various Capital Improvements and the Acquisition of Various Capital Equipment		783,750.00		783,750.00		232,322.44	551,427.56
		<u>\$ 6,663,382.10</u>	<u>\$ 1,403,250.00</u>	<u>\$ 20,027.98</u>	<u>\$ 8,046,604.12</u>	<u>\$ 3,485,000.00</u>	<u>\$ 1,943,768.49</u>	<u>\$ 2,617,835.63</u>
Analysis of Balance:								
	Improvement Authorizations, Unfunded							\$ 2,793,861.09
	Unexpended Balance of Bond Anticipation Note Proceeds							<u>184,292.20</u>
								<u>\$ 2,609,568.89</u>

BOROUGH OF SOUTH RIVER
GENERAL CAPITAL FUND
STATEMENT OF SERIAL BONDS

<u>Purpose</u>	<u>Date of Original Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2022</u>		<u>Interest Rate</u>	<u>Balance December 31, 2021</u>	<u>Decreased By</u>	<u>Balance December 31, 2022</u>
			<u>Date</u>	<u>Amount</u>				
General Improvement Refunding Bonds Series 2016	3/15/2016	\$ 3,630,000.00				\$ 710,000.00	\$ 710,000.00	
General Improvement Bonds Series 2019	12/5/2019	10,500,000.00	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>9,300,000.00</u>	<u>700,000.00</u>	<u>\$ 8,600,000.00</u>
						<u>\$ 10,010,000.00</u>	<u>\$ 1,410,000.00</u>	<u>\$ 8,600,000.00</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>Balance December 31, 2021</u>	<u>Balance December 31, 2022</u>
12-30	Rehabilitation of the Jackson and William Street Pump Stations and Human Resource Building	12/18/2020	12/15/2022	12/14/2023	4.00%	\$ 75,000.00	\$ 75,000.00
12-30	Rehabilitation of the Jackson and William Street Pump Stations and Human Resource Building	12/16/2021	12/15/2022	12/14/2023	4.00%	30,000.00	30,000.00
14-30/15-03	Acquisition of Various Capital Equipment	12/18/2020	12/15/2022	12/14/2023	4.00%	10,000.00	10,000.00
15-10/16-23/ 17-03/18-16	Construction of a New Firehouse	12/18/2020	12/15/2022	12/14/2023	4.00%	100,000.00	100,000.00
15-10/16-23/ 17-03/18-16	Construction of a New Firehouse	12/16/2021	12/15/2022	12/14/2023	4.00%	55,000.00	55,000.00
15-18	Acquisition of Various Capital Equipment	12/18/2020	12/15/2022	12/14/2023	4.00%	75,000.00	75,000.00
17-10	Various Capital Improvements	12/18/2020	12/15/2022	12/14/2023	4.00%	50,000.00	50,000.00
18-23	Various Capital Improvements	12/18/2020	12/15/2022	12/14/2023	4.00%	350,000.00	350,000.00
18-26/19-02	Various Capital Improvements for Main Street	12/18/2020	12/15/2022	12/14/2023	4.00%	200,000.00	200,000.00
19-09	Acquisition of Various Capital Improvements and Equipment	12/18/2020	12/15/2022	12/14/2023	4.00%	900,000.00	900,000.00
20-12	Various Sewer System Improvements	12/18/2020	12/15/2022	12/14/2023	4.00%	475,000.00	475,000.00
20-24	Various Capital Improvements	12/18/2020	12/15/2022	12/14/2023	4.00%	100,000.00	100,000.00
20-24	Various Capital Improvements	12/16/2021	12/15/2022	12/14/2023	4.00%	200,000.00	200,000.00
20-32	Various Capital Improvements and Acquisition of a Firetruck	12/16/2021	12/15/2022	12/14/2023	4.00%	665,000.00	665,000.00
21-16	Roof Replacement on Municipal Buildings	12/16/2021	12/15/2022	12/14/2023	4.00%	200,000.00	200,000.00
						<u>\$ 3,485,000.00</u>	<u>\$ 3,485,000.00</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 December 31, 2022</u>		<u>Interest Rate</u>	<u>Balance December 31, 2021</u>	<u>Decreased by</u>	<u>Balance December 31, 2022</u>
			<u>Date</u>	<u>Amount</u>				
Community Facilities Program - Construction of a New Firehouse	12/13/16	\$ 9,800,000.00	06/13/23	\$ 130,133.59	2.375%	\$ 8,608,212.51	\$ 255,711.72	\$ 8,352,500.79
			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				
			06/13/38	185,436.57				
			12/13/38	187,638.63				

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, 2022</u>		<u>Interest Rate</u>	<u>Balance December 31, 2021</u>	<u>Decreased by</u>	<u>Balance December 31, 2022</u>
			<u>Date</u>	<u>Amount</u>				
Community Facilities Program - Construction of a New Firehouse (Continued)			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	224,961.73				
						<u>\$ 8,608,212.51</u>	<u>\$ 255,711.72</u>	<u>\$ 8,352,500.79</u>

BOROUGH OF SOUTH RIVER
GENERAL CAPITAL FUND
STATEMENT OF IMPROVEMENT AUTHORIZATIONS

<u>Ordinance Number</u>	<u>Description</u>	<u>Ordinance</u>		<u>Balance December 31, 2021</u>		<u>2022 Authorizations</u>	<u>Reserve for Encumbrances Canceled</u>	<u>Paid or Charged</u>	<u>Balance December 31, 2022</u>	
		<u>Date</u>	<u>Amount</u>	<u>Funded</u>	<u>Unfunded</u>				<u>Funded</u>	<u>Unfunded</u>
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	\$ 93,062.00				\$ 93,062.00		
12-30	Rehabilitation of the Jackson Street and William Street Pump Stations and Human Resource Building	12/17/12	3,500,000.00		\$ 910,203.73			150.43	\$ 910,053.30	
14-14/14-26	Various 2014 Road Improvements	5/27/2014, 08/11/14	900,000.00	\$ 3,927.20	95,000.00				\$ 3,927.20	95,000.00
14-30/15-03	Acquisition of Various Capital Equipment	09/22/14	700,000.00		57,777.44			13.47		57,763.97
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	9,100,000.00		63,550.49		\$ 987.94	8,495.65		56,042.78
15-18	Acquisition of Various Capital Equipment	05/14/18 08/10/15	350,000.00		33,549.67			107.60		33,442.07
16-07	Acquisition of Various Capital Equipment and Improvements	06/27/16	300,000.00		84,739.64					84,739.64
17-10	Various Capital Improvements	05/22/17	250,000.00		71,889.73			10,802.25		61,087.48
18-08	Various Federal Housing and Community Development Grant Improvements	02/26/18	62,701.00	2,373.81					2,373.81	
18-23	Various Capital Improvements	07/16/18	950,000.00		123,179.21		27,109.50	1,344.12		148,944.59
18-26/19-02	Various Capital Improvements for Main Street	09/10/18	300,000.00		90,983.24			285.91		90,697.33
19-09	Acquisition of Various Capital Improvements and Equipment	06/24/19	1,610,000.00		84,857.39			1,035.31		83,822.08
20-24	Various Capital Improvements	09/14/20	1,000,000.00		104,667.39			17,857.09		86,810.30
20-32	Various Capital Improvements and Acquisition of a Firetruck	12/21/20	700,000.00		9,709.08			6,416.36		3,292.72
21-09	Various Federal Housing and Community Development Grant Improvements	07/12/21	81,841.00	40,000.00				40,000.00		
21-10	Various Capital Improvements and the Acquisition of Various Capital Equipment	07/12/21	2,075,000.00		353,316.33			137,765.89		215,550.44
21-16	Roof Replacement on Municipal Buildings	10/04/21	350,000.00		50,335.00			14,106.45		36,228.55

BOROUGH OF SOUTH RIVER
GENERAL CAPITAL FUND
STATEMENT OF IMPROVEMENT AUTHORIZATIONS

<u>Ordinance Number</u>	<u>Description</u>	<u>Ordinance</u>		<u>Balance December 31, 2021</u>		<u>2022 Authorizations</u>	<u>Reserve for Encumbrances Canceled</u>	<u>Paid or Charged</u>	<u>Balance December 31, 2022</u>	
		<u>Date</u>	<u>Amount</u>	<u>Funded</u>	<u>Unfunded</u>				<u>Funded</u>	<u>Unfunded</u>
22-09	Various Capital Improvements and the Acquisition of Various Capital Equipment	03/21/22	\$ 1,110,000.00			\$ 1,110,000.00		831,041.72		278,958.28
22-15	Various Federal Housing and Community Development Grant Improvements	05/27/22	81,841.00			81,841.00		70,765.00	\$ 11,076.00	
22-22	Various Capital Improvements and the Acquisition of Various Capital Equipment	08/01/22	825,000.00			825,000.00		273,572.44		551,427.56
22-37	Various Federal Housing and Community Development Grant Improvements	12/05/22	81,841.00			81,841.00			81,841.00	
				<u>\$ 139,363.01</u>	<u>\$ 2,133,758.34</u>	<u>\$ 2,098,682.00</u>	<u>\$ 28,097.44</u>	<u>\$ 1,506,821.69</u>	<u>\$ 99,218.01</u>	<u>\$ 2,793,861.09</u>
Detail of 2022 Authorizations:										
Capital Improvement Fund						\$ 74,340.00				
Middlesex County HCD						163,682.00				
NJ DOT Grant						457,410.00				
Deferred Charges to Future Taxation, Unfunded						1,403,250.00				
						<u>\$ 2,098,682.00</u>				

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

<u>BALANCE, DECEMBER 31, 2021</u>	\$ 8,221.33
<u>INCREASED BY</u>	
2022 Budget Appropriation	<u>75,000.00</u>
	\$ 83,221.33
<u>DECREASED BY</u>	
Appropriated to Finance Improvement Authorizations	<u>74,340.00</u>
<u>BALANCE, DECEMBER 31, 2022</u>	<u>\$ 8,881.33</u>

Detail:

Ord #22-09	\$ 33,090.00
Ord #22-22	<u>41,250.00</u>
	<u>\$ 74,340.00</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, 2021</u>	<u>2022 Authorizations</u>	<u>Cash Received</u>	<u>Balance December 31, 2022</u>
12-30	Rehabilitation of the Jackson Street and William Street Pump Stations and Human Resource Building	\$ 908,476.29			\$ 908,476.29
14-14/14-26	Various 2014 Road Improvements	95,000.00			95,000.00
14-30/15-03	Acquisition of Various Capital Equipment	55,000.00			55,000.00
15-10/16-23/ 17-03/18-16	Construction of a New Firehouse	15,000.00			15,000.00
15-18	Acquisition of Various Capital Equipment	32,000.00			32,000.00
16-07	Acquisition of Various Capital Equipment and Improvements	85,000.00			85,000.00
17-10	Various Capital Improvements	60,000.00			60,000.00
18-23	Various Capital Improvements	100,000.00			100,000.00
18-26/19-02	Various Capital Improvements for Main Street	85,000.00			85,000.00
19-09	Acquisition of Various Capital Improvements and Equipment	25,405.81		\$ 11,761.24	13,644.57
20-24	Various Capital Improvements	99,000.00		8,266.74	90,733.26
21-10	Various Capital Improvements and the Acquisition of Various Capital Equipment	1,486,000.00			1,486,000.00
21-16	Roof Replacement for Municipal Buildings	132,500.00			132,500.00
22-09	Various Capital Improvements and the Acquisition of Various Capital Equipment		\$ 619,500.00		619,500.00
22-22	Various Capital Improvements and the Acquisition of Various Capital Equipment		783,750.00		783,750.00
		<u>\$ 3,178,382.10</u>	<u>\$ 1,403,250.00</u>	<u>\$ 20,027.98</u>	<u>\$ 4,561,604.12</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, 2022 AND 2021

	<u>Electric Utility</u>		<u>Parking Utility</u>		<u>Water Utility</u>		<u>Totals</u> <u>(Memorandum Only)</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
ASSETS								
Cash and Cash Equivalents	\$ 7,225,138.65	\$ 5,435,123.84	\$ 83,046.52	\$ 122,503.05	\$ 1,056,070.53	\$ 1,631,164.68	\$ 8,364,255.70	\$ 7,188,791.57
Investment - BAN	22,000.00	43,000.00					22,000.00	43,000.00
Due from Bond Registrar/Paying Agent					57,812.00	57,812.00	57,812.00	57,812.00
Consumer Accounts Receivable	2,098,252.18	2,134,321.82			1,123,253.37	869,982.72	3,221,505.55	3,004,304.54
Consumer Liens Receivable	19,819.78	43,716.15			1,845.08	8,217.70	21,664.86	51,933.85
Inventory	331,520.01	349,816.14			1,658.36	2,873.18	333,178.37	352,689.32
Total Assets	<u>\$ 9,696,730.62</u>	<u>\$ 8,005,977.95</u>	<u>\$ 83,046.52</u>	<u>\$ 122,503.05</u>	<u>\$ 2,240,639.34</u>	<u>\$ 2,570,050.28</u>	<u>\$ 12,020,416.48</u>	<u>\$ 10,698,531.28</u>
LIABILITIES, RESERVES AND FUND BALANCE								
Liabilities:								
Appropriation Reserves	\$ 1,661,262.49	\$ 607,803.44	\$ 13,310.50	\$ 23,352.40	\$ 17,923.57	\$ 358,663.21	\$ 1,692,496.56	\$ 989,819.05
Other Liabilities and Reserves:								
Reserve for Encumbrances	\$ 994,757.24	\$ 942,201.57	\$ 12,300.00	\$ 8,700.17	\$ 229,860.22	\$ 570,467.83	\$ 1,236,917.46	\$ 1,521,369.57
Prepaid Parking Permits			235.00	115.00			235.00	115.00
Consumer Overpayments	217,484.45	198,159.83			142,481.08	124,269.61	359,965.53	322,429.44
Accounts Payable	457,329.00	7,929.01			11,568.50		468,897.50	7,929.01
Accrued Interest on Bonds and Notes	486.25	1,893.02			7,619.33	5,651.27	8,105.58	7,544.29
Due to Government Agencies - ARP	4,491.55						4,491.55	
Due to Bond Registrar/Paying Agent					81,840.00	81,840.00	81,840.00	81,840.00
	<u>\$ 1,674,548.49</u>	<u>\$ 1,150,183.43</u>	<u>\$ 12,535.00</u>	<u>\$ 8,815.17</u>	<u>\$ 473,369.13</u>	<u>\$ 782,228.71</u>	<u>\$ 2,160,452.62</u>	<u>\$ 1,941,227.31</u>
Reserve for Receivables and Other Assets	\$ 2,449,591.97	\$ 2,527,854.11			\$ 1,184,568.81	\$ 938,885.60	\$ 3,634,160.78	\$ 3,466,739.71
Fund Balance	\$ 3,911,327.67	\$ 3,720,136.97	\$ 57,201.02	\$ 90,335.48	\$ 564,777.83	\$ 490,272.76	\$ 4,533,306.52	\$ 4,300,745.21
Total Liabilities, Reserves and Fund Balance	<u>\$ 9,696,730.62</u>	<u>\$ 8,005,977.95</u>	<u>\$ 83,046.52</u>	<u>\$ 122,503.05</u>	<u>\$ 2,240,639.34</u>	<u>\$ 2,570,050.28</u>	<u>\$ 12,020,416.48</u>	<u>\$ 10,698,531.28</u>

ELECTRIC UTILITY OPERATING FUND

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

Exhibit EE-1

	<u>Year 2022</u>	<u>Year 2021</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>		
Fund Balance Utilized	\$ 3,100,000.00	\$ 3,150,000.00
Electric Charges	14,620,380.60	13,830,796.69
Electric Capital Fund Balance	2,094.00	
Nonbudget Revenue	327,439.07	172,492.97
Other Credits to Income:		
Current Appropriations Canceled	1,397.02	4,857.65
Unexpended Balance of Appropriation Reserves		
Lapsed and Reserve for Encumbrances Canceled	<u>572,130.01</u>	<u>953,792.22</u>
Total Income	<u>\$ 18,623,440.70</u>	<u>\$ 18,111,939.53</u>
<u>EXPENDITURES</u>		
Budget Appropriations:		
Operating	\$ 10,903,000.00	\$ 10,568,000.00
Capital Improvements	450,000.00	220,000.00
Debt Service	549,250.00	544,334.00
Deferred Charges and Statutory Expenditures	330,000.00	325,000.00
Surplus - General Budget	<u>3,100,000.00</u>	<u>3,150,000.00</u>
Total Expenditures	<u>\$ 15,332,250.00</u>	<u>\$ 14,807,334.00</u>
Statutory Excess to Fund Balance	\$ 3,291,190.70	\$ 3,304,605.53
Fund Balance, January 1	<u>3,720,136.97</u>	<u>3,565,531.44</u>
	\$ 7,011,327.67	\$ 6,870,136.97
Decreased By:		
Utilized as Anticipated Revenue	<u>\$ 3,100,000.00</u>	<u>\$ 3,150,000.00</u>
Fund Balance, December 31	<u><u>\$ 3,911,327.67</u></u>	<u><u>\$ 3,720,136.97</u></u>

BOROUGH OF SOUTH RIVER
ELECTRIC UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Operating Fund Balance Anticipated	\$ 3,100,000.00	\$ 3,100,000.00	
Electric Charges	12,230,156.00	14,620,380.60	\$ 2,390,224.60
Electric Capital Fund Balance	<u>2,094.00</u>	<u>2,094.00</u>	
	\$ 15,332,250.00	\$ 17,722,474.60	\$ 2,390,224.60
Nonbudget Revenue	<u> </u>	<u>327,439.07</u>	<u>327,439.07</u>
	<u>\$ 15,332,250.00</u>	<u>\$ 18,049,913.67</u>	<u>\$ 2,717,663.67</u>

ANALYSIS OF REALIZED REVENUETotal

Electric Charges:

Consumer Accounts Receivable	\$ 14,426,793.56
State of New Jersey Lifeline	21,600.00
American Rescue Plan Funds	123,031.47
Consumer Lien Receivable	<u>48,955.57</u>
	<u>\$ 14,620,380.60</u>

Nonbudget Revenue:

Interest on Investments	\$ 93,305.14
Interest on Delinquent Rents	2,138.05
Connection Fees	700.00
Refund of Prior Years Expenditures	107,870.35
Sale of Municipal Assets	68,505.00
Turn On/Off Fees	12,650.00
Use of Lights	7,137.50
Portal Convenience Fee	30,700.63
Transportation/Vehicle Fees/EV Application Fee	300.00
Returned Check Fees	3,760.00
Miscellaneous	<u>372.40</u>
	<u>\$ 327,439.07</u>

**BOROUGH OF SOUTH RIVER
ELECTRIC UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022**

	<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	\$ 1,500,000.00	\$ 1,500,000.00	\$ 1,404,338.02		\$ 95,661.98	
Purchase of Power	7,000,000.00	7,000,000.00	5,561,670.86	\$ 439,588.20	998,740.94	
Other Expenses - Operating	560,000.00	560,000.00	306,282.48	114,962.53	138,754.99	
Other Expenses - Office/Administrative	3,000.00	3,000.00	1,010.38		1,989.62	
Other Expenses - Insurance	980,000.00	980,000.00	890,573.77	13,047.39	76,378.84	
Other Expenses - Professional Services	1,000,000.00	850,000.00	517,317.02	81,144.12	251,538.86	
Other Expenses - Accumulated Absences	10,000.00	10,000.00	10,000.00			
Total Operating	\$ 11,053,000.00	\$ 10,903,000.00	\$ 8,691,192.53	\$ 648,742.24	\$ 1,563,065.23	
CAPITAL IMPROVEMENTS						
Capital Improvement Fund	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00			
Capital Outlay - Digger Truck	230,000.00	380,000.00		\$ 346,015.00	\$ 33,985.00	
Capital Outlay - Supervisor Vehicle	50,000.00	50,000.00			50,000.00	
Total Capital Improvements	\$ 300,000.00	\$ 450,000.00	\$ 20,000.00	\$ 346,015.00	\$ 83,985.00	
DEBT SERVICE						
Payment of Bond Principal	\$ 525,000.00	\$ 525,000.00	\$ 525,000.00			
Interest on Bonds	19,250.00	19,250.00	19,250.00			
Interest on Notes	5,000.00	5,000.00	3,602.98			\$ 1,397.02
Total Debt Service	\$ 549,250.00	\$ 549,250.00	\$ 547,852.98			\$ 1,397.02
DEFERRED CHARGES AND STATUTORY EXPENDITURES						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	\$ 200,000.00	\$ 200,000.00	\$ 198,356.00		\$ 1,644.00	
Social Security System (O.A.S.I.)	120,000.00	120,000.00	107,431.74		12,568.26	
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et. seq.)	10,000.00	10,000.00	10,000.00			
Total Deferred Charges and Statutory Expenditures	\$ 330,000.00	\$ 330,000.00	\$ 315,787.74		\$ 14,212.26	
Surplus (General Budget)	\$ 3,100,000.00	\$ 3,100,000.00	\$ 3,100,000.00			
Total Electric Utility Appropriations	\$ 15,332,250.00	\$ 15,332,250.00	\$ 12,674,833.25	\$ 994,757.24	\$ 1,661,262.49	\$ 1,397.02

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

<u>BALANCE, DECEMBER 31, 2021</u>		\$ 2,134,321.82
<u>INCREASED BY</u>		
Electric Charges Levied		<u>14,578,290.28</u>
		\$ 16,712,612.10
<u>DECREASED BY</u>		
Collections	\$ 14,228,633.73	
State of New Jersey Lifeline/Heap Credits	21,600.00	
Municipal Lifeline	18,221.98	
American Rescue Plan Funds	123,031.47	
Cancelled	24,712.91	
Consumer Overpayments Applied	<u>198,159.83</u>	<u>14,614,359.92</u>
<u>BALANCE, DECEMBER 31, 2022</u>		\$ <u><u>2,098,252.18</u></u>

STATEMENT OF CONSUMER LIENS RECEIVABLE

<u>BALANCE, DECEMBER 31, 2021</u>		\$ 43,716.15
<u>INCREASED BY</u>		
Interest and Costs Accrued to Lien		<u>25,059.20</u>
		\$ 68,775.35
<u>DECREASED BY</u>		
Cash Received:		
Consumer Accounts Receivable	\$ 23,881.37	
Interest and Cost	<u>25,074.20</u>	<u>48,955.57</u>
<u>BALANCE, DECEMBER 31, 2022</u>		\$ <u><u>19,819.78</u></u>
Detail of Balance:		
Consumer Accounts Receivable	\$ 19,803.49	
Interest and Costs	<u>16.29</u>	
	\$ <u><u>19,819.78</u></u>	

**BOROUGH OF SOUTH RIVER
ELECTRIC UTILITY OPERATING FUND
STATEMENT OF 2021 APPROPRIATION RESERVES**

	Balance December 31, 2021		Balance After Transfers	Paid or Charged	Balance Lapsed
	<u>Appropriation Reserves</u>	<u>Reserve for Encumbrances</u>			
<u>OPERATING</u>					
Salaries and Wages	\$ 67,018.30		\$ 67,018.30		\$ 67,018.30
Purchase of Power	239,266.24	\$ 393,256.44	632,522.68	\$ 361,848.05	270,674.63
Other Expenses:					
Operating	18,036.20	152,593.33	170,629.53	168,046.93	2,582.60
Office/Administrative	2,123.89		2,123.89		2,123.89
Insurance	191,639.83		191,639.83	53,735.70	137,904.13
Professional Services	79,463.26	196,351.80	275,815.06	194,244.32	81,570.74
Total Operating	<u>\$ 597,547.72</u>	<u>\$ 742,201.57</u>	<u>\$ 1,339,749.29</u>	<u>\$ 777,875.00</u>	<u>\$ 561,874.29</u>
<u>CAPITAL IMPROVEMENTS</u>					
Capital Outlay - Bucket Truck		\$ 200,000.00	\$ 200,000.00	\$ 200,000.00	
Total Capital Improvements		<u>\$ 200,000.00</u>	<u>\$ 200,000.00</u>	<u>\$ 200,000.00</u>	
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u>					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	\$ 2,420.30		\$ 2,420.30		\$ 2,420.30
Social Security System (O.A.S.I.)	7,835.42		7,835.42		7,835.42
Total Deferred Charges and Statutory Expenditures	<u>\$ 10,255.72</u>		<u>\$ 10,255.72</u>		<u>\$ 10,255.72</u>
Total Electric Utility Appropriations	<u>\$ 607,803.44</u>	<u>\$ 942,201.57</u>	<u>\$ 1,550,005.01</u>	<u>\$ 977,875.00</u>	<u>\$ 572,130.01</u>

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

<u>BALANCE, DECEMBER 31, 2021</u>						\$ 1,893.02
<u>INCREASED BY</u>						
Budget Appropriation:						
Interest on Bonds			\$ 19,250.00			
Interest on Notes			<u>3,602.98</u>			<u>22,852.98</u>
						\$ 24,746.00
<u>DECREASED BY</u>						
Cash Disbursed						<u>24,259.75</u>
<u>BALANCE, DECEMBER 31, 2022</u>						<u>\$ 486.25</u>

ANALYSIS OF ACCRUED INTEREST - DECEMBER 31, 2022

	Outstanding December 31, <u>2022</u>	Interest <u>Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Bond Anticipation Notes \$	261,000.00	4.00%	12/15/2022	12/31/2022	17 Days	\$ <u>486.25</u>
						\$ <u>486.25</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 2022</u>	<u>Year 2021</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>		
Fund Balance Utilized	\$ 58,000.00	\$ 32,500.00
Parking Fees	36,295.68	39,034.42
Nonbudget Revenues	3,103.25	2,007.86
Other Credits to Income:		
Current Appropriations Canceled	1,000.00	1,000.00
Unexpended Balance of Appropriation Reserves		
Lapsed and Encumbrances Payable Canceled	<u>23,466.61</u>	<u>30,383.73</u>
Total Income	\$ <u>121,865.54</u>	\$ <u>104,926.01</u>
<u>EXPENDITURES</u>		
Budget Appropriations:		
Operating	\$ 39,500.00	\$ 38,000.00
Capital Improvements	32,000.00	6,500.00
Debt Service	22,000.00	22,000.00
Deferred Charges and Statutory Expenditures	<u>3,500.00</u>	<u>5,000.00</u>
Total Expenditures	\$ <u>97,000.00</u>	\$ <u>71,500.00</u>
Statutory Excess to Fund Balance	\$ 24,865.54	\$ 33,426.01
Fund Balance, January 1	<u>90,335.48</u>	<u>89,409.47</u>
	\$ 115,201.02	\$ 122,835.48
Decreased By:		
Utilized as Anticipated Revenue	<u>58,000.00</u>	<u>32,500.00</u>
Fund Balance, December 31	\$ <u><u>57,201.02</u></u>	\$ <u><u>90,335.48</u></u>

BOROUGH OF SOUTH RIVER
PARKING UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Operating Fund Balance Anticipated	\$ 58,000.00	\$ 58,000.00	
Parking Fees	<u>39,000.00</u>	<u>36,295.68</u>	\$ <u>(2,704.32)</u>
	97,000.00	94,295.68	(2,704.32)
Nonbudget Revenue	<u> </u>	<u>3,103.25</u>	<u>3,103.25</u>
	<u>\$ 97,000.00</u>	<u>\$ 97,398.93</u>	<u>\$ 398.93</u>

ANALYSIS OF REALIZED REVENUE

	<u>Total</u>
Parking Fees:	
Parking Permits	\$ 14,775.00
Parking Meters	<u>21,520.68</u>
	<u>\$ 36,295.68</u>
Nonbudget Revenues:	
Interest on Investments	<u>\$ 3,103.25</u>

BOROUGH OF SOUTH RIVER
PARKING UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

	<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	\$ 12,000.00	\$ 9,549.80		\$ 2,450.20	
Other Expenses - Operating	5,000.00	5,000.00	2,109.36		2,890.64	
Other Expenses - Professional Services	<u>7,000.00</u>	<u>22,500.00</u>	<u>2,500.00</u>	<u>\$ 12,300.00</u>	<u>7,700.00</u>	
Total Operating	<u>\$ 36,000.00</u>	<u>\$ 39,500.00</u>	<u>\$ 14,159.16</u>	<u>\$ 12,300.00</u>	<u>\$ 13,040.84</u>	
<u>CAPITAL IMPROVEMENTS</u>						
Capital Improvement Fund	\$ 32,000.00	\$ 32,000.00	\$ 32,000.00			
Capital Outlay - Meter Upgrades	<u>2,000.00</u>					
Total Capital Improvements	<u>\$ 34,000.00</u>	<u>\$ 32,000.00</u>	<u>\$ 32,000.00</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>1,000.00</u>	<u>730.34</u>		<u>\$ 269.66</u>	
Total Deferred Charges and Statutory Expenditures	<u>\$ 5,000.00</u>	<u>\$ 3,500.00</u>	<u>\$ 3,230.34</u>		<u>\$ 269.66</u>	
Total Parking Utility Appropriations	<u><u>\$ 97,000.00</u></u>	<u><u>\$ 97,000.00</u></u>	<u><u>\$ 70,389.50</u></u>	<u><u>\$ 12,300.00</u></u>	<u><u>\$ 13,310.50</u></u>	<u><u>\$ 1,000.00</u></u>

BOROUGH OF SOUTH RIVER
PARKING UTILITY OPERATING FUND
STATEMENT OF 2021 APPROPRIATION RESERVES

	Balance December 31, 2021		Balance After Transfers	Paid or Charged	Balance Lapsed
	<u>Appropriation Reserves</u>	<u>Reserve for Encumbrances</u>			
<u>OPERATING</u>					
Salaries and Wages	\$ 13,147.84		\$ 13,147.84		\$ 13,147.84
Other Expenses:					
Operating	5,090.83	\$ 644.17	5,735.00	\$ 779.96	4,955.04
Professional Services	<u>3,400.00</u>	<u>4,100.00</u>	<u>7,500.00</u>	<u>3,850.00</u>	<u>3,650.00</u>
Total Operating	\$ <u>21,638.67</u>	\$ <u>4,744.17</u>	\$ <u>26,382.84</u>	\$ <u>4,629.96</u>	\$ <u>21,752.88</u>
<u>CAPITAL IMPROVEMENTS</u>					
Capital Outlay - Meter Upgrades	\$ <u>44.00</u>	\$ <u>3,956.00</u>	\$ <u>4,000.00</u>	\$ <u>3,956.00</u>	\$ <u>44.00</u>
Total Capital Improvements	\$ <u>44.00</u>	\$ <u>3,956.00</u>	\$ <u>4,000.00</u>	\$ <u>3,956.00</u>	\$ <u>44.00</u>
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u>					
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)	\$ <u>1,669.73</u>		\$ <u>1,669.73</u>		\$ <u>1,669.73</u>
Total Deferred Charges and Statutory Expenditures	\$ <u>1,669.73</u>		\$ <u>1,669.73</u>		\$ <u>1,669.73</u>
Grand Total	\$ <u><u>23,352.40</u></u>	\$ <u><u>8,700.17</u></u>	\$ <u><u>32,052.57</u></u>	\$ <u><u>8,585.96</u></u>	\$ <u><u>23,466.61</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 2022</u>	<u>Year 2021</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>		
Fund Balance Utilized	\$ 388,708.00	\$ 275,000.00
Water Rents	4,178,609.58	4,199,771.50
Water Capital Fund Balance	19,192.00	13,757.00
Nonbudget Revenues	88,490.20	82,906.74
Other Credits to Income:		
Current Appropriations Canceled	454.29	4,217.12
Unexpended Balance of Appropriation Reserves		
Lapsed and Encumbrances Payable Canceled	330,659.00	15,562.83
Cancellation of Prior Year's Accounts Payable	<u> </u>	<u>1,400.00</u>
Total Income	\$ <u>5,006,113.07</u>	\$ <u>4,592,615.19</u>
<u>EXPENDITURES</u>		
Budget Appropriations:		
Operating	\$ 3,111,000.00	\$ 3,021,000.00
Capital Improvements	610,000.00	640,000.00
Debt Service	619,400.00	499,800.00
Deferred Charges and Statutory Expenditures	<u>202,500.00</u>	<u>207,500.00</u>
Total Expenditures	\$ <u>4,542,900.00</u>	\$ <u>4,368,300.00</u>
Statutory Excess to Fund Balance	\$ 463,213.07	\$ 224,315.19
Fund Balance, January 1	<u>490,272.76</u>	<u>540,957.57</u>
	\$ 953,485.83	\$ 765,272.76
Decreased By:		
Utilized as Anticipated Revenue	<u>388,708.00</u>	<u>275,000.00</u>
Fund Balance, December 31	\$ <u><u>564,777.83</u></u>	\$ <u><u>490,272.76</u></u>

BOROUGH OF SOUTH RIVER
WATER UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess</u>
Operating Fund Balance Anticipated	\$ 388,708.00	\$ 388,708.00	
Water Rents - Basic	4,135,000.00	4,178,609.58	\$ 43,609.58
Water Capital Fund Balance	<u>19,192.00</u>	<u>19,192.00</u>	
	\$ 4,542,900.00	\$ 4,586,509.58	\$ 43,609.58
Nonbudget Revenue	<u> </u>	<u>88,490.20</u>	<u>88,490.20</u>
	<u>\$ 4,542,900.00</u>	<u>\$ 4,674,999.78</u>	<u>\$ 132,099.78</u>

ANALYSIS OF REALIZED REVENUE

	<u>Total</u>
Water Rents:	
Consumer Accounts Receivable	\$ 4,150,689.27
American Rescue Plan Funds	14,591.46
Water Utility Consumer Liens Receivable	<u>13,328.85</u>
	<u>\$ 4,178,609.58</u>
Nonbudget Revenues:	
Interest on Investments	\$ 41,304.92
Meter Installation	2,577.28
Turn Off Fees	8,550.00
Bounced Check Fees	1,120.00
Connection/Tap Fee	6,554.85
Portal Convenience Fee	6,797.16
Refund of Prior Years Expenditures	20,876.91
Miscellaneous	<u>709.08</u>
	<u>\$ 88,490.20</u>

BOROUGH OF SOUTH RIVER
WATER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

	<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	\$ 800,000.00	\$ 735,000.00	\$ 734,596.43		\$ 403.57	
Purchase of Water	950,000.00	1,025,000.00	1,024,756.42		243.58	
Other Expenses - Operating	320,000.00	320,000.00	264,443.62	\$ 52,330.70	3,225.68	
Other Expenses - Office/Administrative	1,000.00	1,000.00	581.60		418.40	
Other Expenses - Insurance	675,000.00	605,000.00	593,715.88	8,698.26	2,585.86	
Other Expenses - Professional Services	455,000.00	420,000.00	331,470.37	88,249.26	280.37	
Other Expenses - Accumulated Absences	5,000.00	5,000.00	5,000.00			
Total Operating	\$ 3,206,000.00	\$ 3,111,000.00	\$ 2,954,564.32	\$ 149,278.22	\$ 7,157.46	
<u>CAPITAL IMPROVEMENTS</u>						
Capital Improvement Fund	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00			
Capital Outlay	500,000.00	600,000.00	512,718.40	\$ 80,582.00	\$ 6,699.60	
Total Capital Improvements	\$ 510,000.00	\$ 610,000.00	\$ 522,718.40	\$ 80,582.00	\$ 6,699.60	
<u>DEBT SERVICE</u>						
Payment of Bond Principal	\$ 280,000.00	\$ 280,000.00	\$ 280,000.00			
Payment of Bond Anticipation Notes and Capital Notes	255,000.00	255,000.00	255,000.00			
Interest on Bonds	51,400.00	51,400.00	51,400.00			
Interest on Notes	33,000.00	33,000.00	32,545.71			\$ 454.29
Total Debt Service	\$ 619,400.00	\$ 619,400.00	\$ 618,945.71			\$ 454.29
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u>						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	\$ 135,000.00	\$ 135,000.00	\$ 132,237.00		\$ 2,763.00	
Social Security System (O.A.S.I.)	62,000.00	57,000.00	56,196.49		803.51	
Defined Contribution Retirement Plan	500.00	500.00			500.00	
Unemployment Compensation Insurance (NJSA 43:21 et seq)	10,000.00	10,000.00	10,000.00			
Total Deferred Charges and Statutory Expenditures	\$ 207,500.00	\$ 202,500.00	\$ 198,433.49		\$ 4,066.51	
Total Water Utility Appropriations	\$ 4,542,900.00	\$ 4,542,900.00	\$ 4,294,661.92	\$ 229,860.22	\$ 17,923.57	\$ 454.29

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

<u>BALANCE, DECEMBER 31, 2021</u>		\$ 869,982.72
<u>INCREASED BY</u>		
Water Charges Levied		<u>4,418,551.38</u>
		\$ 5,288,534.10
<u>DECREASED BY</u>		
Collections	\$ 4,026,419.66	
American Rescue Plan Funds	14,591.46	
Consumer Overpayments Applied	<u>124,269.61</u>	<u>4,165,280.73</u>
<u>BALANCE, DECEMBER 31, 2022</u>		<u>\$ 1,123,253.37</u>

STATEMENT OF CONSUMER LIENS RECEIVABLE

<u>BALANCE, DECEMBER 31, 2021</u>		\$ 8,217.70
<u>INCREASED BY</u>		
Interest and Costs Accrued to Lien		<u>6,956.23</u>
		\$ 15,173.93
<u>DECREASED BY</u>		
Cash Received:		
Consumer Accounts Receivable	\$ 6,372.62	
Interest and Cost	<u>6,956.23</u>	<u>13,328.85</u>
<u>BALANCE, DECEMBER 31, 2022</u>		<u>\$ 1,845.08</u>
Detail of Balance:		
Consumer Accounts Receivable	\$ <u>1,845.08</u>	

**BOROUGH OF SOUTH RIVER
WATER UTILITY OPERATING FUND
STATEMENT OF 2021 APPROPRIATION RESERVES**

	Balance December 31, 2021		Balance After Transfers	Paid or Charged	Balance Lapsed
	<u>Appropriation Reserves</u>	<u>Reserve for Encumbrances</u>			
<u>OPERATING</u>					
Salaries and Wages	\$ 21,344.74		\$ 21,344.74		\$ 21,344.74
Purchase of Water	20,556.03	\$ 443,336.14	463,892.17	\$ 440,281.65	23,610.52
Other Expenses:					
Operating	25,807.61	37,719.49	63,527.10	35,919.42	27,607.68
Office/Administrative	412.99		412.99		412.99
Insurance	38,093.16		38,093.16	35,823.80	2,269.36
Professional Services	10,166.94	50,012.20	60,179.14	53,920.14	6,259.00
Total Operating	\$ 116,381.47	\$ 531,067.83	\$ 647,449.30	\$ 565,945.01	\$ 81,504.29
<u>CAPITAL IMPROVEMENTS</u>					
Capital Outlay	\$ 232,253.39	\$ 39,400.00	\$ 271,653.39	\$ 32,527.03	\$ 239,126.36
Total Capital Improvements	\$ 232,253.39	\$ 39,400.00	\$ 271,653.39	\$ 32,527.03	\$ 239,126.36
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u>					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	\$ 3,280.20		\$ 3,280.20		\$ 3,280.20
Social Security System (O.A.S.I.)	6,248.15		6,248.15		6,248.15
Defined Contribution Retirement Plan	500.00		500.00		500.00
Total Deferred Charges and Statutory Expenditures	\$ 10,028.35		\$ 10,028.35		\$ 10,028.35
Grand Total	\$ 358,663.21	\$ 570,467.83	\$ 929,131.04	\$ 598,472.04	\$ 330,659.00

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

<u>BALANCE, DECEMBER 31, 2021</u>			\$	5,651.27
<u>INCREASED BY</u>				
Budget Appropriation:				
Interest on Bonds	\$	51,400.00		
Interest on Notes		<u>32,545.71</u>		<u>83,945.71</u>
			\$	89,596.98
<u>DECREASED BY</u>				
Cash Disbursed				<u>81,977.65</u>
<u>BALANCE, DECEMBER 31, 2022</u>			\$	<u>7,619.33</u>

ANALYSIS OF ACCRUED INTEREST - DECEMBER 31, 2022

	<u>Outstanding</u> <u>December 31,</u> <u>2022</u>	<u>Interest</u> <u>Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Serial Bonds, 2019	\$ 1,905,000.00	2.000%	12/1/2022	12/31/2022	1 Month	\$ 3,641.67
Bond Anticipation Notes	2,135,000.00	4.00%	12/15/2022	12/31/2022	17 Days	<u>3,977.66</u>
						<u>\$ 7,619.33</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, 2022 AND 2021

	Electric Utility		Parking Utility		Water Utility		Total (Memorandum Only)	
	2022	2021	2022	2021	2022	2021	2022	2021
ASSETS								
Cash and Cash Equivalents	\$ 668,549.80	\$ 927,303.02	\$ 136,735.76	\$ 104,735.76	\$ 1,286,137.38	\$ 958,028.31	\$ 2,091,422.94	\$ 1,990,067.09
Interfunds Receivable:								
Due from General Capital Fund					\$ 140,857.45		\$ 140,857.45	
					\$ 140,857.45		\$ 140,857.45	
Fixed Capital	\$ 17,255,146.37	\$ 17,254,773.17	\$ 258,376.25	\$ 258,376.25	\$ 20,971,318.08	\$ 19,188,330.91	\$ 38,484,840.70	\$ 36,701,480.33
Fixed Capital Authorized and Uncompleted	983,628.12	984,001.32	72,370.56	72,370.56	4,154,801.56	3,942,543.30	5,210,800.24	4,998,915.18
	\$ 18,238,774.49	\$ 18,238,774.49	\$ 330,746.81	\$ 330,746.81	\$ 25,126,119.64	\$ 23,130,874.21	\$ 43,695,640.94	\$ 41,700,395.51
Total Assets	\$ 18,907,324.29	\$ 19,166,077.51	\$ 467,482.57	\$ 435,482.57	\$ 26,553,114.47	\$ 24,088,902.52	\$ 45,927,921.33	\$ 43,690,462.60
LIABILITIES AND RESERVES								
Serial Bonds		\$ 525,000.00			\$ 1,905,000.00	2,185,000.00	\$ 1,905,000.00	\$ 2,710,000.00
Bond Anticipation Notes	\$ 261,000.00	\$ 261,000.00	\$ 22,000.00	\$ 43,000.00	\$ 2,135,000.00	2,390,000.00	\$ 2,418,000.00	\$ 2,694,000.00

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, 2022 AND 2021

	<u>Electric Utility</u>		<u>Parking Utility</u>		<u>Water Utility</u>		<u>Total (Memorandum Only)</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
LIABILITIES AND RESERVES								
(CONTINUED)								
Improvement Authorizations:								
Funded	\$ 40,463.29	\$ 40,463.29	\$ 47,702.20	\$ 47,702.20	\$ 402,259.15	\$ 124,959.15	\$ 490,424.64	\$ 213,124.64
Unfunded	<u>503,164.83</u>	<u>503,538.03</u>	<u>22,370.56</u>	<u>22,370.56</u>	<u>2,984,882.56</u>	<u>2,454,925.05</u>	<u>3,510,417.95</u>	<u>2,980,833.64</u>
	\$ 543,628.12	\$ 544,001.32	\$ 70,072.76	\$ 70,072.76	\$ 3,387,141.71	\$ 2,579,884.20	\$ 4,000,842.59	\$ 3,193,958.28
Capital Improvement Fund	\$ 278,903.15	\$ 258,903.15	\$ 66,000.00	\$ 34,000.00	\$ 122,233.19	\$ 161,450.63	\$ 467,136.34	\$ 454,353.78
Reserve for Encumbrances	<u>58,561.46</u>	<u>337,103.53</u>			<u>614,605.88</u>	<u>337,932.12</u>	<u>673,167.34</u>	<u>675,035.65</u>
	\$ 337,464.61	\$ 596,006.68	\$ 66,000.00	\$ 34,000.00	\$ 736,839.07	\$ 499,382.75	\$ 1,140,303.68	\$ 1,129,389.43
Reserve for Amortization	<u>\$ 17,477,774.49</u>	<u>\$ 16,952,774.49</u>	<u>\$ 293,746.81</u>	<u>\$ 272,746.81</u>	<u>\$ 17,211,119.64</u>	<u>\$ 16,130,874.21</u>	<u>\$ 34,982,640.94</u>	<u>\$ 33,356,395.51</u>
Reserve for Deferred Amortization					<u>\$ 1,053,000.00</u>	<u>\$ 178,000.00</u>	<u>\$ 1,053,000.00</u>	<u>\$ 178,000.00</u>
Fund Balance	<u>\$ 287,457.07</u>	<u>\$ 287,295.02</u>	<u>\$ 15,663.00</u>	<u>\$ 15,663.00</u>	<u>\$ 125,014.05</u>	<u>\$ 125,761.36</u>	<u>\$ 428,134.12</u>	<u>\$ 428,719.38</u>
Total Liabilities and Reserves	<u>\$ 18,907,324.29</u>	<u>\$ 19,166,077.51</u>	<u>\$ 467,482.57</u>	<u>\$ 435,482.57</u>	<u>\$ 26,553,114.47</u>	<u>\$ 24,088,902.52</u>	<u>\$ 45,927,921.33</u>	<u>\$ 43,690,462.60</u>

There were Bonds and Notes Authorized but not Issued of \$500,000.00 in the Electric Utility Capital Fund, \$2,822,000.00 in the Water Utility Capital Fund and \$15,000.00 in the Parking Utility Capital Fund at December 31, 2022.

ELECTRIC UTILITY CAPITAL FUND

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

		Balance	Receipts	Disbursements		Balance
		December 31,		Improvement		December 31,
		2021	Miscellaneous	Authorizations	Miscellaneous	2022
Fund Balance		\$ 287,295.02	\$ 2,256.05		\$ 2,094.00	\$ 287,457.07
Capital Improvement Fund		258,903.15	20,000.00			278,903.15
Reserve for Encumbrances		337,103.53			278,542.07	58,561.46
Due to Electric Utility Operating Fund			10,087.35		10,087.35	
<u>Ordinance</u>	<u>Improvement</u>					
<u>Number</u>	<u>Authorizations</u>					
14-16	Acquisition and Installation of a Standby Generator	40,463.29				40,463.29
16-12	Improvements to the Willett Avenue Substation	3,538.03		\$ 373.20		3,164.83
		<u>\$ 927,303.02</u>	<u>\$ 32,343.40</u>	<u>\$ 373.20</u>	<u>\$ 290,723.42</u>	<u>\$ 668,549.80</u>

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

BALANCE, DECEMBER 31, 2021 \$ 17,254,773.17

INCREASED BY

Transferred from Fixed Capital Authorized and Uncompleted 373.20

BALANCE, DECEMBER 31, 2022 \$ 17,255,146.37

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	957,616.71
Improvement to Willett Avenue Substation	556,835.17
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	157,638.00

\$ 17,255,146.37

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</u>		<u>Balance December 31, 2021</u>	<u>Decreased by Transferred to Fixed Capital</u>	<u>Balance December 31, 2022</u>
		<u>Date</u>	<u>Amount</u>			
14-16	Acquisition and Installation of a Standby Generator.	06/09/14	\$ 1,498,080.00	\$ 540,463.29		\$ 540,463.29
16-12	Improvement to the Willett Ave Substation	08/22/16	1,000,000.00	<u>443,538.03</u>	\$ <u>373.20</u>	<u>443,164.83</u>
				<u>\$ 984,001.32</u>	<u>\$ 373.20</u>	<u>\$ 983,628.12</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>Balance December 31, 2021</u>	<u>Decrease</u>
Electric Utility Refunding Bonds Series 2016	3/15/2016	\$ 2,415,000.00	\$ <u>525,000.00</u>	\$ <u>525,000.00</u>
			\$ <u><u>525,000.00</u></u>	\$ <u><u>525,000.00</u></u>

BOROUGH OF SOUTH RIVER
ELECTRIC 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, 2021</u>	<u>Balance December 31, 2022</u>
16-12	Improvements to the Willett Ave Substation	12/16/21	12/15/22	12/14/23	4.00%	\$ <u>261,000.00</u>	\$ <u>261,000.00</u>
						\$ <u><u>261,000.00</u></u>	\$ <u><u>261,000.00</u></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, 2021</u>		<u>Paid or Charged</u>	<u>Balance December 31, 2022</u>	
		<u>Date</u>	<u>Amount</u>	<u>Funded</u>	<u>Unfunded</u>		<u>Funded</u>	<u>Unfunded</u>
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 Ave Substation	08/22/16	1,000,000.00		3,538.03	\$ 373.20		3,164.83
				\$ 40,463.29	\$ 503,538.03	\$ 373.20	\$ 40,463.29	\$ 503,164.83

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

<u>BALANCE, DECEMBER 31, 2021</u>	\$ 258,903.15
<u>INCREASED BY</u>	
2022 Budget Appropriation	<u>20,000.00</u>
<u>BALANCE, DECEMBER 31, 2022</u>	<u>\$ 278,903.15</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>	Balance December 31, <u>2021</u>	Balance December 31, <u>2022</u>
14-16	Acquisition and Installation of a Standby Generator	\$ <u>500,000.00</u>	\$ <u>500,000.00</u>
		\$ <u><u>500,000.00</u></u>	\$ <u><u>500,000.00</u></u>

PARKING UTILITY CAPITAL FUND

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

	Balance December 31, <u>2021</u>	<u>Receipts</u> Miscellaneous	<u>Disbursements</u> Miscellaneous	Balance December 31, <u>2022</u>
Fund Balance	\$ 15,663.00			\$ 15,663.00
Capital Improvement Fund	34,000.00	\$ 32,000.00		66,000.00
Due to/(from) Parking Utility Operating Fund		1,771.00	\$ 1,771.00	
Ordinance <u>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>7,370.56</u>
		<u>\$ 104,735.76</u>	<u>\$ 33,771.00</u>	<u>\$ 136,735.76</u>

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

BALANCE, DECEMBER 31, 2021

AND

BALANCE, DECEMBER 31, 2022

\$ 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		42.47		
		258,376.25		
				\$ <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</u>		<u>Balance</u>	<u>Balance</u>
		<u>Date</u>	<u>Amount</u>	<u>December 31, 2021</u>	<u>December 31, 2022</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, 2021</u>	<u>Decreased by Budget Appropriation</u>	<u>Balance December 31, 2022</u>
14-25	Obert Street Parking Lot Improvements	12/10/19	11/17/22	11/17/23	0.00%	\$ <u>43,000.00</u>	\$ <u>21,000.00</u>	\$ <u>22,000.00</u>
						\$ <u><u>43,000.00</u></u>	\$ <u><u>21,000.00</u></u>	\$ <u><u>22,000.00</u></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, 2021</u>		<u>Balance December 31, 2022</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
				<u>\$ 47,702.20</u>	<u>\$ 22,370.56</u>	<u>\$ 47,702.20</u>	<u>\$ 22,370.56</u>

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

<u>BALANCE, DECEMBER 31, 2021</u>	\$ 34,000.00
<u>INCREASED BY</u>	
2022 Budget Appropriation	<u>32,000.00</u>
<u>BALANCE, DECEMBER 31, 2022</u>	<u>\$ 66,000.00</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>	<u>Balance December 31, 2021</u>	<u>Balance December 31, 2022</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**

	Balance December 31, 2021	Receipts		Disbursements		Transfers		Balance December 31, 2022
		Miscellaneous	Improvement Authorizations	Miscellaneous		From	To	
Fund Balance	\$ 125,761.36	\$ 18,444.69		\$ 19,192.00				\$ 125,014.05
Capital Improvement Fund	161,450.63	10,000.00				\$ 49,217.44		122,233.19
Reserve for Encumbrances	337,932.12			291,560.24		18,337.00	\$ 586,571.00	614,605.88
Due to/(from) Water Utility Operating Fund		18,096.06		18,096.06				
Due to/(from) General Capital Fund				140,857.45				(140,857.45)
Due to/(from) Current Fund		825,782.56				825,782.56		
Ordinance Number	Description							
03-36/06-43	Acquisition and Installation of Water Meters	124,959.15				60,000.00		64,959.15
18-24	Various Water System Improvements	337.19	\$ 57.66					279.53
19-10	Various Water Utility Improvements	32,500.83	285.59					32,215.24
19-15	Rehabilitation of Well #2 and Other Borough Wells	13,718.75	2,293.37					11,425.38
19-16	Improvements to the Borough's Water Treatment, Storage and Distribution System	161,368.28	1,014.49			921.00	18,337.00	177,769.79
22-19	Improvements to the Borough's Water Treatment, Storage and Distribution System					512,700.00	850,000.00	337,300.00
22-38	Various Water Utility Improvements and Equipment Acquisitions		70,857.38			12,950.00	25,000.00	(58,807.38)
		\$ 958,028.31	\$ 872,323.31	\$ 74,508.49	\$ 469,705.75	\$ 1,479,908.00	\$ 1,479,908.00	\$ 1,286,137.38

Bracketed amounts denote deficit.

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

<u>BALANCE, DECEMBER 31, 2021</u>	\$	19,188,330.91
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INCREASED BY

Transferred from Fixed Capital Authorized and Uncompleted	\$ 1,237,741.74	
Adjustment for Budget Expenditure Capital Outlay:		
2021 Appropriation Reserves	32,527.03	
2022 Appropriation	<u>512,718.40</u>	<u>1,782,987.17</u>

<u>BALANCE, DECEMBER 31, 2022</u>	\$	<u>20,971,318.08</u>
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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
Renovations to the Gordon Street Administration Building		246,581.66
Replacement of the Lime Feed System		108,015.09

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

Detail: (Continued)

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	199,720.47
Various Water System Improvements	237,784.76
Rehabilitation of Well #2 and Other Wells	1,236,384.00
Improvements to the Borough's Water Treatment, Storage and Distribution System	746,309.21
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	290,864.10
2021 Capital Outlay - Appropriation	358,346.61
2021 Capital Outlay - Appropriation Reserves	32,527.03
2022 Capital Outlay - Appropriation	512,718.40
	<u>\$ 20,971,318.08</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, 2021</u>	<u>Increased by Fixed Capital Authorized</u>	<u>Decreased by Transferred to Fixed Capital</u>	<u>Balance December 31, 2022</u>
		<u>Date</u>	<u>Amount</u>				
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
18-24	Various Water System Improvements	07/16/18	200,000.00	337.19		\$ 57.66	279.53
19-10	Various Water Utility Improvements	06/24/19	400,000.00	162,500.83		285.59	162,215.24
19-15	Rehabilitation of Well #2 and Other Borough Wells	08/19/19	1,450,000.00	1,450,000.00		1,236,384.00	213,616.00
19-16	Improvements to the Borough's Water Treatment, Storage and Distribution System	08/19/19	925,000.00	179,705.28		1,014.49	178,690.79
22-19	Improvements to the Borough's Water Treatment, Storage and Distribution System	06/13/22	950,000.00		\$ 950,000.00		950,000.00
22-38	Various Water System Improvements and Equipment Acquisitions	12/19/22	500,000.00		500,000.00		500,000.00
				<u>\$ 3,942,543.30</u>	<u>\$ 1,450,000.00</u>	<u>\$ 1,237,741.74</u>	<u>\$ 4,154,801.56</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, 2022</u>		<u>Interest Rate</u>	<u>Balance December 31, 2021</u>	<u>Decreased by</u>	<u>Balance December 31, 2022</u>
			<u>Date</u>	<u>Amount</u>				
Water System Improvements	12/05/19	\$ 2,605,000.00	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%	\$ 2,185,000.00	\$ 280,000.00	\$ 1,905,000.00
						\$ 2,185,000.00	\$ 280,000.00	\$ 1,905,000.00

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>Balance December 31, 2021</u>	<u>Decreased by Budget Appropriation</u>	<u>Balance December 31, 2022</u>
18-24	Various Water System Improvements	12/18/20	12/15/22	12/14/23	4.00%	\$ 45,000.00	\$ 5,000.00	\$ 40,000.00
19-10	Various Water System Improvements	12/18/20	12/15/22	12/14/23	4.00%	225,000.00	25,000.00	200,000.00
19-15	Rehabilitation of Well #2 and Other Borough Wells	12/18/20	12/15/22	12/14/23	4.00%	270,000.00	30,000.00	240,000.00
19-15	Rehabilitation of Well #2 and Other Borough Wells	12/16/21	12/15/22	12/14/23	4.00%	1,050,000.00	105,000.00	945,000.00
19-16	Improvements to the Borough's Water Treatment, Storage and Distribution System	12/18/20	12/15/22	12/14/23	4.00%	675,000.00	75,000.00	600,000.00
19-16	Improvements to the Borough's Water Treatment, Storage and Distribution System	12/16/21	12/15/22	12/14/23	4.00%	<u>125,000.00</u>	<u>15,000.00</u>	<u>110,000.00</u>
						<u>\$ 2,390,000.00</u>	<u>\$ 255,000.00</u>	<u>\$ 2,135,000.00</u>

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

Ordinance Number	Description	Ordinance		Balance December 31, 2021		2022 Authorizations	Reserve for Encumbrances Cancelled	Paid or Charged	Balance December 31, 2022	
		Date	Amount	Funded	Unfunded				Funded	Unfunded
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			\$ 60,000.00	\$ 64,959.15	\$ 2,017,000.00
18-24	Various Water System Improvements	07/16/18	200,000.00		337.19			57.66		279.53
19-10	Various Water Utility Improvements	06/24/19	400,000.00		162,500.83			285.59		162,215.24
19-15	Rehabilitation of Well #2 and Other Borough Wells	08/19/19	1,450,000.00		113,718.75			2,293.37		111,425.38
19-16	Improvements to the Borough's Water Treatment, Storage and Distribution System	08/19/19	925,000.00		161,368.28		\$ 18,337.00	1,935.49		177,769.79
22-19	Improvements to the Borough's Water Treatment, Storage and Distribution System	06/13/22	950,000.00			\$ 950,000.00		512,700.00	337,300.00	100,000.00
22-38	Various Water System Improvements and Equipment Acquisitions	12/19/22	500,000.00			500,000.00		83,807.38		416,192.62
				\$ 124,959.15	\$ 2,454,925.05	\$ 1,450,000.00	\$ 18,337.00	\$ 661,079.49	\$ 402,259.15	\$ 2,984,882.56

Detail:

Capital Improvement Fund	\$ 49,217.44
Bonds & Notes Authorized	575,000.00
American Rescue Plan	825,782.56
	<u>\$ 1,450,000.00</u>

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

<u>BALANCE, DECEMBER 31, 2021</u>	\$ 161,450.63
<u>INCREASED BY</u>	
2022 Budget Appropriation	<u>10,000.00</u>
	\$ 171,450.63
<u>DECREASED BY</u>	
Appropriated to Finance Improvement Authorizations	<u>49,217.44</u>
<u>BALANCE, DECEMBER 31, 2022</u>	<u>\$ 122,233.19</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, 2021</u>	<u>2022 Authorization</u>	<u>Balance December 31, 2022</u>
03-36/06-43	Acquisition and Installation of Water Meters	\$ 2,017,000.00		\$ 2,017,000.00
19-10	Various Water Utility Improvements	130,000.00		130,000.00
19-15	Rehabilitation of Well #2 and Other Borough Wells	100,000.00		100,000.00
22-19	Improvements to the Borough's Water Treatment, Storage and Distribution System		\$ 100,000.00	100,000.00
22-38	Various Water Utility Improvements and Equipment Acquisitions		475,000.00	475,000.00
		<u>\$ 2,247,000.00</u>	<u>\$ 575,000.00</u>	<u>\$ 2,822,000.00</u>

CAPITAL ASSETS ACCOUNT

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

	Balance December 31, 2022	Balance December 31, 2021
General Capital Assets:		
Land	\$ 4,848,616.00	\$ 4,848,616.00
Buildings	19,670,226.98	19,670,226.98
Vehicles	7,226,466.02	7,008,933.28
Equipment	<u>2,964,560.97</u>	<u>2,619,298.86</u>
	<u>\$ 34,709,869.97</u>	<u>\$ 34,147,075.12</u>
Investment in General Capital Assets	<u>\$ 34,709,869.97</u>	<u>\$ 34,147,075.12</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									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Government	\$ 927,600.00	\$ 817,500.00	\$ 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
Public Safety	5,268,850.00	5,160,750.00	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
Public Works	2,521,000.00	2,539,000.00	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
Utility Expense and										
Bulk Purchases	457,000.00	416,000.00	431,000.00	358,000.00	320,000.00	365,500.00	362,000.00	399,500.00	412,500.00	411,000.00
Land Use	60,000.00	78,000.00	60,000.00	56,000.00	61,500.00	53,400.00	81,900.00	63,300.00	62,205.00	42,205.00
Sanitary Landfill	600,000.00	600,000.00	570,000.00	535,000.00	525,000.00	505,000.00	480,000.00	500,000.00	515,000.00	515,000.00
Insurance	1,749,000.00	1,606,000.00	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
Health and Human Services	235,636.00	144,860.00	234,312.00	248,990.00	252,694.00	245,325.00	257,579.00	257,857.00	270,760.00	243,036.00
Parks and Recreation	474,867.00	454,317.00	422,317.00	432,317.00	449,317.00	360,817.00	362,617.00	346,817.00	375,250.00	375,750.00
Education	560,973.00	507,773.00	490,181.00	483,281.00	461,208.00	460,081.00	446,130.00	430,987.00	437,365.00	449,822.36
Deferred Charges and Statutory										
Expenditures	1,818,832.00	1,858,000.00	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
Grants	290,321.24	521,998.54	209,579.46	208,995.40	291,233.14	106,970.84	107,733.17	215,267.59	171,445.23	222,040.92
Capital Improvements	150,000.00	175,000.00	200,000.00	130,000.00	300,000.00	300,000.00	100,000.00	100,000.00	75,000.00	150,000.00
Debt Service	2,159,511.00	2,148,923.00	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
Sewer	1,393,152.00	1,419,908.00	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
Contingent	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00
Reserve for Uncollected Taxes	900,000.00	890,000.00	880,000.00	870,000.00	860,000.00	840,000.00	820,000.00	790,000.00	790,000.00	787,235.29
	<u>\$ 19,567,242.24</u>	<u>\$ 19,338,529.54</u>	<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>

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									
	<u>2022</u>	<u>2021</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>
Operating	\$ 10,903,000.00	\$ 10,568,000.00	\$ 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
Capital Improvements	450,000.00	220,000.00	220,000.00	275,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00
Debt Service	549,250.00	544,334.00	543,600.00	536,884.00	734,167.00	863,671.00	854,500.00	866,721.00	857,316.00	873,793.00
Deferred Charges and Statutory Expenditures	330,000.00	325,000.00	313,000.00	321,000.00	311,000.00	300,000.00	305,584.00	291,404.00	288,578.00	281,262.00
Surplus - General Budget	<u>3,100,000.00</u>	<u>3,150,000.00</u>	<u>3,200,000.00</u>	<u>3,978,500.00</u>	<u>3,250,000.00</u>	<u>3,250,000.00</u>	<u>3,300,000.00</u>	<u>3,350,000.00</u>	<u>3,556,371.00</u>	<u>3,556,371.00</u>
	<u>\$ 15,332,250.00</u>	<u>\$ 14,807,334.00</u>	<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>

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>2022</u>	<u>2021</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>
Operating	\$ 39,500.00	\$ 38,000.00	\$ 39,000.00	\$ 38,000.00	\$ 33,000.00	\$ 30,300.00	\$ 33,000.00	\$ 29,000.00	\$ 29,000.00	\$ 28,000.00
Capital Improvements	32,000.00	6,500.00	6,500.00	6,500.00	6,500.00	6,500.00	6,500.00	9,000.00	14,000.00	15,000.00
Debt Service	22,000.00	22,000.00	22,000.00	22,000.00	21,700.00	21,700.00	21,500.00	21,000.00		
Deferred Charges and Statutory Expenditures	<u>3,500.00</u>	<u>5,000.00</u>	<u>5,000.00</u>	<u>5,000.00</u>	<u>5,000.00</u>	<u>5,000.00</u>	<u>5,000.00</u>	<u>4,500.00</u>	<u>4,500.00</u>	<u>4,500.00</u>
	<u>\$ 97,000.00</u>	<u>\$ 71,500.00</u>	<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>

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

<u>Function</u>	<u>Fiscal Year</u>									
	<u>2022</u>	<u>2021</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>
Operating	\$ 3,111,000.00	\$ 3,021,000.00	\$ 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
Capital Improvements	610,000.00	640,000.00	325,000.00	326,000.00	231,000.00	425,000.00	320,000.00	220,000.00	285,000.00	190,000.00
Debt Service	619,400.00	499,800.00	463,125.00	485,735.00	546,819.00	572,189.00	661,689.00	624,992.00	554,626.00	540,498.00
Deferred Charges and Statutory Expenditures	<u>202,500.00</u>	<u>207,500.00</u>	<u>402,500.00</u>	<u>195,500.00</u>	<u>195,500.00</u>	<u>187,000.00</u>	<u>185,056.00</u>	<u>176,269.00</u>	<u>182,052.00</u>	<u>175,508.00</u>
	<u>\$ 4,542,900.00</u>	<u>\$ 4,368,300.00</u>	<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>

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

Source	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Surplus Anticipated	\$ 2,100,000.00	\$ 1,934,711.00	\$ 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
Taxes (1)	11,902,579.17	11,541,601.08	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
Delinquent Taxes	1,093,837.24	462,787.30	524,498.97	583,780.85	692,610.25	583,562.07	636,497.88	488,139.24	640,720.55	633,863.95
Miscellaneous	4,669,971.03	4,610,046.60	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
State Aid	825,291.00	825,291.00	825,291.01	825,291.00	825,291.00	825,291.00	825,291.00	825,291.00	825,291.00	825,290.68
State and Federal Grants	183,749.24	493,998.54	194,379.46	193,795.40	286,033.14	101,770.84	102,533.17	215,267.59	169,545.23	218,240.92
Nonbudget Revenue and Other Items	1,675,366.66	2,035,138.00	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
	<u>\$ 22,450,794.34</u>	<u>\$ 21,903,573.52</u>	<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>

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>			
2022	\$ 0.718	\$ 0.037	\$ 1.242	\$ 0.397	\$ 0.034	\$ 2.428	98.70%	1.78%
2021	0.700	0.033	1.204	0.369	0.031	2.337	98.62%	3.14%
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%

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>
2022	\$ 36,797,446.23	36,324,438.37	98.70%
2021	35,339,555.46	34,855,353.20	98.62%
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%

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

<u>Year Ended</u> <u>December 31,</u>	<u>Amount of</u> <u>Tax Title Liens</u>	<u>Amount of</u> <u>Delinquent</u> <u>Taxes</u>	<u>Total</u> <u>Delinquent</u>	<u>Percentage</u> <u>of Tax Levy</u>
2022	\$ 229,999.38	\$ 427,911.18	\$ 657,910.56	1.78%
2021	687,616.86	422,351.49	1,109,968.35	3.14%
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%

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>
2022	\$ 1,513,486,100	\$ 1,847,517,212	81.92%
2021	1,509,579,100	1,682,919,844	89.69%
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%

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 - 2022</u>	<u>As a Percent of Net Assessed Valuation Taxable</u>
LIT Industrial, LP	\$ 49,100,900	3.24%
LIT Northend, LLC	32,810,300	2.17%
Leonardine Gardens	14,776,600	0.98%
Village Greens Living LLC	9,745,300	0.64%
Emess Apts., Ltd.	8,554,800	0.57%
Absolute Property Management	4,174,500	0.28%
Willet Gardens & Kasztl Willets LLC	3,439,300	0.23%
425 Whitehead, LLC	3,338,600	0.22%
Sherwood Court	3,251,300	0.21%
Zifovski, Zlatan & Lube	<u>3,157,100</u>	<u>0.21%</u>
	<u>\$ 132,348,700</u>	<u>8.74%</u>

Source: Municipal Tax Collector.

BOROUGH OF SOUTH RIVER
COMPUTATION OF LEGAL DEBT MARGIN
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022
[UNAUDITED]

Average Equalized Valuation	\$ <u>1,684,585,672.00</u>
Borrowing Margin - 3½% of Average Equalized Valuation Basis	\$ 58,960,498.52
Net Debt	<u>24,999,104.91</u>
Remaining Borrowing Power	\$ <u>33,961,393.61</u>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt - Borough of South River	\$ <u>36,607,104.91</u>	\$ <u>11,608,000.00</u>	\$ 24,999,104.91
Overlapping Debt Apportioned to the Municipality: County of Middlesex (\$397,816,343 at 1.3462% (1))			<u>5,355,403.61</u>
			\$ <u>30,354,508.52</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 (2)</u>	<u>Net</u> <u>Debt (3)</u>	<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>
2022	16,118 (1A)	\$ 1,847,517,212.00	\$ 32,659,104.91	1.77%	\$ 2,026.25
2021	16,118 (1A)	1,682,919,844.00	33,447,594.61	1.99%	2,075.17
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

(1) Based on the 2010 U.S. Census for Years 2013-2020.

(1A) Based on the 2020 U.S. Census for Years 2021-2022.

(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>
2022	\$ 1,665,711.72	\$ 493,797.13	\$ 2,159,508.85	\$ 19,567,242.24	11.04%
2021	1,609,745.02	539,022.69	2,148,767.71	19,338,529.54	11.11%
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%

(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		\$ 17,869,405.92
Deductions:		
Operating and Maintenance Cost	\$ 11,233,000.00	
Debt Service	<u>547,852.98</u>	
Total Deductions		<u>11,780,852.98</u>
Excess in Revenues		\$ <u><u>6,088,552.94</u></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		\$	97,398.93
Deductions:			
Operating and Maintenance Cost	\$	43,000.00	
Debt Service		<u>21,000.00</u>	
Total Deductions			<u>64,000.00</u>
Excess in Revenues		\$	<u><u>33,398.93</u></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		\$ 4,652,293.79
Deductions:		
Operating and Maintenance Cost	\$ 3,313,500.00	
Debt Service	<u>618,945.71</u>	
Total Deductions		<u>3,932,445.71</u>
Excess in Revenues		<u>\$ 719,848.08</u>

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

<u>Year Ended</u> <u>December 31,</u>	<u>Population</u>	<u>Unemployment</u> <u>Rate</u> (2)	<u>Housing</u> <u>Unit</u> <u>Counts</u> (3)	<u>Per Capita</u> <u>Income</u>
2022	16,118 (1A)	5.10%	4,322	\$ 36,282
2021	16,118 (1A)	7.80%	4,322	35,270
2020	16,008 (1)	10.7%	4,325	33,824
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

- (1) Based on the 2010 U.S. Census for Years 2013-2020
(1A) Based on the 2020 U.S. Census for Years 2021-2022
(2) NJ Department of Labor
(3) Borough Tax Collector's Office

BOROUGH OF SOUTH RIVER
MISCELLANEOUS STATISTICS
DECEMBER 31, 2022

Date of Incorporation 1898

Form of Government Borough

Area 2.87 square miles

	<u>Full Time</u>	<u>Part Time</u>
Employees:		
Administrative	28	15
Police	42	12
Crossing Guards		15
Public Works	22	3
Parks and Recreation	4	20
Volunteer Firemen		60
Other (part time employees)		17
Total Employees	<u>96</u>	<u>142</u>

Source: Borough Records.

SINGLE AUDIT SECTION

SAMUEL KLEIN AND COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

550 BROAD STREET, 11TH FLOOR
NEWARK, N.J. 07102-9969
PHONE (973) 624-6100
FAX (973) 624-6101

36 WEST MAIN STREET, SUITE 303
FREEHOLD, N.J. 07728-2291
PHONE (732) 780-2600
FAX (732) 780-1030

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE NJOMB CIRCULAR 15-08

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

Report on Compliance for Each Major State Program

We have audited the Borough of South River's ("Borough"), compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Borough's major state programs for the year ended December 31, 2022. The Borough's major state programs are identified in the summary of auditor's results section of the accompanying schedules of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Borough's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with 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 New Jersey OMB Circular 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and NJOMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether on compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Borough's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Borough's compliance.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE NJOMB CIRCULAR 15-08
(CONTINUED)

Opinion on Each Major State Program

In our opinion, the Borough complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended December 31, 2022.

Report on Internal Control over Compliance

Management of the Borough is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Borough's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with NJOMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a major state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE NJOMB CIRCULAR 15-08
(CONTINUED)

Report on Schedule of Expenditures of State Financial Assistance Required by the NJOMB Circular 15-08

We have audited the financial statements - regulatory basis of the basic financial statements of the Borough as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements. We issued our report thereon dated September 29, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance are presented for purposes of additional analysis as required by the NJOMB Circular 15-08 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

Purpose of Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the NJOMB Circular 15-08. Accordingly, this report is not suitable for any other purposes.



Gerard Stankiewicz
Certified Public Accountant
Registered Municipal Accountant #431



SAMUEL KLEIN AND COMPANY, LLP

Freehold, New Jersey
September 29, 2023

BOROUGH OF SOUTH RIVER
NOTES TO THE SCHEDULES OF EXPENDITURES OF
STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2022

1. GENERAL

The accompanying schedule of expenditures of state financial assistance activity of the Borough of South River ("Borough") under programs of the state government for the year ended December 31, 2022. The information in these Schedules is presented in accordance with the requirements of the New Jersey OMB Circular 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the Schedules present only a selected portion of the operations of the Borough, it is not intended to and does not present the financial position or changes in net position of the Borough.

2. BASIS OF ACCOUNTING

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the New Jersey OMB Circular 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements are presented on a GAAP basis.

4. RELATIONSHIP TO STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related state financial reports.

5. INDIRECT COSTS

The Borough has not elected to use the 10 percent *de minimis* indirect cost rate as allowed under the NJOMB Circular 15-08.

6. STATE LOANS OUTSTANDING

The Borough had loans outstanding payable at December 31, 2022 as follows:

None.

BOROUGH OF SOUTH RIVER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022
(CONTINUED)

STATE FINANCIAL ASSISTANCE PROGRAMS

Section I - Summary of Auditor's Results

State Financial Assistance

Dollar threshold used to distinguish between type A and type B Programs: \$750,000.00

1. Auditee qualified as low-risk auditee? Yes X No

Type of auditor's report issued on compliance for major programs: Unmodified, dated
September 29, 2023

Internal Control over major programs:

1. Material weakness(es) identified? Yes X No

2. Significant deficiency(ies) identified that are not considered
to be material weakness(es): Yes X None reported

Any audit findings disclosed that are required to be reported
in accordance with NJ OMB Circular Letter 15-08? Yes X No

Identification of major programs:

<u>State Number</u>	<u>Name of State Program or Cluster</u>
2019 Road Improvement 480-078-6320-AN8-TCAP-6010 First St, Claremont Ave, Obert St, Gordon St, Clayton Court and Wilcox Ave	Cluster: NJ Department of Transportation
2022 Road Improvement 480-078-6320-AOP-TCAP-6010 Albourne Street & Ferris Street	NJ Department of Transportation

Dollar threshold used to distinguish between Type A and Type B Programs: \$ 750,000.00

BOROUGH OF SOUTH RIVER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022
(CONTINUED)

Section II - Schedule of Financial Statement Findings

No financial statement findings noted that are required to be reported under *Government Auditing Standards*.

**Section III - Schedule of Federal Awards
Findings and Questioned Costs**

No federal award findings or questioned costs noted that are required to be reported in accordance with the Uniform Guidance.

BOROUGH OF SOUTH RIVER
SUMMARY SCHEDULE OF PRIOR YEAR'S AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

FOR THE YEAR ENDED DECEMBER 31, 2021:

Not Applicable. There was no single audit for the year ended December 31, 2021.

BOROUGH OF SOUTH RIVER
COUNTY OF MIDDLESEX, NEW JERSEY
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2022

<u>State Grantor/Program Title</u>	<u>Grant or State Project Number</u>	<u>Award Amount</u>	<u>Current Year</u>		<u>Cumulative Expenditures</u>
			<u>Cash Receipts</u>	<u>Expenditures</u>	
New Jersey Department of Transportation: First St., Claremont Ave, Obert St., Gordon St., Clayton Ct. and Wilcox Ave	480-078-6320-AN8-TCAP-6010	\$ 580,000.00		\$ 465,260.17	\$ 580,000.00
Improvements to Albourne St. and Ferris St.	480-078-6320-AOP-TCAP-6010	475,575.00		337,436.90	475,575.00
			\$ -	\$ 802,697.07	\$ 1,055,575.00

See Accompanying Notes to the Schedules of Expenditures of State Financial Assistance

AUDITOR'S COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS
DECEMBER 31, 2022

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, 2022 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, 2022

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 Appleby Ave & Fifth Street	2022 Roadway Improvements
Electrical Substation Maintenance	Vehicle Body Replacement
Public Works Maintenance and	Water Meter Replacement
Utility Maintenance	Replacement of Fuel Tanks

In addition, the following items were purchased under State Contract or Cooperative Purchasing Agreements:

Purchase of a Bucket Truck	Purchase of Portable Radios for Firemen
Purchase of Two Pickup Trucks	Purchase of Police Vehicles(2)
Rock Salt	Purchase and Intallation of Playground Equipment
Purchase and Installation Manholes	Wireless Service
Fuel Oil	Office Supplies
Tires	Police Protective Gear & Equipment
Automotive Gasoline	Firefighter Equipment, Supplies & Lights
Purchase of a Hydraulic Digger Truck	Air Packs - Fire Department

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.

The minutes did indicate that proposals were requested for professional services. The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per NJS 40A:11-5.

GENERAL COMMENTS (CONTINUED)
DECEMBER 31, 2022

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, 2022, 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 2022, 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 2022 is being properly carried in the Tax Collector's records. An abstract taken from these records as at December 31, 2022, 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, 2022

Delinquent Taxes and Tax Title Liens (Continued)

The last tax sale was held on October 27, 2022 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>
2022	12	3	2
2021	16	6	5
2020	17	6	5

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, 2022

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, 2022 and August 31, 2023 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 2022 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, 2022

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 2022 was maintained in accordance with acceptable accounting control standards. (NJAC 5:30-5:7)

A complete encumbrance system for budgetary purposes was maintained during 2022. (NJAC 5:30-5:2)

A fixed assets detail was maintained in 2022. (NJAC 5:30-5:6)

Construction Code Official

Our examination of the Uniform Construction Code Annual Report revealed the revenues for 2022 in accordance with the report were \$181,899.00 and expenditures were \$172,731.60. 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, 2022 was verified by the School Board Secretary.

OTHER COMMENTS
DECEMBER 31, 2022

Miscellaneous Comments (Continued)

Free Public Library

The Borough collects the annual municipal library tax levy and appropriates the maintenance of the Free Public Library. The Borough charges the library appropriation for expenditures such as payroll, benefits and other operating expenses. As of the date of this report, the audit report for the Borough of South River Free Public Library as of December 31, 2022 was in process.

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.

OTHER COMMENTS (CONTINUED)
DECEMBER 31, 2022

Miscellaneous Comments (Continued)

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.

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, 2022.

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 2022 audit since there were no recommendations and no plan of action is required for 2022 as a similar condition exists.

RECOMMENDATIONS
DECEMBER 31, 2022

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 dark ink, appearing to read "G. Stankiewicz", written over a light gray circular background.

Gerard Stankiewicz
Certified Public Accountant
Registered Municipal Accountant #431

For the Firm
SAMUEL KLEIN AND COMPANY, LLP