

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

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

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024

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

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INTRODUCTORY SECTION

BOROUGH OF SOUTH RIVER
MIDDLESEX COUNTY
NEW JERSEY
08882-1247



September 30, 2025

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

The Annual Comprehensive Financial Report for the Borough of South River, County of Middlesex, State of New Jersey, for the year ended December 31, 2024 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 Annual Comprehensive 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 Single Audit Section includes the auditor's report on the internal control structure and compliance with applicable laws and regulation, the schedule of expenditures of federal awards and findings and recommendations. The fifth 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 \$23,391,330.74, total expenditures of \$23,227,380.21, and a fund balance increase of \$133,725.94 as of December 31, 2024. The following schedule summarizes revenues and expenses for 2024 and 2023.

<u>Revenues</u>	<u>2024</u>	<u>2023</u>	<u>Increase/(Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
Fund Balance	\$ 2,500,000.00	\$ 2,425,000.00	\$ 75,000.00	3.09 %
Real Estate Taxes	12,628,975.04	12,202,615.33	426,359.71	3.49
Delinquent Tax Receipts	473,133.16	433,873.13	39,260.03	9.05
Miscellaneous Anticipated Revenue	4,434,765.00	4,455,728.56	(20,963.56)	(0.47)
Construction Code	182,626.00	207,285.00	(24,659.00)	(11.90)
Miscellaneous - Electric Utility Surplus	1,700,000.00	600,000.00	1,100,000.00	183.33
Grants	1,079,099.21	265,558.70	813,540.51	306.35
Intergovernmental Revenue	921,215.15	874,046.10	47,169.05	5.40
Other Credits to Income	1,024,015.26	1,068,152.51	(44,137.25)	(4.13)
Nonbudget Revenue	947,501.92	780,800.00	166,701.92	21.35
	<u>\$ 25,891,330.74</u>	<u>\$ 23,313,059.33</u>	<u>\$ 2,578,271.41</u>	<u>11.06 %</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 2024 over 2023 was as follows:

<u>Expenditures</u>	<u>2024</u>	<u>2023</u>	<u>Increase/(Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
General Government	\$ 955,200.00	\$ 969,600.00	\$ (14,400.00)	(1.49) %
Public Safety	5,290,850.00	5,208,850.00	82,000.00	1.57
Public Works	2,763,000.00	2,619,000.00	144,000.00	5.50
Utility Expense and Bulk Purchases	448,000.00	515,000.00	(67,000.00)	(13.01)
Land Use	56,000.00	56,000.00	0.00	0.00
Sanitary Landfill	600,000.00	600,000.00	0.00	0.00
Insurance	1,996,000.00	1,821,942.00	174,058.00	9.55
Health and Human Services	191,038.00	189,538.00	1,500.00	0.79
Parks and Recreation	535,817.00	508,317.00	27,500.00	5.41
Education - Library	669,520.00	615,839.00	53,681.00	8.72
Construction Code	193,000.00	195,000.00	(2,000.00)	(1.03)
Deferred Charges and Statutory Expenditures	1,953,748.00	1,972,612.46	(18,864.46)	(0.96)
Grants	1,185,671.21	394,130.70	791,540.51	200.83
Capital Improvements	1,570,000.00	535,000.00	1,035,000.00	193.46
Debt Service	2,234,558.00	2,197,948.00	36,610.00	1.67
Sewer	1,544,478.00	1,477,961.00	66,517.00	4.50
Contingent	100,500.00	500.00	100,000.00	NM
Reserve for Uncollected Taxes	940,000.00	920,000.00	20,000.00	2.17
	<u>\$ 23,227,380.21</u>	<u>\$ 20,797,238.16</u>	<u>\$ 2,430,142.05</u>	<u>11.68 %</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 2024 exclusive of fund balance utilized were \$15,571,119.42 and expenditures exclusive of the transfer to the general budget were \$11,522,000.00. Fund balance decreased \$650,880.58. The Electric Utility debt was considered to be self-liquidating for 2024, 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 2024 and 2023.

	<u>2024</u>	<u>2023</u>	<u>Increase/(Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
<u>Revenues</u>				
Fund Balance Utilized	\$ 3,000,000.00	\$ 3,050,000.00	\$ (50,000.00)	(1.64) %
Electric Charges	13,075,444.03	14,380,772.01	(1,305,327.98)	(9.08)
Miscellaneous Revenue		2,256.00	(2,256.00)	100.00
Nonbudget Revenue	464,489.27	368,530.71	95,958.56	26.04
Other Credits to Income	<u>2,031,186.12</u>	<u>1,784,550.64</u>	<u>246,635.48</u>	<u>13.82</u>
	<u>\$ 18,571,119.42</u>	<u>\$ 19,586,109.36</u>	<u>\$ (1,014,989.94)</u>	<u>(5.18) %</u>
<u>Expenditures</u>				
Operating Expenses	\$ 10,473,000.00	\$ 10,183,000.00	\$ 290,000.00	2.85 %
Capital Improvements	670,000.00	655,000.00	15,000.00	2.29
Debt Service	10,000.00	274,000.00	(264,000.00)	(96.35)
Deferred Charges	369,000.00	350,000.00	19,000.00	5.43
Surplus (General Budget)	<u>3,000,000.00</u>	<u>3,050,000.00</u>	<u>(50,000.00)</u>	<u>(1.64)</u>
	<u>\$ 14,522,000.00</u>	<u>\$ 14,512,000.00</u>	<u>\$ 10,000.00</u>	<u>0.07 %</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 2024 exclusive of fund balance utilized were \$100,323.56 and expenditures were \$52,000.00. Fund balance increased by \$48,323.56. The following schedule summarizes revenue and expenses for 2024 and 2023.

			<u>Increase/(Decrease)</u>	
	<u>2024</u>	<u>2023</u>	<u>Amount</u>	<u>Percent</u>
<u>Revenues</u>				
Fund Balance Utilized	\$ 16,000.00	\$ 30,837.00	\$ (14,837.00)	(48.11) %
Parking Permit Fee	53,773.11	37,335.51	16,437.60	44.03
Miscellaneous Revenue		15,663.00	(15,663.00)	100.00
Nonbudget Revenue	10,303.39	7,834.04	2,469.35	31.52
Other Credits to Income	<u>36,247.06</u>	<u>14,060.50</u>	<u>22,186.56</u>	<u>157.79</u>
	<u>\$ 116,323.56</u>	<u>\$ 105,730.05</u>	<u>\$ 10,593.51</u>	<u>10.02 %</u>
<u>Expenditures</u>				
Operating Expenses	\$ 42,500.00	\$ 53,000.00	\$ (10,500.00)	(19.81) %
Capital Improvements	3,000.00	2,000.00	1,000.00	50.00
Debt Service	1,000.00	23,000.00	(22,000.00)	(95.65)
Deferred Charges	<u>5,500.00</u>	<u>4,500.00</u>	<u>1,000.00</u>	<u>22.22</u>
	<u>\$ 52,000.00</u>	<u>\$ 82,500.00</u>	<u>\$ (30,500.00)</u>	<u>(36.97) %</u>

Water Utility Fund

The Water Utility serves the entire Borough which encompasses approximately 4,878 accounts. Revenues exclusive of fund balance were \$4,227,763.03 and expenditures were \$4,850,134.00. Fund balance decreased \$404,709.00. There was a deficit in revenues of \$379,645.77 and as such the Water Utility was not considered to be self-liquidating for 2024. Based on the requirements, \$7,592,915.40 (20 x \$379,645.77) was factored into the Borough's statutory net debt. The following schedule summarizes revenues and expenses for 2024 and 2023.

	<u>2024</u>	<u>2023</u>	<u>Increase/(Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
<u>Revenues</u>				
Fund Balance Utilized	\$ 404,709.00	\$ 554,290.00	\$ (149,581.00)	(26.99) %
Water Rents	3,932,087.78	4,493,408.79	(561,321.01)	(12.49)
Miscellaneous Revenue	20,425.00	18,444.00	1,981.00	10.74
Nonbudget Revenue	135,807.90	100,682.87	35,125.03	34.89
Other Credits to Income	<u>139,442.35</u>	<u>51,298.49</u>	<u>88,143.86</u>	<u>171.83</u>
	<u>\$ 4,632,472.03</u>	<u>\$ 5,218,124.15</u>	<u>\$ (585,652.12)</u>	<u>(11.22) %</u>
<u>Expenditures</u>				
Operating Expenses	\$ 3,681,000.00	\$ 3,716,000.00	\$ (35,000.00)	(0.94) %
Capital Improvements	235,000.00	110,000.00	125,000.00	113.64
Debt Service	712,634.00	668,234.00	44,400.00	6.64
Deferred Charges	<u>221,500.00</u>	<u>213,500.00</u>	<u>8,000.00</u>	<u>3.75</u>
	<u>\$ 4,850,134.00</u>	<u>\$ 4,707,734.00</u>	<u>\$ 142,400.00</u>	<u>3.02 %</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 2025 Municipal Budget as adopted reflects a rate of 78.9 cents per \$100 of assessed valuation representing an increase from the prior year in the Local Purpose Tax Rate. The 2025 Budget as adopted will have a decrease of \$642,265.21 or 2.77% compared to 2024 appropriations exclusive of the Library.

In 2025, 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, Franklin Street and Olchaskey Street partially funded by the 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.
- Electrical substation maintenance.
- Battery storage facility – 1 is operational which will bring savings to transmission and capacity costs.
- Battery storage facility – 2 is in the design phase and will be operational in 2025.
- Improvements to Leonardine Ave, Prentice Ave and Beryl Street partially funded by NJDOT, are substantially complete.
- Improvements to Darrow Street, Dailey Street and John Street, partially funded by NJDOT, are substantially complete.
- Improvements to Tice Ave, Cleveland Ave and Prentice Ave are in the design phase.

CASH MANAGEMENT

The Borough invests all surplus funds for appropriate periods of time as determined by the Chief Financial Officer. During 2024, funds were deposited in interest bearing accounts.

DEBT ADMINISTRATION

The current outstanding net debt of the Borough is \$32,514,789.79 which represents 1.597% of its average equalized value. Debt Service appropriations for 2024 were \$2,958,192 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.

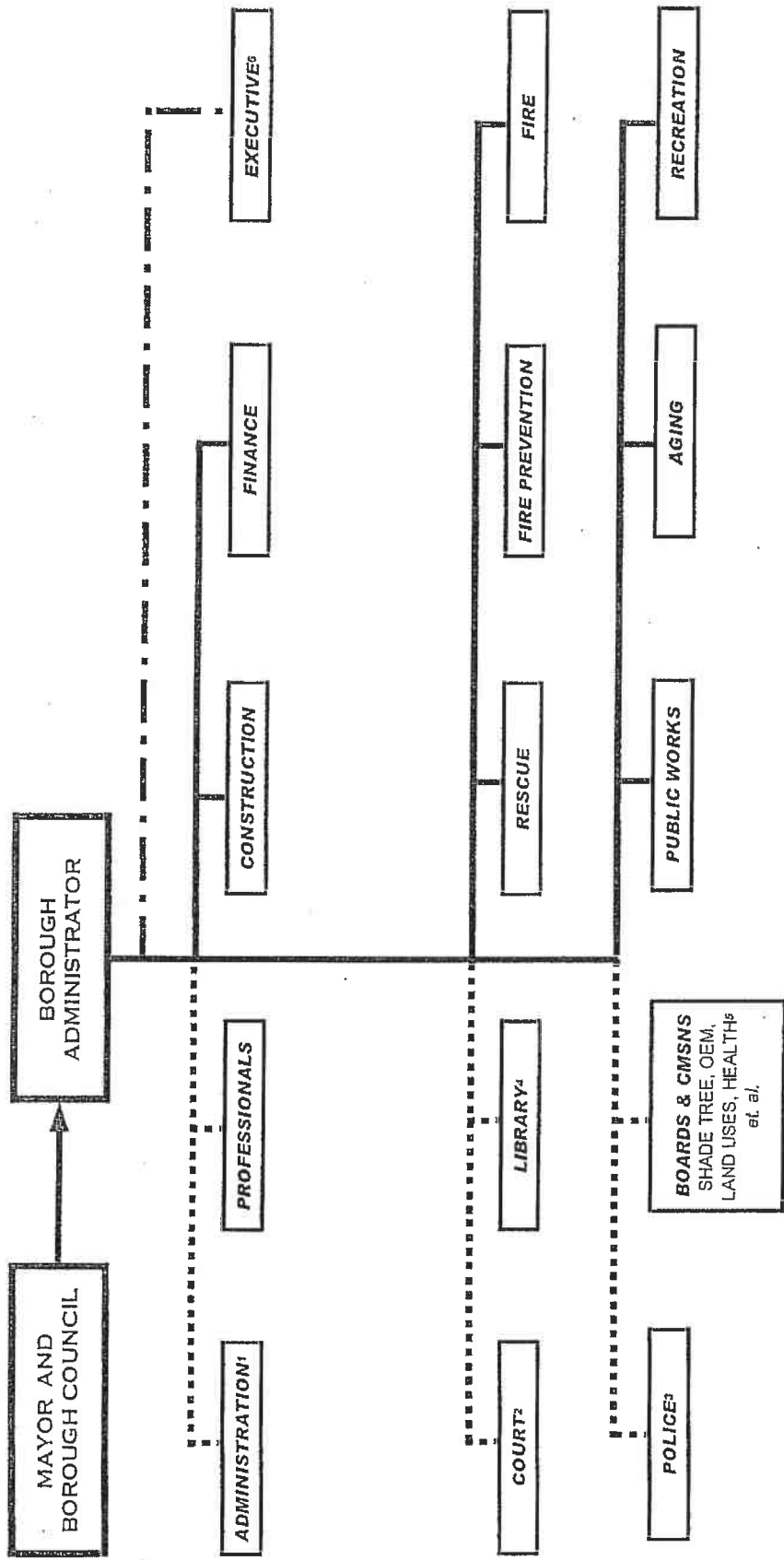
Respectfully submitted,

Arthur Londensky

Arthur Londensky
Borough Administrator

Joseph Zanga

Joseph Zanga
Chief Financial Officer



- 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 MCBCH
- 6 - The Borough Administrator serves as the Director of Executive

Direct Report

Staff Report

Indirect Report—See notes above

Divisions within Departments

BOROUGH OF SOUTH RIVER
ROSTER OF OFFICIALS
DECEMBER 31, 2024

Governing Body

Peter S. Guindi, Mayor
Jason Oliveira, Councilman, Council President [*through 4/23/24*]
John Krenzel, Councilman, Council President [*effective 5/13/24*]
Donna Balazs, Councilwoman
James Gurchensky, Councilman
Tony Ciulla, Councilman
Henry Dziemian, Councilman
John Frost, Councilman [*effective 5/13/24 to 7/11/24*]
Matthew DeSantis, Councilman [*effective 8/5/2024*]

Other Officials

Arthur Londensky, Business Administrator
Alyssa Hager, Borough Clerk
Michelle Urbanowiz, Registrar of Vital Statistics
Joseph Zanga, Chief Financial Officer, Director of Finance
Richard Dudas, Tax Collector, Tax Search Officer, Utility Collector
Charles Heck, Tax Assessor
Tina Martins Cruz, Magistrate
Cassandra Garrick, Court Administrator
Robert Lamountain, Prosecutor
Andrea Wyatt, Esq., Borough Attorney
David Samuel, Borough Engineer

BOROUGH OF SOUTH RIVER
CONSULTANTS AND ADVISORS
DECEMBER 31, 2024

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

FINANCIAL SECTION

SAMUEL KLEIN AND COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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NEWARK, N.J. 07102-9969
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FAX (973) 624-6101

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INDEPENDENT AUDITORS' REPORT

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

To the Honorable Mayor and Members of the Borough Council:

Report on the Financial Statements

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, 2024, 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, 2024, 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, 2024, 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, 2024 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 40.62% of the assets and liabilities of the Borough's Trust Funds as of December 31, 2024.

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 30, 2025, 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 30, 2025

SAMUEL KLEIN AND COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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

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

To the Honorable Mayor and Members of the Borough Council:

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements – regulatory basis of the Borough of South River (herein referred to as “the Borough”), as of and for the year ended December 31, 2024, 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 30, 2025.

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 30, 2025

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, 2024
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2023)

	Governmental Funds		Trust Funds	Utilities *		General Capital Asset Account	Totals (Memorandum Only)	
	Current	General Capital		Operating	Capital		2024	2023
ASSETS AND OTHER DEBITS								
Cash and Cash Equivalents	\$ 7,827,823.60	\$ 2,247,403.48	\$ 3,005,125.91	\$ 8,974,405.11	\$ 1,600,402.04	\$	\$ 23,655,160.14	\$ 24,413,204.62
Amount Held by Plan Administrator (unaudited)			2,005,113.69				2,005,113.69	1,694,308.07
Intergovernmental Accounts Receivable		1,959,675.81					1,959,675.81	1,327,626.75
Receivables and Other Assets:								
Delinquent Property Taxes	388,480.31						388,480.31	474,852.40
Consumer Accounts Receivable	260,072.78			4,167,250.80			4,167,250.80	2,452,050.66
Liens Receivable				31,665.88			291,738.66	298,985.24
Inventory				591,313.50			591,313.50	409,108.47
Property Acquired for Taxes -								
Assessed Valuation	47,300.00						47,300.00	47,300.00
Other Accounts Receivable	14,491.04		55,512.29	57,812.00			127,815.33	123,260.39
Interfunds Receivable	13,672.84						13,672.84	
Deferred Charges				217,661.97			25,139,536.36	24,903,380.64
Fixed Capital		24,921,874.39					48,923,254.48	44,945,330.80
Fixed Assets							36,121,587.33	36,220,945.81
Grant Fund:						\$		
Grants Receivable	817,976.37						817,976.37	70,209.05
Interfunds Receivable								58,074.59
	\$ 9,369,816.94	\$ 29,128,953.68	\$ 5,065,751.89	\$ 14,040,109.26	\$ 50,523,656.52	\$	\$ 144,249,875.62	\$ 137,438,637.49

* Electric, Water and Parking Utility

See accompanying notes to financial statements

BOROUGH OF SOUTH RIVER
COMBINED STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE -
ALL FUND TYPES AND ACCOUNTS - REGULATORY BASIS
DECEMBER 31, 2024
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2023)

	Governmental Funds		Trust Funds	Utilities *		General Capital Asset Account	Totals (Memorandum Only)	
	Current	General Capital		Operating	Capital		2024	2023
LIABILITIES, RESERVES AND FUND BALANCE								
Liabilities and Reserves:								
Appropriation Reserves	\$ 883,097.05		\$ 2,057,613.69	\$ 2,124,356.94		\$	\$ 3,007,453.99	\$ 3,098,991.50
Reserve for Losap (unaudited)							2,057,613.69	1,746,808.07
Other Liabilities and Reserves	3,316,380.63	\$ 3,397,027.14	3,007,539.98	2,155,376.58	\$ 4,079,181.21		15,955,505.54	12,095,139.63
Improvement Authorizations		4,453,117.86			1,679,841.67		6,132,959.53	7,258,772.62
Accrued Interest on Bonds, Loans and Notes				13,690.50			13,690.50	9,961.13
Interfunds Payable								58,074.59
Serial Bonds							8,495,000.00	9,500,000.00
Bond Anticipation Notes		7,150,000.00			1,345,000.00		10,843,000.00	8,175,000.00
Loans Payable		6,071,000.00			4,772,000.00		7,822,603.80	8,090,679.88
Reserve for Receivables and Other Assets				4,848,042.18			5,572,059.15	3,751,326.87
Reserve for Amortization	724,016.97						37,108,254.48	36,125,330.80
Deferred Reserve for Amortization							1,108,000.00	1,078,000.00
Grant Fund:								
Reserve for Encumbrances	43,338.59						43,338.59	21,258.95
Unappropriated/Appropriated Reserves	760,964.94						760,964.94	107,024.69
Interfunds Payable	13,672.84						13,672.84	
Total Liabilities and Reserves	\$ 5,741,471.02	\$ 28,893,748.80	\$ 5,065,153.67	\$ 9,141,466.20	\$ 50,092,277.36		\$ 98,934,117.05	\$ 91,116,368.73
Equity and Other Credits:								
Fund Balance								
Investment in General Capital Assets	\$ 3,628,345.92	\$ 235,204.88	\$ 598.22	\$ 4,898,643.06	\$ 431,379.16	\$	\$ 9,194,171.24	\$ 10,101,322.95
Total Equity and Other Credits	\$ 3,628,345.92	\$ 235,204.88	\$ 598.22	\$ 4,898,643.06	\$ 431,379.16	\$	\$ 36,121,587.33	\$ 36,220,945.81
Total Liabilities, Reserves and Fund Balance	\$ 9,369,816.94	\$ 29,128,953.68	\$ 5,065,751.89	\$ 14,040,109.26	\$ 50,523,656.52	\$	\$ 45,315,758.57	\$ 46,322,288.76
							\$ 144,249,875.62	\$ 137,438,637.49

* Electric, Water and Parking Utility

See accompanying notes to financial statements

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, 2024

	Current Fund			Variance Favorable/ (Unfavorable)	Utility Operating Funds *			Variance Favorable/ (Unfavorable)
	Final Budget	Actual			Final Budget	Actual		
Revenues:								
Fund Balance Anticipated	\$ 2,500,000.00	\$ 2,500,000.00			\$ 3,420,709.00	\$ 3,420,709.00		
Rents	6,171,773.07	6,317,391.00	\$	145,617.93	15,983,000.00	17,061,304.92	\$	1,078,304.92
Miscellaneous Revenues	921,214.75	921,215.15		0.40	20,425.00	20,425.00		
State Aid	1,079,099.21	1,079,099.21						
Grants								
	\$ 10,672,087.03	\$ 10,817,705.36	\$	145,618.33	\$ 19,424,134.00	\$ 20,502,438.92	\$	1,078,304.92
Receipts from Delinquent Taxes	464,000.00	473,133.16		9,133.16				
Amount to be Raised by Taxes for Support of Municipal Budget:								
Local Tax for Municipal Purposes	11,421,773.18	11,959,455.04		537,681.86				
Including Reserve for Uncollected Taxes	669,520.00	669,520.00						
Municipal Library Tax								
Budget Totals	\$ 23,227,380.21	\$ 23,919,813.56	\$	692,433.35	\$ 19,424,134.00	\$ 20,502,438.92	\$	1,078,304.92
Nonbudget Revenue		947,501.92		947,501.92		610,600.56		610,600.56
Other Credits to Income		1,024,015.26		1,024,015.26		2,206,875.53		2,206,875.53
Taxes Allocated to School and County	26,634,986.80	26,634,986.80						
Total Revenues	\$ 49,862,367.01	\$ 52,526,317.54	\$	2,663,950.53	\$ 19,424,134.00	\$ 23,319,915.01	\$	3,895,781.01

See accompanying notes to financial statements

* 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, 2024

	Current Fund		Variance Favorable/ (Unfavorable)	Utility Operating Funds *		Variance Favorable/ (Unfavorable)
	Final Budget	Actual		Final Budget	Actual	
Expenditures:						
Current:						
Within "CAPS":						
General Government	\$ 955,200.00	\$ 955,200.00				
Public Safety	5,338,350.00	5,338,350.00				
Public Works	2,383,000.00	2,383,000.00				
Health and Human Services	191,038.00	191,038.00				
Utility Expense and Bulk Purchases	448,000.00	448,000.00				
Sanitary Landfill	600,000.00	600,000.00				
Land Use	56,000.00	56,000.00				
Insurance	1,996,000.00	1,996,000.00				
Parks and Recreation	535,817.00	535,817.00				
Contingent	100,500.00	100,500.00				
Deferred Charges and Statutory Expenditures	1,953,748.00	1,953,748.00				
Excluded from "CAPS":						
Public Safety	145,500.00	145,500.00				
Public Works	380,000.00	380,000.00				
Education - Library	669,520.00	669,520.00				
Sewer	1,544,478.00	1,544,478.00				
Grants	1,185,671.21	1,185,671.21				
Operating - Utility				\$ 14,196,500.00	\$ 14,196,500.00	
Deferred Charges and Statutory Expenditures				596,000.00	596,000.00	
Capital Improvements	1,570,000.00	1,570,000.00		908,000.00	908,000.00	
Debt Service	2,234,558.00	2,234,558.00		723,634.00	723,634.00	
Budget - Anticipated Surplus to Current				3,000,000.00	3,000,000.00	
Reserve for Uncollected Taxes	940,000.00	940,000.00				
Total Budget Expenditures	\$ 23,227,380.21	\$ 23,227,380.21		\$ 19,424,134.00	\$ 19,424,134.00	

See accompanying notes to financial statements

* 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, 2024

	Current Fund		Variance	Utility Operating Funds *		
	Final Budget	Actual	Favorable/ (Unfavorable)	Final Budget	Actual	Variance Favorable/ (Unfavorable)
Expenditures (Continued):						
County and School Taxes	\$ 26,634,986.80	\$ 26,634,986.80				
Other Expenses		30,224.59	\$ (30,224.59)			
Total Expenditures	\$ 49,862,367.01	\$ 49,892,591.60	\$ (30,224.59)	\$ 19,424,134.00	\$ 19,424,134.00	
Excess in Revenues over Expenditures		\$ 2,633,725.94	\$ 2,633,725.94		\$ 3,895,781.01	\$ 3,895,781.01
Operating Deficit to be Raised in Budget of Succeeding Year - Water Utility					217,661.97	217,661.97
Statutory Excess to Fund Balance		\$ 2,633,725.94	\$ 2,633,725.94		\$ 4,113,442.98	\$ 4,113,442.98
Fund Balance, January 1, 2024		3,494,619.98	3,494,619.98		5,905,909.08	5,905,909.08
		\$ 6,128,345.92	\$ 6,128,345.92		\$ 10,019,352.06	\$ 10,019,352.06
Decreased by:						
Utilization as Anticipated Revenue Transferred to Current Fund as Anticipated Revenue		\$ 2,500,000.00	\$ 2,500,000.00		\$ 3,420,709.00	\$ 3,420,709.00
					1,700,000.00	1,700,000.00
Fund Balance, December 31, 2024		\$ 3,628,345.92	\$ 3,628,345.92		\$ 4,898,643.06	\$ 4,898,643.06

See accompanying notes to financial statements

* Electric, Water and Parking Utility

BOROUGH OF SOUTH RIVER
COMBINED STATEMENT OF TRUST AND CAPITAL FUND BALANCE - REGULATORY BASIS

	Funds		
	<u>Trust Other</u>	<u>General Capital</u>	<u>Utility Capital</u>
<u>BALANCE, DECEMBER 31, 2023</u>	\$ 4,880.07	\$ 283,717.30	\$ 412,196.52
<u>INCREASED BY</u>			
Premium on Sale of Bond Anticipation Notes		50,389.26	39,607.64
Miscellaneous		1,098.32	
		<u>51,487.58</u>	<u>39,607.64</u>
<u>DECREASED BY</u>			
Transferred to Current Fund as Anticipated Revenue	<u>4,281.85</u>	<u>100,000.00</u>	<u>20,425.00</u>
<u>BALANCE, DECEMBER 31, 2024</u>	\$ <u>598.22</u>	\$ <u>235,204.88</u>	\$ <u>431,379.16</u>

See accompanying notes to financial statements

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

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, 2024

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, 2024

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, 2024

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, 2024

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, 2024

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, 2024

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 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.

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.

- *GASB Statement No. 102. Certain Risk Disclosures.* State and local governments face a variety of risks that could negatively affect the level of service they provide or their ability to meet obligations as they come due. Although governments are required to disclose information about their exposure to some of those risks, essential information about other risks that are prevalent among state and local governments is not routinely disclosed because it is not explicitly required. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

Effective Date: The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged.

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Other Accounting Standards (Continued)

- *GASB Statement No. 103. Financial Reporting Model Improvements.* The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues – Management's Discussion and Analysis, Unusual or Infrequent Items, Presentation of the Proprietary Fund Statement of Revenues, Expenses and Changes in Fund Net Position, Major Component Unit Information, and Budgetary Comparison Information.

Effective Date: The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

- *GASB Statement No. 104. Disclosure of Certain Capital Assets.* The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class.

This Statement also requires additional disclosures for capital assets held for sale. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset.

Effective Date: The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Subsequent Events

Management has reviewed and evaluated all events and transactions from December 31, 2024 through September 30, 2025 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.

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.

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024

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

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.
- 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.

C. Risk

As of December 31, 2024, the Borough had funds on deposit in checking and savings accounts. The carrying amount of the Borough's Cash and Cash Equivalents as of December 31, 2024 was \$26,039,911.76. The funds were covered by the Government Unit Deposit Protection Act "GUDPA". These funds constitute "deposits with financial institutions" as defined by GASB Statement #3 as amended by GASB Statement No. 40. There were no securities that the Borough held that could be categorized as investments.

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024

Note 3. TAXES AND TAX TITLE LIENS RECEIVABLE

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

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

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

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

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

Comparative Schedule of Tax Rates

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Tax Rate	\$ 2.547	\$ 2.471	\$ 2.428	\$ 2.337	\$ 2.287
Apportionment of Tax Rate:					
Municipal	0.751	0.732	0.718	0.700	0.680
Library	0.044	0.041	0.037	0.033	0.031
County:					
Regular	0.439	0.416	0.397	0.369	0.346
Open Space	0.040	0.037	0.034	0.031	0.029
Local School	1.273	1.245	1.242	1.204	1.201

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024

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

Assessed Valuation

2024	\$ 1,520,336,000.00
2023	1,516,462,700.00
2022	1,513,486,100.00
2021	1,509,579,100.00
2020	1,511,133,400.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collections</u>
2024	\$ 38,750,733.42	\$ 38,323,961.84	98.90%
2023	37,571,834.54	37,046,712.06	98.60%
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%

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>
2024	\$ 260,072.78	\$ 388,480.31	\$ 648,553.09	1.67%
2023	246,065.86	474,852.40	720,918.26	1.92%
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%

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024

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>
2024	\$ 47,300.00
2023	47,300.00
2022	47,300.00
2021	47,300.00
2020	47,300.00

Note 5. UTILITY RECEIVABLES AND COLLECTIONS

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

Comparison of Electric Utility Levies and Collections

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

<u>Year</u>	<u>Levy **</u>	<u>Cash Collections *</u>
2024	\$ 14,180,572.84	\$ 13,075,444.03
2023	13,947,984.84	14,380,772.01
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

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

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

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024

Note 5. UTILITY RECEIVABLES AND COLLECTIONS (CONTINUED)

Comparison of Water Utility Levies and Collections

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

<u>Year</u>	<u>Levy</u> **	<u>Cash Collections</u> *
2024	\$ 4,536,417.48	\$ 3,932,087.78 ***
2023	4,223,845.54	4,493,408.79
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

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

** In 2020 and 2024 the Borough adopted Water rate increases.

*** In 2024 a technical problem by the Borough building service caused a delay in the release of the November and December billing. This matter was resolved subsequent to yearend with no material adverse effect to the Borough.

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

Comparison of Parking Utility Collections

<u>Year</u>	<u>Cash Collections</u>
2024	\$ 53,773.11
2023	37,335.51
2022	36,295.68
2021	39,034.42
2020	39,877.82

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024

Note 6. CAPITAL (GENERAL FIXED) ASSETS

During 2024 the following changes occurred in the capital assets of the Borough:

	<u>Dec 31, 2023</u>	<u>Increased by</u>	<u>Decreased by</u>	<u>Dec 31, 2024</u>
Land	\$ 4,848,616.00	\$ 57,200.00	\$ 900.00	\$ 4,904,916.00
Buildings	19,670,226.98		997,651.00	18,672,575.98
Vehicles	8,067,537.55	785,180.00	379,829.80	8,472,887.75
Equipment	<u>3,634,565.28</u>	<u>482,963.50</u>	<u>46,321.18</u>	<u>4,071,207.60</u>
	<u>\$ 36,220,945.81</u>	<u>\$ 1,325,343.50</u>	<u>\$ 1,424,701.98</u>	<u>\$ 36,121,587.33</u>

Note 7. DEFERRED CHARGES

The Deferred Charge resulting from 2024 is being raised in the 2025 budget:

	<u>Resulting from</u> <u>2024</u>	<u>Balance</u> <u>Dec 31, 2024</u>
Water Utility Operating Fund:		
Deficit in 2024 Operations	\$ <u>217,661.97</u>	\$ <u>217,661.97</u>
	<u>\$ 217,661.97</u>	<u>\$ 217,661.97</u>

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024

Note 8. 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>				
2024	\$ 3,628,345.92	\$ 2,610,000.00	N/A	71.93%
2023	3,494,619.98	2,500,000.00	N/A	71.54%
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%
<u>Electric Utility Operating Fund</u>				
2024	\$ 4,684,556.45	\$ 2,950,000.00	\$ 1,400,000.00	92.86%
2023	5,335,437.03	3,000,000.00	1,700,000.00	88.09%
2022	3,911,327.67	3,050,000.00	600,000.00	93.32%
2021	3,720,136.97	3,100,000.00	None	83.33%
2020	3,565,531.44	3,150,000.00	None	88.35%
<u>Parking Utility Operating Fund</u>				
2024	\$ 97,917.63	\$ 16,000.00	None	16.34%
2023	49,594.07	16,000.00	None	32.26%
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%
<u>Water Utility Operating Fund</u>				
2024	\$ 116,168.98	\$ None	None	None
2023	520,877.98	404,709.00	None	77.70%
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%

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024

Note 9. **MUNICIPAL DEBT**

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

During 2024 the following changes occurred in the debt of the Borough:

<u>Fund</u>	<u>Balance Dec 31, 2023</u>	<u>Increased by</u>	<u>Decreased by</u>	<u>Balance Dec 31, 2024</u>
General Capital:				
Serial Bonds	\$ 7,875,000.00		\$ 725,000.00	\$ 7,150,000.00
USDA Loan	8,090,679.88		268,076.08	7,822,603.80
Bond Anticipation Notes	<u>5,278,000.00</u>	<u>\$ 1,423,000.00</u>	<u>630,000.00</u>	<u>6,071,000.00</u>
	<u>\$ 21,243,679.88</u>	<u>\$ 1,423,000.00</u>	<u>\$ 1,623,076.08</u>	<u>\$ 21,043,603.80</u>
Water Utility Capital:				
Serial Bonds	\$ 1,625,000.00		\$ 280,000.00	\$ 1,345,000.00
Bond Anticipation Notes	<u>2,897,000.00</u>	<u>\$ 2,130,000.00</u>	<u>255,000.00</u>	<u>4,772,000.00</u>
	<u>\$ 4,522,000.00</u>	<u>\$ 2,130,000.00</u>	<u>\$ 535,000.00</u>	<u>\$ 6,117,000.00</u>
	<u>\$ 25,765,679.88</u>	<u>\$ 3,553,000.00</u>	<u>\$ 2,158,076.08</u>	<u>\$ 27,160,603.80</u>

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024

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

Summary of Municipal Debt (Excluding Current and Operating Debt)

	<u>Year 2024</u>	<u>Year 2023</u>	<u>Year 2022</u>
Issued:			
General:			
Bonds, Loans and Notes	\$ 21,043,603.80	\$ 21,243,679.88	\$ 20,437,500.79
Electric Utility:			
Bonds and Notes	None	None	261,000.00
Parking Utility:			
Bonds and Notes	None	None	22,000.00
Water Utility:			
Bonds, Loans and Notes	<u>6,117,000.00</u>	<u>4,522,000.00</u>	<u>4,040,000.00</u>
Total Issued	<u>\$ 27,160,603.80</u>	<u>\$ 25,765,679.88</u>	<u>\$ 24,760,500.79</u>
Authorized But Not Issued:			
General:			
Bonds and Notes	\$ 3,878,270.59	\$ 3,659,700.76	\$ 4,561,604.12
Electric Utility:			
Bonds and Notes	500,000.00	500,000.00	500,000.00
Parking Utility:			
Bonds and Notes	15,000.00	15,000.00	15,000.00
Water Utility:			
Bonds and Notes	<u>4,075,000.00</u>	<u>2,705,000.00</u>	<u>2,822,000.00</u>
Total Authorized But Not Issued	<u>\$ 8,468,270.59</u>	<u>\$ 6,879,700.76</u>	<u>\$ 7,898,604.12</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u><u>\$ 35,628,874.39</u></u>	<u><u>\$ 32,645,380.64</u></u>	<u><u>\$ 32,659,104.91</u></u>

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024

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

Summary of Statutory Debt Condition, Annual Debt Statement

The summarized statement of debt condition that follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicated a statutory net debt of 1.597%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 1,820,000.00	\$ 1,820,000.00	\$ None
Electric Utility Debt	500,000.00	500,000.00	None
Parking Utility Debt	15,000.00	15,000.00	None
Water Utility Debt	10,192,000.00	2,599,084.60	7,592,915.40
General Debt	<u>24,921,874.39</u>	<u>None</u>	<u>24,921,874.39</u>
	<u>\$ 37,448,874.39</u>	<u>\$ 4,934,084.60</u>	<u>\$ 32,514,789.79</u>

Net Debt \$32,514,789.79 divided by Equalized Valuation basis per N.J.S. 40A:2-2 As Amended, \$2,035,475,466.33 equals 1.597%. The Annual Debt Statement has been filed.

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

3.5% of Average Equalized Valuation Basis (Municipal)	\$ 71,241,641.32
Net Debt	<u>32,514,789.79</u>
Remaining Borrowing Power	<u>\$ 38,726,851.53</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, 2024

Note 9. MUNICIPAL DEBT (CONTINUED)

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

Cash Receipts for Fees, Rents and Other Charges for the Year	\$ 16,497,008.76
Deductions:	
Operating and Maintenance Costs	<u>11,492,000.00</u>
Excess in Revenue	<u>\$ 5,005,008.76</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		\$ 4,454,696.35
Deductions:		
Operating and Maintenance Costs	\$ 4,127,500.00	
Debt Service	<u>706,842.12</u>	
Total Deductions		<u>4,834,342.12</u>
Excess/(Deficit) in Revenue		<u>\$ (379,645.77)</u>

There being a deficit in revenue of \$379,645.77 for the Water Utility, the fund was not self-liquidating and therefore, \$7,592,915.40 (20 x \$379,645.77) was not 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, 2024

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

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

Cash Receipts for Fees, Rents and Other Charges for the Year	\$ 80,076.50
Deductions:	
Operating and Maintenance Costs	<u>50,000.00</u>
Excess in Revenue	<u>\$ 30,076.50</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%.	\$ 7,150,000.00 *
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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%.	\$ <u>1,345,000.00</u> *
	<u>\$ 8,495,000.00</u>

- * 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, 2024

Note 9. MUNICIPAL DEBT (CONTINUED)

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

Serial Bonds:

<u>Calendar Year</u>	<u>General Capital Fund</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2028	725,000.00	110,906.26	835,906.26
2029	725,000.00	96,406.26	821,406.26
	<u>3,625,000.00</u>	<u>648,781.30</u>	<u>4,273,781.30</u>
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
2033	700,000.00	34,125.00	734,125.00
2034	700,000.00	17,500.00	717,500.00
	<u>3,525,000.00</u>	<u>250,781.26</u>	<u>3,775,781.26</u>
	<u>\$ 7,150,000.00</u>	<u>\$ 899,562.56</u>	<u>\$ 8,049,562.56</u>

<u>Calendar Year</u>	<u>Water Utility Capital Fund</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2028	260,000.00	10,400.00	270,400.00
2029	260,000.00	5,200.00	265,200.00
	<u>1,345,000.00</u>	<u>87,900.00</u>	<u>1,432,900.00</u>
	<u>\$ 1,345,000.00</u>	<u>\$ 87,900.00</u>	<u>\$ 1,432,900.00</u>

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024

Note 9. MUNICIPAL DEBT (CONTINUED)

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

Serial Bonds (Continued)

<u>Calendar Year</u>	<u>Total for all Funds - Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2028	985,000.00	121,306.26	1,106,306.26
2029	985,000.00	101,606.26	1,086,606.26
	<u>4,970,000.00</u>	<u>736,681.30</u>	<u>5,706,681.30</u>
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
2033	700,000.00	34,125.00	734,125.00
2034	700,000.00	17,500.00	717,500.00
	<u>3,525,000.00</u>	<u>250,781.26</u>	<u>3,775,781.26</u>
	<u>\$ 8,495,000.00</u>	<u>\$ 987,462.56</u>	<u>\$ 9,482,462.56</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, 2024	<u>\$ 7,822,603.80</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, 2024

Note 9. MUNICIPAL DEBT (CONTINUED)

Bond Anticipation Notes

At December 31, 2024, 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	\$ 1,485,000.00	2023	2031
General Capital	4.00%	2021	805,000.00	2024	2032
General Capital	4.00%	2023	2,358,000.00	2026	2034
General Capital	4.00%	2024	1,423,000.00	2027	2035
			<u>6,071,000.00</u>		
Water Utility Capital	4.00%	2020	810,000.00	2023	2031
Water Utility Capital	4.00%	2021	815,000.00	2024	2032
Water Utility Capital	4.00%	2023	1,017,000.00	2026	2034
Water Utility Capital	4.00%	2024	2,130,000.00	2027	2035
			<u>4,772,000.00</u>		
			<u>\$ 10,843,000.00</u>		

The budget for 2025 with regards to the minimum annual required BAN paydown has been met.

Bonds and Notes Authorized But Not Issued

At December 31, 2024, the Borough had authorized but not issued bonds and notes as follows:

General Capital Fund	\$ 3,878,270.59
Electric Utility Capital Fund	500,000.00
Water Utility Capital Fund	4,075,000.00
Parking Utility Capital Fund	<u>15,000.00</u>
	<u>\$ 8,468,270.59</u>

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024

Note 9. 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 three (3) improvement authorizations totaling \$2,606,841.00 for various capital improvements, water system improvements, acquisition of public works equipment, and park improvements, which are funded by the Capital Improvement Fund of \$103,405.00, NJDOT Grant of \$506,913.00, HCD of \$84,841.00 and Bonds and Notes Authorized in the amount of \$1,914,682.00.

Copy Machine Leases

The Borough is obligated under two (2) 60-month copy machine leases expiring April 30, 2029. As of December 31, 2024, the copier lease payouts for the remaining years are as follows:

2025	\$	3,341.52
2026		3,341.52
2027		3,341.52
2028		3,341.52
2029		<u>1,113.84</u>
	\$	<u>14,479.92</u>

There are 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, 2024

Note 10. DEFERRED SCHOOL DISTRICT TAXES

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

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

	Local School District Taxes Balance, December 31		
	<u>2024</u>	<u>2023</u>	<u>Increase</u>
Balance of Tax *	\$ 9,387,883.00	\$ 9,145,688.00	\$ 242,195.00
Deferred	<u>7,559,686.00</u>	<u>7,559,686.00</u>	<u>None</u>
Payable	<u>\$ 1,828,197.00</u>	<u>\$ 1,586,002.00</u>	<u>\$ 242,195.00</u>

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

Note 11. PENSION PLANS

Description of Systems

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

The PERS and PFRS issue a publicly available financial report that includes financial statements and required supplementary information and separate actuarial valuations. Those reports are available by visiting their website at: www.state.nj.us/treasury/pensions/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, 2024

Note 11. PENSION PLANS (CONTINUED)

Description of Systems (Continued)

Public Employees' Retirement System (Continued)

Tier	Definition
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:

Tier	Definition
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, 2024

Note 11. 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 provided 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 2024 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		
	2024	2023	2022
Covered Payroll	\$ 4,483,489	\$ 4,380,649	\$ 4,224,988
Actuarial Contribution Requirements	759,395	717,390	663,686
Total Contributions Employer Share	759,395	717,390	663,686
Percent of Covered Payroll	16.94 %	16.38 %	15.71 %
Employee's Share	336,262	328,549	316,874
Percent of Covered Payroll	7.50 %	7.50 %	7.50 %

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024

Note 11. PENSION PLANS (CONTINUED)

Pension (PERS) Accrual

The Borough is required to report on its financial statements on an "Other Comprehensive Basis of Accounting" (OCBOA) Regulatory Basis, which does not require an accrual for certain of 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 would be needed in the amount of \$8,214,624 since the obligation relates to the period December 31, 2024 and prior. The accrual (under GAAP) would affect the fund balance at yearend.

	PFRS		
	2024	2023	2022
Covered Payroll	\$ 3,792,612	\$ 3,701,898	\$ 3,586,060
Actuarial Contribution Requirements	1,263,748	1,295,478	1,186,832
Total Contributions Employer Share	1,263,748	1,295,478	1,186,832
Percent of Covered Payroll	33.32 %	34.99 %	33.10 %
Employee's Share	379,261	370,190	358,606
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 certain of 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 would be needed in the amount of \$10,397,665 since the obligation relates to the period December 31, 2024 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, 2024

Note 11. PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS)

The information for PERS was abstracted from State of New Jersey Public Employees' Retirement System Schedules of Employer Allocations and Schedules of Pension Amounts by Employer as of June 30, 2024 and June 30, 2023 Independent Auditor's Report dated June 11, 2025 and May 24, 2024, respectively.

The Borough's reported liability of \$7,641,695 and \$8,229,807 for its proportionate share of the net pension liability at December 31, 2024 (*measurement date of June 30, 2024*) and December 31, 2023 (*measurement date of June 30, 2023*), respectively. The net pension liability was measured as of June 30, 2024 and June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by actuarial valuations as of July 1, 2023 and July 1, 2022, 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>2024</u>	<u>2023</u>
Local Group Share	\$ 13,702,423,985	\$ 14,606,489,066
Borough Proportionate Percentage	0.0562383690 %	0.0568185194 %
Difference - Decrease	(0.0005801504) %	

For the year ended December 31, 2024, the Borough's recognizable (under GAAP) pension benefit was \$999,493. At December 31, 2024, the Borough reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Changes of assumptions	\$ 9,493	\$ 86,945
Net difference between expected and actual experience	153,077	20,344
Net difference between projected and actual investment earnings on pension plan investments	-	354,325
Changes in proportion	16,718	290,603
Borough contributions made subsequent to yearend	<u>765,247</u>	<u></u>
Total	<u>\$ 944,535</u>	<u>\$ 752,217</u>

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024

Note 11. PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

The \$765,247 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, 2024, the plan measurement date is June 30, 2024) would be recognized (under GAAP) as a reduction of the net pension liability in the Borough year ended December 31, 2024. 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>
2025	\$ (621,601)
2026	480,976
2027	(276,716)
2028	(159,746)
2029	<u>4,158</u>
	<u>\$ (572,929)</u>

Additional Information:

Collective (local employers) balances at June 30, 2024 and June 30, 2023 are as follows:

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Collective deferred outflows of resources	\$ 1,079,580,780	\$ 1,080,204,730
Collective deferred inflows of resources	1,611,322,898	1,780,216,457
Collective net pension liability	13,702,423,985	14,606,489,066
Collective pension expenses	372,160,096	(79,181,803)
Borough's proportion (of Local Group)	0.0562383690 %	0.0568185194 %

Actuarial Assumptions

The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which rolled forward to June 30, 2024. 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, 2024

Note 11. 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, 2023 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, 2024) 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, 2024 are summarized in the following table:

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024

Note 11. PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
U.S. Equity	28.00 %	8.63 %
Non-U.S. Developed Market Equity	12.75	8.85
International Small Cap Equity	1.25	8.85
Emerging Market Equity	5.50	10.66
Private Equity	13.00	12.40
Real Estate	8.00	10.95
Real Assets	3.00	8.20
High Yield	4.50	6.74
Private Credit	8.00	8.90
Investment Grade Credit	7.00	5.37
Cash Equivalents	2.00	3.57
U.S. Treasuries	4.00	3.57
Risk Mitigation Strategies	<u>3.00</u>	7.10
	<u>100.00 %</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. 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, 2024

Note 11. PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

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

The following presents the collective net pension liability of the participating employers as of (*measurement dates*) June 30, 2024 and June 30, 2023, 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, 2024			
<u>[Measurement Date June 30, 2024]</u>			
	1% Decrease	At Current	1% Increase
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Borough's proportionate share of the pension liability	\$ 10,153,934	\$ 7,641,695	\$ 5,503,794

December 31, 2023			
<u>[Measurement Date June 30, 2023]</u>			
	1% Decrease	At Current	1% Increase
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Borough's proportionate share of the pension liability	\$ 10,713,458	\$ 8,229,807	\$ 6,115,892

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024

Note 11. PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Special Funding Situation – PERS

A special funding situation exists for certain Local employers of the Public Employees' Retirement System. The State, as a nonemployer, is required to pay the additional costs incurred by local employers under Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The Chapter 366, P.L. 2001 legislation established the Prosecutors Part of the PERS which provides enhanced retirement benefits for prosecutors enrolled in the PERS. The State is liable for the increased pension costs to a county that resulted from the enrollment of prosecutors in the Prosecutors Part. The June 30, 2024 State special funding situation net pension liability amount of \$114.4 million is the accumulated difference between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The special funding situation for Chapter 133, P.L. 2001 is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2024, there is no net pension liability associated with this special funding situation there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date. The June 30, 2024 State special funding situation pension expense of \$53.7 million is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2024. The pension expense is deemed to be a State administrative expense due to the special funding situation.

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

<u>December 31,</u>	<u>Borough's Proportionate Share</u>	<u>Employer's Pension Expense and Related Revenues</u>	
		<u>Ch.133 P.L. 2001 State Total</u>	<u>Borough's Share</u>
2024	0.056498194 %	\$ 43,606,492	\$ 24,637
2023	0.057034242	45,000,471	25,666
2022	0.057115675	31,626,530	18,064

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, 2024

Note 11. 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, 2024 and June 30, 2023 Independent Auditor's Report dated July 10, 2025 and May 24, 2024, respectively.

The Borough's reported liability of \$10,511,816 and \$10,488,932 for its proportionate share of the net pension liability at December 31, 2024 (*measurement date of June 30, 2024*) and December 31, 2023 (*measurement date of June 30, 2023*), respectively. The net pension liability was measured as of June 30, 2024 and June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by actuarial valuations as of July 1, 2023 and July 1, 2022, 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>2024</u>	<u>2023</u>
Local Group Share	\$ 12,362,466,447	\$ 13,084,649,602
Borough Proportionate Percentage	0.1017935900 %	0.0949329200 %
Difference - Increase	0.0068606700	

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024

Note 11. PENSION PLANS (CONTINUED)

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

For the year ended December 31, 2024, the Borough's recognizable (under GAAP) pension benefit was \$740,532. At December 31, 2024, 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	\$ 16,617	\$ 308,715
Net difference between expected and actual experience	662,236	359,866
Net difference between projected and actual investment earnings on pension plan investment	-	82,274
Changes in proportion	718,752	532,599
Borough contributions made subsequent to measurement date	<u>1,408,049</u>	
Total	<u>\$ 2,805,654</u>	<u>\$ 1,283,454</u>

The \$1,408,049 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, 2024, the plan measurement date is June 30, 2024) would be recognized (under GAAP) as a reduction of the net pension liability in the Borough year ended December 31, 2024. 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>
2025	\$ 807,238
2026	(930,128)
2027	233,451
2028	108,409
2029	(96,442)
Thereafter	<u>(8,377)</u>
	<u>\$ 114,151</u>

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024

Note 11. PENSION PLANS (CONTINUED)

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

Additional Information:

Collective (local employers) balances at June 30, 2024 and June 30, 2023 are as follows:

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Collective deferred outflows of resources	\$ 1,350,388,724	\$ 1,753,080,638
Collective deferred inflows of resources	1,421,121,200	1,966,439,601
Collective pension expense/(benefit)	775,608,387	844,810,693
Collective net pension liability		
Local Group	12,362,466,447	13,084,649,602
Less: Special Funding Situation (1)	<u>2,035,866,994</u>	<u>2,035,866,759</u>
	<u>\$ 10,326,599,453</u>	<u>\$ 11,048,782,843</u>
Borough's proportion (of Local Group)	0.1017935900 %	0.0949329200 %

(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 June 30, 2024 State special funding situation net pension liability amount of \$2,035,866,994 is the accumulated difference between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The June 30, 2024 State special funding situation pension expense of \$234,210,235 is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2024. 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, 2024

Note 11. 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, 2024	\$ 2,072,382.00	\$ 238,411.00
June 30, 2023	1,932,708.00	219,842.00
June 30, 2022	2,029,166.00	234,112.00

Actuarial Assumptions

The collective total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which rolled forward to June 30, 2024. 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 Pub-2010 Safety Employee amount-weighted mortality table (sex-specific), projected generationally from 2010 with Scale MP-2021 mortality projection. For healthy annuitants, mortality rates were based on the Pub-2010 Safety Retiree Below Median amount-weighted mortality table (sex-specific), projected generationally from 2010 with Scale MP-2021 mortality projection. Disability rates were 144% of the Pub-2010 Safety Disabled Retiree amount-weighted mortality table for males and 100% of the Pub-2010 Safety Disabled Retiree amount-weighted mortality for females, projected generationally from 2010 with Scale MP-2021 mortality projection.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024

Note 11. PENSION PLANS (CONTINUED)

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

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2024) 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, 2024 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. Large-Cap Equity	24.00 %	6.90 %
U.S. Small/Mid Cap Equity	4.00	7.40
Non-U.S. Developed Large-Cap Equity	9.50	6.70
Non-U.S. Developed Small-Cap Equity	2.00	7.50
Emerging Markets Large-Cap Equity	6.00	9.60
Emerging Markets Small-Cap Equity	1.50	9.60
U.S. Treasury Bond	7.00	4.10
U.S. Corporate Bond	5.00	5.90
U.S. Mortgage-Backed Securities	5.00	4.40
Global Multisector Fixed Income	6.00	6.50
Cash	2.00	3.40
Real Estate Core	3.00	5.10
Real Estate Non-Core	4.00	6.50
Infrastructure	3.00	7.00
Private Debt/Credit	8.00	9.10
Private Equity	10.00	10.10
	<u>100.00 %</u>	

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024

Note 11. PENSION PLANS (CONTINUED)

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. 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, 2024 and June 30, 2023, 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, 2024			
<u>[Measurement Date June 30, 2024]</u>			
	1% Decrease	At Current	1% Increase
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Borough's proportionate share of the pension liability	\$ 15,019,046	\$ 10,511,816	\$ 6,758,281
December 31, 2023			
<u>[Measurement Date June 30, 2023]</u>			
	1% Decrease	At Current	1% Increase
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Borough's proportionate share of the pension liability	\$ 14,614,490	\$ 10,488,932	\$ 7,053,328

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, 2024

Note 12. POST EMPLOYMENT RETIREMENT BENEFITS

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

Plan Description

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

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

The Borough's total OPEB liability of \$42,591,628 and \$45,269,010 for the years ended December 31, 2024 and December 31, 2023, respectively.

Key actuarial assumption – the total OPEB liability in the December 31, 2024 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	4.08%

Medical Trend:

Medical: 6.5% in 2024, reducing by 0.25% per annum, leveling at 4.5% per annum in 2032.

Drug: 14.0% in 2024, 10.0% in 2025, 7.5% in 2026, reducing by 0.75% per annum, leveling at 4.5% per annum in 2030.

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, 2024

Note 12. 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 PUB 2010 “*General*” classification headcount weighted mortality with generational improvement using Scale MP-2021.

Turnover was 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 2024 medical and prescription drug premiums and the plan option selected. 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. 2024 salaries were reported as \$6.064 million.

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024

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

Plan Description (Continued)

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
	<u>Total OPEB Liability</u>	
Balance as of December 31,	\$ 45,269,010	\$ 45,181,762
Changes for the year:		
Interest cost	1,471,324	1,675,894
Service cost	393,938	376,138
Difference between expected and actual experience	(1,996,889)	-
Changes in assumptions	(1,485,147)	(950,784)
Benefit payments	<u>(1,060,608)</u>	<u>(1,014,000)</u>
Net Changes	<u>(2,677,382)</u>	<u>87,248</u>
Balance as of December 31,	<u><u>\$ 42,591,628</u></u>	<u><u>\$ 45,269,010</u></u>

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

	<u>December 31, 2024</u>		
	<u>[Measurement Date December 31, 2024]</u>		
	<u>At 1%</u>	<u>At Discount</u>	<u>At 1%</u>
	<u>Decrease (3.08%)</u>	<u>Rate (4.08%)</u>	<u>Increase (5.08%)</u>
Total OPEB Liability	\$ 48,539,722	\$ 42,591,628	\$ 37,883,157

	<u>December 31, 2023</u>		
	<u>[Measurement Date December 31, 2023]</u>		
	<u>At 1%</u>	<u>At Discount</u>	<u>At 1%</u>
	<u>Decrease (2.26%)</u>	<u>Rate (3.26%)</u>	<u>Increase (4.26%)</u>
Total OPEB Liability	\$ 52,626,968	\$ 45,269,010	\$ 39,594,185

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024

Note 12. **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:

December 31, 2024 <i>[Measurement Date December 31, 2024]</i>			
	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 38,771,441	\$ 42,591,628	\$ 47,231,641

December 31, 2023 <i>[Measurement Date December 31, 2023]</i>			
	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 39,950,455	\$ 45,269,010	\$ 52,081,130

OPEB Expense – for the year ended December 31, 2024 and December 31, 2023, the Borough recognized OPEB expense of \$1,036,639 and \$1,447,320, respectively.

The following table illustrates the Deferred Inflows and Outflows as of December 31, 2024 under GASB 75 prior to any reduction due to the fiscal year 2024 amortizations.

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Difference between expected and actual experience		\$ 8,627,041
Changes of assumptions	<u>\$ 5,748,778</u>	<u>8,206,068</u>
Total	<u>\$ 5,748,778</u>	<u>\$ 16,833,109</u>

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024

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

Plan Description (Continued)

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

Measurement Period Ending December 31

	<u>Amount</u>
2025	\$ (828,623)
2026	(828,623)
2027	(828,623)
2028	(828,623)
2029	(828,623)
Total Thereafter	(6,941,216)

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 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>OPEB</u>
	<u>Employees</u>	<u>Total State</u>	<u>Proportionate</u>	<u>Expense and</u>
		<u>Liability</u>	<u>Share of Net</u>	<u>Related Revenue</u>
			<u>OPEB Liability</u>	<u>Attributable</u>
			<u>Attributable</u>	<u>to Borough</u>
			<u>to Borough</u>	
2024	30	0.145957 %	\$ 7,117,805	\$ (689,595)
2023	31	0.157456	5,493,787	(996,131)
2022	29	0.176399	5,951,366	(976,149)

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024

Note 12. **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>OPEB Expense and Related Revenue</u>
2024	\$ 4,876,644,957	\$ (472,464,496)
2023	3,489,093,208	(632,640,803)
2022	3,373,809,587	(553,375,659)

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>
2024	40	\$ 87,391.20
2023	42	89,433.60
2022	45	88,238.10

NOTE 13. **DEFINED CONTRIBUTION RETIREMENT PROGRAM**

Description of System

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

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024

NOTE 13. 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 or employee contributions to the plan for the years 2018-2024.

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024

Note 14. **TERMINATION BENEFITS – OTHER POST EMPLOYMENT RETIREMENT BENEFITS**

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

<u>Year</u>	<u>Amount</u>
2024	\$ 710,848.65
2023	687,253.94
2022	620,490.75

Note 15. **INTERFUNDS RECEIVABLE AND PAYABLE**

Interfund receivable and payable balances at December 31, 2024 were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 13,672.84	
Grant Fund		\$ 13,672.84
	<u>\$ 13,672.84</u>	<u>\$ 13,672.84</u>

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024

Note 16. SEGMENT INFORMATION FOR UTILITY OPERATING ENTERPRISE FUNDS

The Borough of South River maintains three (3) enterprise funds that provide electric, parking and water to the residents and businesses of the Borough. Segment information for the year ended December 31, 2024 is as follows:

	<u>Electric</u>	<u>Parking</u>	<u>Water</u>	<u>Total Enterprise Fund</u>
Revenue and Other Income Realized:				
Operating Fund Balance Appropriated	\$ 3,000,000.00	\$ 16,000.00	\$ 404,709.00	\$ 3,420,709.00
Rents	13,075,444.03	53,773.11	3,932,087.78	17,061,304.92
Miscellaneous			20,425.00	20,425.00
Budget Totals	<u>\$ 16,075,444.03</u>	<u>\$ 69,773.11</u>	<u>\$ 4,357,221.78</u>	<u>\$ 20,502,438.92</u>
Nonbudget Revenue	\$ 464,489.27	\$ 10,303.39	\$ 135,807.90	\$ 610,600.56
Other Credits to Income:				
Current Appropriations Canceled	10,000.00	1,000.00	5,791.88	16,791.88
Unexpended Balance of				
Appropriation Reserves Lapsed	1,977,668.72	35,247.06	102,369.97	2,115,285.75
and Encumbrances Canceled	43,517.40		31,280.50	74,797.90
Cancellation of Various Payables				
Total Revenues	<u>\$ 18,571,119.42</u>	<u>\$ 116,323.56</u>	<u>\$ 4,632,472.03</u>	<u>\$ 23,319,915.01</u>
Expenditures:				
Operating:				
Salaries and Wages	\$ 1,685,000.00	\$ 29,500.00	\$ 825,000.00	\$ 2,539,500.00
Other Expenses	2,788,000.00	13,000.00	1,751,000.00	4,552,000.00
Purchase of Power/Water	6,000,000.00		1,105,000.00	7,105,000.00
Capital Improvements	670,000.00	3,000.00	235,000.00	908,000.00
Debt Service	10,000.00	1,000.00	712,634.00	723,634.00
Deferred Charges and Statutory				
Expenditures	369,000.00	5,500.00	221,500.00	596,000.00
Surplus - General Budget	3,000,000.00			3,000,000.00
Total Expenditures	<u>\$ 14,522,000.00</u>	<u>\$ 52,000.00</u>	<u>\$ 4,850,134.00</u>	<u>\$ 19,424,134.00</u>
Excess/(Deficit) in Revenues	<u>\$ 4,049,119.42</u>	<u>\$ 64,323.56</u>	<u>\$ (217,661.97)</u>	<u>\$ 3,895,781.01</u>
Operating Deficit to be Raised				
in Budget of Succeeding Year			\$ 217,661.97	\$ 217,661.97
Fund Balance, January 1, 2024	<u>\$ 5,335,437.03</u>	<u>\$ 49,594.07</u>	<u>\$ 520,877.98</u>	<u>\$ 5,905,909.08</u>
	<u>\$ 9,384,556.45</u>	<u>\$ 113,917.63</u>	<u>\$ 520,877.98</u>	<u>\$ 10,019,352.06</u>
Decreased by:				
Utilization as Anticipated Revenue	\$ 3,000,000.00	\$ 16,000.00	\$ 404,709.00	\$ 3,420,709.00
Transferred to Current Fund				
as Anticipated Revenue	1,700,000.00			1,700,000.00
	<u>\$ 4,700,000.00</u>	<u>\$ 16,000.00</u>	<u>\$ 404,709.00</u>	<u>\$ 5,120,709.00</u>
Fund Balance, December 31, 2024	<u>\$ 4,684,556.45</u>	<u>\$ 97,917.63</u>	<u>\$ 116,168.98</u>	<u>\$ 4,898,643.06</u>

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024

Note 17. RISK MANAGEMENT

Property and Liability Insurance

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

For the year ended December 31, 2024, 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 \$31,322,482, liabilities and reserves of \$35,019,445, which includes loss reserves of \$30,584,371, and an unrestricted net position deficit balance of \$3,696,963.

The information was abstracted from the audit report of the JIF for the year ended December 31, 2022, which expressed an unmodified opinion. The audit for the year ended December 31, 2023 is pending.

In 2021 the JIF billed the Borough \$993,247.93 for what is their pro rata share of an accumulated deficit of the JIF. The Borough has commenced repayment in accordance with the nine (9) year repayment terms that have been offered. The original balance owed is subject to review and adjustment on an annual basis.

As of December 31, 2024, the Borough owes the JIF \$639,669.44 related to the period 2001-2020, to be paid as follows:

<u>Year</u>	<u>Amount</u>
2025	\$ 106,611.57
2026	106,611.57
2027	106,611.57
2028	106,611.57
2029	106,611.57
2030	106,611.59
	<u>\$ 639,669.44</u>

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024

Note 17. RISK MANAGEMENT (CONTINUED)

Middlesex County Municipal Joint Insurance Fund (JIF) (Continued)

Additionally, for the period of 2021, the Borough has been assessed \$288,692.06 related to the accumulated deficit of the JIF. Payment was budgeted and disbursed in 2025. Additionally, for the period of 2022, the Borough has been assessed \$146,397.91 related to the accumulated deficit of the JIF. Payment was budgeted and disbursed in 2024.

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>Employee</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>
2024	\$ 17,000.00	\$ 15,705.62	None	\$ 8,838.49	\$ 72,129.14	\$ 164,027.03
2023	17,000.00	15,059.14	None	6,509.56	31,867.81	194,612.06
2022	40,000.00	14,525.67	\$ 58,020.20	2,327.78	28,274.11	187,911.17

Note 18. DEFERRED COMPENSATION PLAN

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

Statutory and regulatory requirements governing the establishment and operation of Deferred Compensation Plans have been codified in the New Jersey Administrative Code under the reference N.J.A.C. 5:37. The "Small Business Job Protective Act of 1996" modified several provisions of Section 457 of the Internal Revenue Code. The most significant change in the law related to the ownership of the fund.

The Borough of South River authorized such modifications to their plan by resolution of the Borough Council adopted September 10, 1997. The Deferred Compensation Plan is administered by the American Insurance General (AIG).

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024

Note 19. LENGTH OF SERVICE AWARDS PROGRAM

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

The LOSAP funds are administered independently and distinct from the Borough and are subjected to a review in accordance with the American Institute of Certified Public Accounts Standards for Accounting and Review Services. A separate report as of December 31, 2024 revealed net assets available for benefits of \$2,057,613.69. The Borough's contribution for December 31, 2024 is \$52,500.00. Contributions for the past three (3) years are as follows:

		<u>Total</u>	<u>Per Member</u>
2024	\$	52,500.00	\$ 1,500.00
2023		52,500.00	1,500.00
2022		61,807.94	1,468.63

Note 20. CONTINGENT LIABILITIES

A. Accrued Sick Pay

The Borough's collective bargaining agreements provide for payment to employees upon retirement for unused sick days. There are six (6) collective bargaining agreements, which provide for amounts of payments based on the individual agreements. The noncollective bargaining employees are subject to a limit of one (1) day for every six (6) days accumulated and unused. The total value of sick time, based upon the above data and limitations, is on file in the Finance Office, and amounts to \$952,036.49. The amount limited by the restrictions on compensated absences pursuant to P.L. 2007, c. 92 and P.L. 2010, c. 3 is \$561,758.72.

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, 2024

Note 20. CONTINGENT LIABILITIES (CONTINUED)

C. Grants

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

D. Reserve for State Tax Appeals

The Borough has a Reserve for State Tax Appeals at December 31, 2024 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 21: 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 2024 of \$6,859.38 or \$82,312.56 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 in 2024 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, 2024

Note 21: INTERLOCAL AGREEMENT/SHARED SERVICES (CONTINUED)

Sewer Treatment (Continued)

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

2024	\$	1,550,337.00
2023		1,471,625.00
2022		1,415,397.00

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 2024 was \$3,391.11. There is also a provision for excess usage on wells. Expenditures for the last three (3) years is as follows:

2024	\$	1,100,784.00
2023		1,099,826.00
2022		1,024,756.00

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.

Municipal Court Lead Agency

The Borough on March 24, 2024 entered into an agreement to be the lead agency to provide municipal court administrative services for the Borough of Milltown. The agreement provides for coverage through March 31, 2025. The agreement was renewed in 2025. The fee was \$67,500.00 for the period, however, \$50,625.00 was realized in 2024.

REQUIRED SUPPLEMENTARY INFORMATION

BOROUGH OF SOUTH RIVER
SCHEDULE OF THE BOROUGH PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)
LAST TEN (10) FISCAL YEARS

Year	Borough's Proportion of Net Pension Liability	Borough's Proportionate Share of Net Pension Liability (asset)	Borough's Covered Payroll	Borough's Proportionate Share of Net Pension Liability (asset) as Percentage of Covered-Employee Payroll	Plan Fiduciary Net Position as Percentage of Total Pension Liability
2024	0.0562383690	\$ 7,641,695	\$ 4,483,489	170.44 %	68.22 %
2023	0.0568185194	8,229,807	4,380,649	187.87	65.23
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

Notes to Required Supplementary Information:

Benefit Changes - there were none.

Changes of Assumptions - the discount rate was 7.00% as of June 30, 2023 and 7.00% as of June 30, 2024.

BOROUGH OF SOUTH RIVER
SCHEDULE OF THE BOROUGH'S CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)
LAST TEN (10) FISCAL YEARS

Year	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Borough's Covered Payroll	Contributions as Percentage of Covered-Payroll
2024	\$ 759,395	\$ 759,395	None	\$ 4,483,489	16.94 %
2023	717,390	717,390	None	4,380,649	16.38
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

Notes to Required Supplementary Information:

Benefit Changes - there were none.

Changes of Assumptions - the discount rate was 7.00% as of June 30, 2023 and 7.00% as of June 30, 2024.

BOROUGH OF SOUTH RIVER
SCHEDULE OF THE BOROUGH PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
POLICE & FIREMEN'S RETIREMENT SYSTEM (PFRS)
LAST TEN (10) FISCAL YEARS

Year	Borough's Proportion of Net Pension Liability	Borough's Proportionate Share of Net Pension Liability (asset)		Borough's Proportionate Share of Net Pension Liability (asset) as Percentage of Covered-Employee Payroll		Plan Fiduciary Net Position as Percentage of Total Pension Liability	
2024	0.1017935900	%	\$	10,511,816	\$ 3,792,612	277.17 %	72.66 %
2023	0.0949329200			10,488,932	3,701,898	283.34	70.16
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

Notes to Required Supplementary Information:

Benefit Changes - there were none.

Changes of Assumptions - the discount rate was 7.00% as of June 30, 2023 and 7.00% as of June 30, 2024.

BOROUGH OF SOUTH RIVER
SCHEDULE OF THE BOROUGH'S CONTRIBUTIONS
POLICE & FIREMEN'S RETIREMENT SYSTEM (PFRS)
LAST TEN (10) FISCAL YEARS

Year	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (excess)	Borough's Covered Payroll	Contributions as Percentage of Covered-Payroll
2024	\$ 1,263,748	\$ 1,263,748	None	\$ 3,792,612	33.32 %
2023	1,295,478	1,295,478	None	3,701,898	34.99
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

Notes to Required Supplementary Information:

Benefit Changes - there were none.

Changes of Assumptions - the discount rate was 7.00% as of June 30, 2023 and 7.00% as of June 30, 2024.

**COMBINING AND INDIVIDUAL FUND AND
ACCOUNT GROUP STATEMENTS**

CURRENT FUND

STATEMENTS

BOROUGH OF SOUTH RIVER
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
AS OF DECEMBER 31, 2024 AND 2023

	Balance December 31, <u>2024</u>	Balance December 31, <u>2023</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 7,827,823.60	\$ 7,523,842.37
Due from State of New Jersey:		
Ch. 20, P.L. 1971		250.00
Receivables and Other Assets with Full Reserves:		
Taxes Receivable	388,480.31	474,852.40
Tax Title Liens Receivable	260,072.78	246,065.86
Property Acquired for Taxes - Assessed Valuation	47,300.00	47,300.00
Other Accounts Receivable:		
Revenue Accounts Receivable	14,491.04	11,218.10
Interfund Receivable:		
Grant Fund	<u>13,672.84</u>	<u> </u>
Total Current Fund	\$ <u>8,551,840.57</u>	\$ <u>8,303,528.73</u>
Grant Fund:		
Grants Receivable	\$ 817,976.37	\$ 70,209.05
Interfund Receivable:		
Current Fund	<u> </u>	<u>58,074.59</u>
Total Grant Fund	\$ <u>817,976.37</u>	\$ <u>128,283.64</u>
Total Assets	\$ <u><u>9,369,816.94</u></u>	\$ <u><u>8,431,812.37</u></u>

See accompanying notes to financial statements

BOROUGH OF SOUTH RIVER
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
AS OF DECEMBER 31, 2024 AND 2023

	Balance December 31, <u>2024</u>	Balance December 31, <u>2023</u>
<u>LIABILITIES, RESERVES AND</u>		
<u>FUND BALANCE</u>		
Current Fund:		
Liabilities:		
Appropriation Reserves	\$ 883,097.05	\$ 961,975.46
Reserve for Encumbrances	934,514.17	666,832.37
Accounts Payable	56,747.77	193,923.57
Prepaid Taxes	258,346.35	225,530.12
Tax Overpayments	4,839.30	
Due to Government Agencies	4,612.79	17,905.28
Due to State of New Jersey:		
DCA Training Fees	2,327.00	2,711.00
Various Reserves	226,796.25	316,518.00
Local School Taxes Payable	1,828,197.00	1,586,002.00
Interfund Payable:		
Grant Fund	<u> </u>	<u>58,074.59</u>
	\$ 4,199,477.68	\$ 4,029,472.39
Reserve for Receivables and Other Assets	724,016.97	779,436.36
Fund Balance	<u>3,628,345.92</u>	<u>3,494,619.98</u>
Total Current Fund	\$ <u>8,551,840.57</u>	\$ <u>8,303,528.73</u>

See accompanying notes to financial statements

BOROUGH OF SOUTH RIVER
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
AS OF DECEMBER 31, 2024 AND 2023

	Balance December 31, <u>2024</u>	Balance December 31, <u>2023</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE (CONTINUED)</u>		
Grant Fund:		
Reserve for Grants:		
Appropriated	\$ 740,158.60	\$ 94,689.14
Unappropriated	20,806.34	12,335.55
Reserve for Encumbrances	43,338.59	21,258.95
Interfund Payable:		
Current Fund	<u>13,672.84</u>	<u></u>
Total Grant Fund	\$ <u>817,976.37</u>	\$ <u>128,283.64</u>
Total Liabilities, Reserves and Fund Balance	\$ <u><u>9,369,816.94</u></u>	\$ <u><u>8,431,812.37</u></u>

See accompanying notes to financial statements

BOROUGH OF SOUTH RIVER
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE -
REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Revenues and Other Income Realized:		
Fund Balance Utilized	\$ 2,500,000.00	\$ 2,425,000.00
Miscellaneous Revenues Anticipated	6,317,391.00	5,263,013.56
State Aid	921,215.15	874,046.10
Federal and State Grants	1,079,099.21	265,558.70
Receipts from Delinquent Taxes	473,133.16	433,873.13
Amount to be Raised by Taxation for Support of Municipal Budget	12,628,975.04	12,202,615.33
Nonbudget Revenues	947,501.92	780,800.00
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves		
Lapsed and Reserve for Encumbrances Canceled	982,598.37	935,284.32
Current Appropriations Canceled	671.37	385.75
Cancellation of Prior Year Grant Appropriated and Unappropriated Reserves	22,141.07	83,924.06
Cancellation of Accounts Payable	18,604.45	4,016.25
Cancellation of Various Reserves		44,542.13
Taxes Allocated to School and County Taxes	<u>26,634,986.80</u>	<u>25,764,096.73</u>
Total Income	<u>\$ 52,526,317.54</u>	<u>\$ 49,077,156.06</u>
Expenditures:		
Budget and Emergency Appropriations:		
Within "CAPS":		
General Government	\$ 955,200.00	\$ 969,600.00
Land Use	56,000.00	56,000.00
Insurance	1,996,000.00	1,821,942.00
Public Safety	5,338,350.00	5,258,350.00
Public Works	2,383,000.00	2,239,000.00
Health and Human Services	191,038.00	189,538.00
Parks and Recreation	535,817.00	508,317.00
Utility Expense and Bulk Purchases	448,000.00	515,000.00
Sanitary Landfill	600,000.00	600,000.00
Contingent	100,500.00	500.00
Deferred Charges and Statutory Expenditures	1,953,748.00	1,954,478.00
Excluded from "CAPS":		
Public Safety	145,500.00	145,500.00
Public Works	380,000.00	380,000.00
Education - Library	669,520.00	615,839.00
Sewer	1,544,478.00	1,477,961.00

See accompanying notes to financial statements

BOROUGH OF SOUTH RIVER
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE -
REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Expenditures (Continued):		
Budget and Emergency Appropriations (Continued):		
Excluded from "CAPS" (Continued):		
Federal and State Grants	\$ 1,185,671.21	\$ 394,130.70
Capital Improvements	1,570,000.00	535,000.00
Municipal Debt Service	2,234,558.00	2,197,948.00
Deferred Charges and Statutory Expenditures		18,134.46
Reserve for Uncollected Taxes	940,000.00	920,000.00
County Taxes	7,277,108.47	6,864,607.29
County Added and Omitted Taxes:		
2024	3,503.33	
2023	1,109.46	17,089.44
2022		815.84
Local District School Taxes	19,354,375.00	18,882,400.00
Refund of Prior Year's Revenues		80.00
Cancellation of Prior Grant Receivables	13,471.75	41,260.00
Prior Years Senior Citizens and Veterans Disallowed	1,970.54	2,247.26
Interfund Advanced	<u>13,672.84</u>	
Total Expenditures	<u>\$ 49,892,591.60</u>	<u>\$ 46,605,737.99</u>
Statutory Excess to Fund Balance	\$ 2,633,725.94	\$ 2,471,418.07
Fund Balance, January 1	<u>3,494,619.98</u>	<u>3,448,201.91</u>
	\$ 6,128,345.92	\$ 5,919,619.98
Decreased by:		
Utilized as Anticipated Revenue	<u>2,500,000.00</u>	<u>2,425,000.00</u>
Fund Balance, December 31	<u>\$ 3,628,345.92</u>	<u>\$ 3,494,619.98</u>

See accompanying notes to financial statements

BOROUGH OF SOUTH RIVER
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

	<u>Budget as</u> <u>Modified</u>	<u>Realized</u>	<u>Excess or</u> <u>(Deficit)</u>
Fund Balance Anticipated	\$ 2,500,000.00	\$ 2,500,000.00	
Miscellaneous Revenues:			
Licenses:			
Alcoholic Beverages	\$ 37,000.00	\$ 43,073.37	\$ 6,073.37
Other	6,000.00	7,655.00	1,655.00
Fees and Permits	85,000.00	103,100.00	18,100.00
Fines and Costs - Municipal Court	90,000.00	177,881.75	87,881.75
Interest and Costs on Taxes	95,000.00	113,611.76	18,611.76
Anticipated Operating Surplus - Electric	3,000,000.00	3,000,000.00	
	<u>\$ 3,313,000.00</u>	<u>\$ 3,445,321.88</u>	<u>\$ 132,321.88</u>
State Aid Without Offsetting Appropriations:			
Energy Receipts Tax	\$ 835,132.00	\$ 835,132.40	\$ 0.40
Municipal Relief Fund Aid	86,082.75	86,082.75	
	<u>\$ 921,214.75</u>	<u>\$ 921,215.15</u>	<u>\$ 0.40</u>
Dedicated Uniform Construction Code Fees Offset with Appropriations (N.J.S. 40A:4-36 and N.J.A.C. 5:23-4.17):			
Uniform Construction Code Fees	\$ 175,000.00	\$ 176,681.00	\$ 1,681.00
Zoning Fees	6,000.00	5,945.00	(55.00)
	<u>\$ 181,000.00</u>	<u>\$ 182,626.00</u>	<u>\$ 1,626.00</u>
Special Items of Revenue Offset with Appropriations:			
Clean Communities Program	\$ 37,577.92	\$ 37,577.92	
Alcohol Education and Rehabilitation Fund	1,427.74	1,427.74	
Body Armor Replacement Fund	2,867.56	2,867.56	
Middlesex County Office on Aging Grant:			
Physical	5,000.00	5,000.00	
Residential Maintenance	8,078.00	8,078.00	
Information & Assistance	10,000.00	10,000.00	
Assisted Transportation	88,176.00	88,176.00	
Socialization and Recreation	3,500.00	3,500.00	
Mental Health	50,000.00	50,000.00	
Middlesex County Swimming Lessons Grant	16,000.00	16,000.00	
Bulletproof Vest Partnership Grant	4,533.57	4,533.57	
State of New Jersey Department of Community Affairs:			
Dailey Field Grant	75,000.00	75,000.00	
American Rescue Plan Firefighter Grant	75,000.00	75,000.00	
Local Recreation Improvement Grant	79,000.00	79,000.00	
State of New Jersey Department of Environmental Protection:			
Green Acres - Grekoski Park	554,250.00	554,250.00	
Click it or Ticket Grant			
Recycling Enhancement Grant	11,000.00	11,000.00	
Opioid Grant	34,667.17	34,667.17	
Recycling Tonnage Grant	23,021.25	23,021.25	
	<u>\$ 1,079,099.21</u>	<u>\$ 1,079,099.21</u>	

See accompanying notes to financial statements

BOROUGH OF SOUTH RIVER
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

	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	\$ 760,279.00	\$ 760,279.56	\$ 0.56
Cable Television Percentage of Revenue - 2%	36,614.00	36,614.81	0.81
Payment in Lieu of Taxes - National Church Residence - Willet Manor	38,000.00	47,958.15	9,958.15
Payment in Lieu of Taxes - National Church Residence - South River Landing	38,000.00	40,308.75	2,308.75
General Capital Fund Balance	100,000.00	100,000.00	
Utility Operating Surplus of Prior Year - Electric	1,700,000.00	1,700,000.00	
Trust Other Fund Balance	4,880.07	4,281.85	(598.22)
	<u>\$ 2,677,773.07</u>	<u>\$ 2,689,443.12</u>	<u>\$ 11,670.05</u>
Receipts from Delinquent Taxes	<u>\$ 464,000.00</u>	<u>\$ 473,133.16</u>	<u>\$ 9,133.16</u>
Amount to be Raised by Taxation for Support of Municipal Budget:			
Local Tax for Municipal Purposes	\$ 11,421,773.18	\$ 11,959,455.04	\$ 537,681.86
Minimum Library Tax	669,520.00	669,520.00	
	<u>\$ 12,091,293.18</u>	<u>\$ 12,628,975.04</u>	<u>\$ 537,681.86</u>
Budget Totals	\$ 23,227,380.21	\$ 23,919,813.56	\$ 692,433.35
Nonbudget Revenue		947,501.92	947,501.92
	<u>\$ 23,227,380.21</u>	<u>\$ 24,867,315.48</u>	<u>\$ 1,639,935.27</u>
Detail:			
Budget as Adopted	\$ 22,475,904.12		
Added by N.J.S.A. 40A:4-87	751,476.09		
	<u>\$ 23,227,380.21</u>		
Nonbudget Revenue:			
2% Administrative Fee - Senior Citizens & Veterans		\$ 1,155.59	
Administrative & Vehicle Fee - Police Outside Duty		51,775.68	
Foreclosed Tax Premium		20,000.00	
Field Maintenance		2,125.13	
Interest on Investments		600,344.09	
Lease Payments		157,748.86	
Marriage Fees		200.00	
NSF Check Charge		760.00	
Recycling Containers		530.00	
Recycling Materials		13,119.15	
Refund of Prior Year Expenditures		23,926.87	
Dog Excess		437.18	
State of NJ - DMV Inspections		1,300.00	
Vacant Properties		800.00	
Prior Years Outstanding Checks Voided		495.15	
LOSAP Surrender		815.28	
Shared Service - Court Administrator		50,625.00	
Clean Up Charges		916.05	
Miscellaneous		1,093.89	
Sale of Municipal Assets		19,334.00	
		<u>\$ 947,501.92</u>	

See accompanying notes to financial statements

BOROUGH OF SOUTH RIVER
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
GENERAL GOVERNMENT FUNCTIONS:						
General Administration:						
Salaries and Wages	\$ 130,000.00	\$ 105,000.00	\$ 95,813.56	\$	\$ 9,186.44	
Other Expenses	21,000.00	21,000.00	19,572.33	1,400.00	27.67	
Cable Television	15,000.00	15,000.00	8,671.80	6,214.00	114.20	
Communication and Technology:						
Salaries and Wages	8,700.00	8,700.00	8,699.88		0.12	
Other Expenses	16,000.00	16,000.00	9,582.56		6,417.44	
Human Resources:						
Other Expenses	60,000.00	90,000.00	65,419.40	20,579.25	4,001.35	
Mayor and Council:						
Salaries and Wages	21,500.00	21,500.00	21,499.80		0.20	
Other Expenses	19,500.00	19,500.00	8,142.76	877.10	10,480.14	
Borough Clerk:						
Salaries and Wages	100,000.00	100,000.00	94,793.23		5,206.77	
Other Expenses	15,000.00	15,000.00	11,635.12	266.22	3,098.66	
Codification of Ordinances	8,000.00	8,000.00	8,000.00			
Elections:						
Salaries and Wages	1,000.00	1,000.00			1,000.00	
Other Expenses	10,000.00	10,000.00	9,338.48		661.52	
Financial Administration:						
Salaries and Wages	80,000.00	80,000.00	53,885.43		26,114.57	
Other Expenses	60,000.00	65,000.00	54,973.87	7,635.00	2,391.13	
Audit Services:						
Other Expenses	35,000.00	35,000.00		34,000.00	1,000.00	
Collection of Taxes:						
Salaries and Wages	54,000.00	54,000.00	53,736.80		263.20	
Other Expenses	13,000.00	13,000.00	11,893.42	446.00	660.58	
Assessment of Taxes:						
Salaries and Wages	34,000.00	34,000.00	33,983.04		16.96	
Other Expenses	17,500.00	22,500.00	12,281.05	7,654.99	2,563.96	
Legal Services:						
Other Expenses	135,000.00	135,000.00	87,251.56	2,417.25	45,331.19	
Engineering Services and Costs:						
Other Expenses	50,000.00	50,000.00	13,959.25	14,641.75	21,399.00	
Economic Development Commission:						
Other Expenses	10,000.00	10,000.00	2,007.98	105.57	7,886.45	
Redevelopment:						
Other Expenses	5,000.00	5,000.00			5,000.00	
Green Team Commission:						
Other Expenses	1,000.00	1,000.00			1,000.00	

See accompanying notes to financial statements

BOROUGH OF SOUTH RIVER
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

LAND USE ADMINISTRATION
Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.):

Planning Board:
Salaries and Wages
Other Expenses
Board of Adjustment:
Salaries and Wages
Other Expenses

INSURANCE

Liability Insurance
Workers' Compensation
Group Health Benefits
Unemployment Insurance
Health Benefit Waiver

PUBLIC SAFETY FUNCTIONS

Police:

Salaries and Wages
Other Expenses
Special Police:
Salaries and Wages
Other Expenses
School Guards:
Salaries and Wages
Other Expenses
Juvenile Conference Committee:
Other Expenses
Police Dispatch/911:
Salaries and Wages
Other Expenses
Office of Emergency Management:
Other Expenses
Aid to Volunteer Fire Companies:
Other Expenses
Clothing Allowance

	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Canceled
\$	10,000.00	\$ 10,000.00	\$ 10,000.00			
	15,000.00	18,000.00	14,971.35	\$ 700.00	\$ 2,328.65	
	16,000.00	16,000.00	15,096.00		904.00	
	15,000.00	12,000.00	4,807.79		7,192.21	
	485,000.00	550,000.00	509,624.43	10,000.00	30,375.57	
	76,000.00	76,000.00	75,441.00		559.00	
	1,393,000.00	1,285,000.00	1,225,409.78	43,969.10	15,621.12	
	10,000.00	10,000.00	10,000.00			
	75,000.00	75,000.00	73,030.27		1,969.73	
	3,910,000.00	3,895,000.00	3,823,555.06		71,444.94	
	180,000.00	180,000.00	145,724.65	34,253.49	21.86	
	144,000.00	144,000.00	119,728.98		24,271.02	
	15,000.00	15,000.00	1,910.23	2,092.00	10,997.77	
	245,000.00	245,000.00	218,653.44		26,346.56	
	3,500.00	3,500.00	1,336.22	1,145.80	1,017.98	
	500.00	500.00			500.00	
	250,000.00	250,000.00	233,806.01		16,193.99	
	6,000.00	6,000.00	4,803.75	1,159.28	36.97	
	7,100.00	12,100.00	5,000.00	4,600.00	2,500.00	
	90,000.00	90,000.00	57,576.59	32,028.21	395.20	
	40,000.00	40,000.00	40,000.00			

See accompanying notes to financial statements

BOROUGH OF SOUTH RIVER
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
PUBLIC SAFETY FUNCTIONS (CONTINUED)						
Code Enforcement:						
Salaries and Wages	\$ 75,000.00	\$ 54,000.00	\$ 45,230.77		\$ 8,769.23	
Other Expenses	3,000.00	3,000.00	1,027.41	\$ 25.85	1,946.74	
Municipal Prosecutor:						
Other Expenses	16,000.00	16,000.00	16,000.00			
Municipal Court:						
Salaries and Wages	178,000.00	178,000.00	175,744.69		2,255.31	
Other Expenses	13,000.00	13,000.00	10,513.11	909.80	1,577.09	
Public Defender (P.L. 1997, C.256):						
Other Expenses	250.00	250.00			250.00	
PUBLIC WORKS FUNCTIONS						
Road Repairs and Maintenance:						
Salaries and Wages	664,000.00	664,000.00	637,264.59		26,735.41	
Other Expenses	120,000.00	120,000.00	83,626.65	26,059.50	10,313.85	
Garbage and Trash Removal:						
Salaries and Wages	743,000.00	743,000.00	705,490.63		37,509.37	
Other Expenses	25,000.00	25,000.00	11,144.36		13,855.64	
Public Buildings and Grounds:						
Other Expenses	230,000.00	265,000.00	227,929.27	30,330.74	6,739.99	
Vehicle Maintenance:						
Salaries and Wages	101,000.00	101,000.00	97,408.34		3,591.66	
Other Expenses	300,000.00	250,000.00	219,538.60	21,562.20	8,899.20	
Lease/Purchase of Police Car(s)	215,000.00	215,000.00	64,356.50	150,643.50		
HEALTH AND HUMAN SERVICES FUNCTIONS						
Board of Health:						
Salaries and Wages	13,500.00	13,500.00	11,904.41		1,595.59	
Other Expenses	2,500.00	2,500.00	2,046.00		454.00	
County Health Program (C. 329, P.L. 1975)	73,038.00	73,038.00	72,968.47		69.53	
Office on Aging:						
Salaries and Wages	50,000.00	50,000.00	24,196.33		25,803.67	
Other Expenses	13,000.00	13,000.00	12,321.29	591.90	86.81	
Environmental Commission (N.J.S.A. 56A-1 et seq.):						
Other Expenses	20,000.00	20,000.00	9,456.31		10,543.69	
Animal Control:						
Salaries and Wages	5,000.00	5,000.00			5,000.00	
Other Expenses	10,000.00	10,000.00	1,906.83	471.98	7,621.19	
Municipal Alliance:						
Salaries and Wages	4,000.00	4,000.00	1,692.24		2,307.76	

See accompanying notes to financial statements

BOROUGH OF SOUTH RIVER
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
PARK AND RECREATION FUNCTIONS						
Board of Recreation Commissioners:						
Salaries and Wages	\$ 75,000.00	\$ 75,000.00	\$ 73,218.16		\$ 1,781.84	
Other Expenses	27,500.00	30,500.00	26,249.10		4,250.90	
Celebration of Public Events, Anniversary or Holiday:						
Fireworks	12,000.00	12,000.00	12,000.00			
Memorial Day Parade	750.00	750.00	750.00			
Senior Events	13,000.00	13,000.00	5,754.20	\$ 4,244.45	3,001.35	
Holiday Lighting	2,000.00	2,000.00	669.95	300.00	1,030.05	
Cultural Arts Heritage Commission (N.J.S.A. 40:33A-1 et seq.):						
Other Expenses	5,567.00	5,567.00	4,427.54	1,139.46		
Maintenance of Parks:						
Salaries and Wages	367,000.00	367,000.00	351,610.37		15,389.63	
Other Expenses	30,000.00	30,000.00	13,181.03	7,108.67	9,710.30	
UTILITY EXPENSES AND BULK PURCHASES						
Telephone	50,000.00	53,000.00	47,686.06	5,009.60	304.34	
Heat	50,000.00	50,000.00	28,553.37	6,496.28	14,950.35	
Gasoline, Lubricants and Oil	95,000.00	95,000.00	76,462.99	9,806.38	8,730.63	
Office Supplies	25,000.00	25,000.00	14,602.74	3,971.01	6,426.25	
Postage	25,000.00	25,000.00	18,076.21		6,923.79	
Sewer Department:						
Salaries and Wages	70,000.00	70,000.00	62,860.62		7,139.38	
Other Expenses	40,000.00	40,000.00	32,457.40	2,475.00	5,067.60	
Computer Maintenance Service Contract	80,000.00	90,000.00	80,613.25	4,597.98	4,788.77	
LANDFILL/SOLID WASTE DISPOSAL COSTS						
Sanitary Landfill - Contractual	600,000.00	600,000.00	529,051.54	55,000.00	15,948.46	
UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)						
Salaries and Wages	165,000.00	170,000.00	162,434.63		7,565.37	
Other Expenses	20,000.00	23,000.00	18,313.00	1,400.00	3,287.00	
Accumulated Absences	20,000.00	20,000.00	20,000.00			
Total Operations within "CAPS"	\$ 12,553,405.00	\$ 12,503,405.00	\$ 11,286,355.83	\$ 558,329.31	\$ 658,719.86	
CONTINGENT						
Total Operations Including Contingent - within "CAPS"	\$ 100,500.00	\$ 100,500.00		\$ 100,000.00	\$ 500.00	
Detail:						
Salaries and Wages	\$ 7,534,700.00	\$ 7,478,700.00	\$ 7,152,307.01		\$ 326,392.99	
Other Expenses (Including Contingent)	5,119,205.00	5,125,205.00	4,134,048.82	\$ 658,329.31	332,826.87	

See accompanying notes to financial statements

BOROUGH OF SOUTH RIVER
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"

Statutory Expenditures:

Contribution to:

Public Employees' Retirement System
Social Security System (O.A.S.I.)
Police & Firemen's Retirement System
Defined Contribution Retirement Plan

Total Deferred Charges and Statutory Expenditures - Expenditures - Municipal within "CAPS"

Total General Appropriations for Municipal Purposes within "CAPS"

OPERATIONS - EXCLUDED FROM "CAPS"

Other Operations - Excluded from "CAPS":

Sanitation:

County Sewerage Authority Contract
Operating and Maintenance
Debt Service
Deficit Prior Year
Maintenance of Free Public Library
Length of Service Award Program (LOSAP)

Total Other Operations - Excluded from "CAPS"

Interlocal Municipal Service Agreements:

Middlesex County Improvement Authority:

Recycling:

Other Expenses

Township of East Brunswick:

Emergency Medical Services
Radio Safety Communications System

Total Interlocal Municipal Service Agreements

	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Canceled
\$ 381,000.00	\$ 381,000.00	\$ 378,463.56			\$ 2,536.44	
303,000.00	303,000.00	289,861.76			13,138.24	
1,263,748.00	1,263,748.00	1,263,748.00				
6,000.00	6,000.00				6,000.00	
\$ 1,953,748.00	\$ 1,953,748.00	\$ 1,932,073.32			\$ 21,674.68	
\$ 14,607,653.00	\$ 14,557,653.00	\$ 13,218,429.15		\$ 658,329.31	\$ 680,894.54	
\$ 980,150.00	\$ 980,150.00	\$ 980,149.04			\$ 0.96	
471,638.00	471,638.00	471,637.52			0.48	
92,690.00	92,690.00	92,689.56			0.44	
669,520.00	669,520.00	652,381.68		\$ 17,138.32		
80,000.00	80,000.00			80,000.00		
\$ 2,293,998.00	\$ 2,293,998.00	\$ 2,196,857.80		\$ 97,138.32	\$ 1.88	
\$ 380,000.00	\$ 380,000.00	\$ 299,103.31		\$ 61,743.78	\$ 19,152.91	
24,000.00	24,000.00	24,000.00				
41,500.00	41,500.00	41,156.16			343.84	
\$ 445,500.00	\$ 445,500.00	\$ 364,259.47		\$ 61,743.78	\$ 19,496.75	

See accompanying notes to financial statements

BOROUGH OF SOUTH RIVER
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
OPERATIONS - EXCLUDED FROM "CAPS" (CONTINUED)						
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)						
Alcohol Education and Rehabilitation	\$ 1,427.74	\$ 37,577.92	\$ 37,577.92			
Body Armor Replacement Fund	2,867.56	1,427.74	1,427.74			
NJ Recycling Tonnage Grant		2,867.56	2,867.56			
County of Middlesex:		23,021.25	23,021.25			
Older Americans Act:						
Grant:						
Residential Maintenance	8,078.00	8,078.00	8,078.00			
Physical	5,000.00	5,000.00	5,000.00			
Socialization and Recreation	3,500.00	3,500.00	3,500.00			
Assisted Transportation	88,176.00	88,176.00	88,176.00			
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	4,533.57	4,533.57	4,533.57			
State of New Jersey Department of Community Affairs:						
Dailey Field Grant	75,000.00	75,000.00	75,000.00			
American Rescue Plan Firefighter Grant	75,000.00	75,000.00	75,000.00			
2024 Local Recreation Improvement Grant	79,000.00	79,000.00	79,000.00			
Green Acres Grant - Grekosi Park	554,250.00	554,250.00	554,250.00			
Middlesex County Swimming Lessons Grant	16,000.00	16,000.00	16,000.00			
Recycling Enhancement Grant	11,000.00	11,000.00	11,000.00			
Opioid Grant	8,040.25	34,667.17	34,667.17			
Matching Funds for Grants	10,000.00	10,000.00			\$ 10,000.00	
Total Public and Private Programs Offset by Revenues	\$ 434,195.12	\$ 1,185,671.21	\$ 1,175,671.21		\$ 10,000.00	
Total Operations - Excluded from "CAPS"	\$ 3,173,693.12	\$ 3,925,169.21	\$ 3,736,788.48	\$ 158,882.10	\$ 29,498.63	
Detail:						
Other Expenses	\$ 3,173,693.12	\$ 3,925,169.21	\$ 3,736,788.48	\$ 158,882.10	\$ 29,498.63	
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"						
Capital Improvement Fund						
Park/Field Improvements	\$ 120,000.00	\$ 120,000.00	\$ 120,000.00			
Road Improvements	300,000.00	350,000.00	249,856.61	\$ 86,139.51	\$ 14,003.88	
Purchase of a Firetruck	300,000.00	300,000.00	300,000.00			
Sewer System Improvements	600,000.00	600,000.00	600,000.00			
Recreation Building	100,000.00	100,000.00		24,500.00	75,500.00	
	100,000.00	100,000.00	10,136.75	6,663.25	83,200.00	
Total Capital Improvements Excluded from "CAPS"	\$ 1,520,000.00	\$ 1,570,000.00	\$ 1,279,993.36	\$ 117,302.76	\$ 172,703.88	

See accompanying notes to financial statements

BOROUGH OF SOUTH RIVER
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"

Payment of Bond Principal
Payment of Bond Anticipation Notes and Capital Notes
Interest on Bonds
Interest on Notes
United States Department of Agriculture:
Principal
Interest

Total Municipal Debt Service - Excluded from "CAPS"

Total General Appropriations for Municipal
Purposes Excluded from "CAPS"

Total General Appropriations - Excluded from "CAPS"

Subtotal General Appropriations

RESERVE FOR UNCOLLECTED TAXES

Total General Appropriations

Detail:

Budget as Adopted
Added by NJSA 40A:4-87

Analysis of Paid or Charged:

Transfer to Grant Fund
Match - Cash Disbursements
Reserve for Uncollected Taxes
Cash Disbursements
Less: Contra Receipts

	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Canceled
\$	725,000.00	\$ 725,000.00	\$ 725,000.00			
	630,000.00	630,000.00	630,000.00			
	183,407.00	183,407.00	183,406.26			\$ 0.74
	237,510.00	237,510.00	236,840.37			669.63
	268,077.00	268,077.00	268,076.08			0.92
	190,564.00	190,564.00	190,563.92			0.08
\$	2,234,558.00	\$ 2,234,558.00	\$ 2,233,886.63			\$ 671.37
\$	6,928,251.12	\$ 7,729,727.21	\$ 7,250,668.47	\$ 276,184.86	\$ 202,202.51	\$ 671.37
\$	6,928,251.12	\$ 7,729,727.21	\$ 7,250,668.47	\$ 276,184.86	\$ 202,202.51	\$ 671.37
\$	21,535,904.12	\$ 22,287,380.21	\$ 20,469,097.62	\$ 934,514.17	\$ 883,097.05	\$ 671.37
	940,000.00	940,000.00				
\$	22,475,904.12	\$ 23,227,380.21	\$ 21,409,097.62	\$ 934,514.17	\$ 883,097.05	\$ 671.37
		\$ 22,475,904.12				
		751,476.09				
		\$ 23,227,380.21				
		\$ 1,079,099.21				
		96,572.00	\$ 1,175,671.21			
			940,000.00			
		20,454,911.71				
		1,161,485.30	19,293,426.41			
			\$ 21,409,097.62			

See accompanying notes to financial statements

SCHEDULES

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

Year	Balance December 31, 2023	2024 Levy	Added Taxes	Collection 2023	2024	Due From State of New Jersey Chap. 20, P.L. 1971	Transferred to Tax Title Liens Receivable	Remitted and Canceled	Balance December 31, 2024
2023	\$ 474,852.40		\$ 8,022.43		\$ 473,133.16			\$ 9,741.67	
	\$ 474,852.40		\$ 8,022.43		\$ 473,133.16			\$ 9,741.67	
2024		\$ 38,750,733.42		\$ 225,530.12	38,038,931.72	\$ 59,500.00	\$ 14,006.92	24,284.35	\$ 388,480.31
	\$ 474,852.40	\$ 38,750,733.42	\$ 8,022.43	\$ 225,530.12	\$ 38,512,064.88	\$ 59,500.00	\$ 14,006.92	\$ 34,026.02	\$ 388,480.31

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

Collected in 2023	\$ 225,530.12
Collected in 2024	38,038,931.72
Senior Citizens & Veterans	59,500.00
Add:	38,323,961.84
Reserve for Uncollected Taxes	940,000.00
Less:	
Allocated to School	19,354,375.00
Allocated to County	7,280,611.80
	\$ 12,628,975.04

Analysis of Receipts from Delinquent Taxes - Revenue:

Collected in 2024	\$ 473,133.16
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BOROUGH OF SOUTH RIVER
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS
OF PROPERTY TAX LEVY

ANALYSIS OF PROPERTY TAX LEVY

Tax Yield:

General Purpose Tax	\$ 38,721,824.34
Added Taxes (54:63.1 et. seq.)	18,628.34
6% Penalty on Tax	<u>10,280.74</u>
	<u>\$ 38,750,733.42</u>

TAX LEVY

Local District School Tax:

Levy, School Year July 1, 2024 to June 30, 2025	\$ 19,354,375.00
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County Taxes:

County Tax	\$ 6,671,182.30
County Open Space Preservation Tax	605,926.17
County Added and Omitted Taxes (54:4-63.1 & 12 et. seq.)	<u>3,503.33</u>

Total County Taxes	<u>7,280,611.80</u>
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\$ 26,634,986.80

Local Tax for Municipal Purpose	\$ 11,421,773.18
Local Tax for Library Purpose	669,520.00
Add: Additional Tax Levied	<u>24,453.44</u>

Total Tax for Municipal Purpose	<u>12,115,746.62</u>
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\$ 38,750,733.42

DETAIL OF PRIOR YEAR ADDED TAXES

Added and Omitted	\$ 6,051.89
Senior Citizens' Deductions Disallowed	<u>1,970.54</u>
	<u>\$ 8,022.43</u>

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

<u>BALANCE, DECEMBER 31, 2023</u>	\$ 246,065.86
<u>INCREASED BY</u>	
Transferred from Taxes Receivable	<u>14,006.92</u>
<u>BALANCE, DECEMBER 31, 2024</u>	<u>\$ 260,072.78</u>

BOROUGH OF SOUTH RIVER
CURRENT FUND
SCHEDULE OF 2023 APPROPRIATION RESERVES

	Balance December 31, 2023		Balance After Transfers	Paid or Charged	Balance Lapsed
	Appropriation Reserves	Reserve for Encumbrances			
Salaries and Wages:					
Operations - Within "CAPS":					
General Administration	\$ 7,590.68	\$	7,590.68		\$ 7,590.68
Communication and Technology	0.10		0.10		0.10
Mayor and Council	0.20		0.20		0.20
Borough Clerk	1,299.83		1,299.83		1,299.83
Elections	1,000.00		1,000.00		1,000.00
Financial Administration	6,140.98		6,140.98		6,140.98
Collection of Taxes	1,863.00		1,863.00		1,863.00
Assessment of Taxes	425.92		425.92		425.92
Board of Adjustment	904.00		904.00		904.00
Police	65,184.44		65,184.44		65,184.44
Special Police	1,154.29		1,154.29		1,154.29
School Guards	19,238.69		19,238.69		16,752.33
Police Dispatch/911	22,425.66		22,425.66	\$ 2,486.36	22,425.66
Code Enforcement	11,546.30		11,546.30		11,546.30
Municipal Court	16,407.89		16,407.89		16,407.89
Road Repairs and Maintenance	40,295.31		40,295.31		40,295.31
Garbage and Trash Removal	47,499.29		47,499.29		47,499.29
Vehicle Maintenance	3,012.58		3,012.58		3,012.58
Board of Health	324.30		324.30		324.30
Office on Aging	15,296.22		15,296.22		15,296.22
Animal Control	10,000.00		10,000.00		10,000.00
Municipal Alliance	0.16		0.16		0.16
Board of Recreation Commissioners	12,141.04		12,141.04		12,141.04
Maintenance of Parks	1,515.38		1,515.38		1,515.38
Sewer Department	2,775.57		2,775.57		2,775.57
Uniform Construction Code - Appropriations					
Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)	12,368.54		12,368.54		12,368.54
Total Salaries and Wages	\$ 300,410.37	\$	\$ 300,410.37	\$ 2,486.36	\$ 297,924.01

BOROUGH OF SOUTH RIVER
CURRENT FUND
SCHEDULE OF 2023 APPROPRIATION RESERVES

	Balance		Balance		Paid or Charged	Balance Lapsed
	December 31, 2023	Reserve for Encumbrances	After Transfers			
	Appropriation Reserves					
Other Expenses:						
Operations - Within "CAPS":						
General Administration:						
Other Expenses	\$ 1,894.47	\$ 355.99	\$ 2,250.46	\$ 1,091.43	\$ 1,159.03	
Cable Television	7,918.86		7,918.86		7,918.86	
Communication and Technology	1,411.24		1,411.24		1,411.24	
Human Resources	1,693.49	18,000.00	19,693.49	15,483.54	4,209.95	
Mayor and Council	4,839.51	167.00	5,006.51	167.00	4,839.51	
Borough Clerk:						
Other Expenses	4,318.42	349.63	4,668.05	322.33	4,345.72	
Codification of Ordinances	7,303.06		7,303.06		7,303.06	
Elections	181.29	1,800.00	1,981.29	1,800.00	181.29	
Financial Administration	756.40	7,599.00	8,355.40	5,855.40	2,500.00	
Audit Services	1,600.00	33,400.00	35,000.00	33,400.00	1,600.00	
Collection of Taxes	2,663.16		2,663.16	2,663.16		
Assessment of Taxes	5,839.48	957.00	6,796.48	957.00	5,839.48	
Legal Services	16,419.22	9,596.50	26,015.72	9,596.50	16,419.22	
Engineering Services and Costs	1,653.00	29,439.39	31,092.39	28,149.50	2,942.89	
Economic Development Commission	26,500.00		26,500.00		26,500.00	
Redevelopment	20,000.00		20,000.00		20,000.00	
Green Team Commission	749.76	120.00	869.76	120.00	749.76	
Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.):-						
Planning Board	3,102.14	1,400.00	4,502.14	800.00	3,702.14	
Board of Adjustment	9,481.25	2,400.00	11,881.25	2,400.00	9,481.25	
Insurance:						
Liability Insurance	6,644.11		6,644.11		6,644.11	
Workers' Compensation	0.50		0.50		0.50	
Group Health Benefits	31,649.05	43,727.40	75,376.45	44,716.80	30,659.65	
Health Benefit Waiver	3,146.10		3,146.10		3,146.10	
Police	2,363.90	13,070.47	15,434.37	12,637.27	2,797.10	
Special Police	6,253.65	3,642.35	9,896.00	3,642.35	6,253.65	
School Guards	2,164.81	449.14	2,613.95	449.14	2,164.81	
Juvenile Conference Committee	500.00		500.00		500.00	
Police Dispatch - 911	924.48	1,255.95	2,180.43	1,255.95	924.48	
Office of Emergency Management	1,779.56		1,779.56		1,779.56	
Aid to Volunteer Fire Companies						
Other Expenses	824.38	14,611.27	15,435.65	14,837.01	598.64	
Code Enforcement	1,845.59	157.96	2,003.55	157.96	1,845.59	

BOROUGH OF SOUTH RIVER
CURRENT FUND
SCHEDULE OF 2023 APPROPRIATION RESERVES

	Balance December 31, 2023		Balance After Transfers	Paid or Charged	Balance Lapsed
	Appropriation Reserves	Reserve for Encumbrances			
Other Expenses (Continued):					
Operations - Within "CAPS" (Continued):					
Municipal Court	\$ 1,864.71	\$ 863.86	\$ 2,728.57	\$ 1,411.11	\$ 1,317.46
Public Defender (P.L. 1997, C.256)	250.00		250.00		250.00
Road Repairs and Maintenance	66,292.53	8,565.28	74,857.81	2,357.68	72,500.13
Garbage and Trash Removal	13,283.60		13,283.60		13,283.60
Public Buildings and Grounds	1,067.61	17,397.46	18,465.07	18,377.17	87.90
Vehicle Maintenance:					
Other Expenses	53,213.18	79,385.79	132,598.97	93,812.80	38,786.17
Lease/Purchase of a Police Car(s)		32,173.89	32,173.89	32,173.89	
Board of Health					
Other Expenses	5.44		5.44		5.44
County Health Program (C.329, P.L.1975)	0.28		0.28		0.28
Office on Aging	2,170.25	375.78	2,546.03	716.99	1,829.04
Environmental Commission (N.J.S.A. 56A-1 et seq.)	13,518.03	533.20	14,051.23	533.20	13,518.03
Animal Control	13,746.65	25.03	13,771.68	515.03	13,256.65
Board of Recreation Commissioners	13.13	502.91	516.04	502.91	13.13
Celebration of Public Events, Anniversary or Holiday:					
Fireworks	500.00		500.00		500.00
Senior Events	3,175.79	30.00	3,205.79	47.81	3,157.98
Holiday Lighting	6.71		6.71		6.71
Cultural Arts Heritage Commission (N.J.S.A. 40:33A-1 et seq.)		1,967.10	1,967.10	1,967.10	12,796.07
Maintenance of Parks	13,271.07		13,271.07	475.00	1,362.87
Telephone	1,357.50	4,165.58	5,523.08	4,160.21	45,636.82
Heat	46,253.06	4,509.30	50,762.36	5,125.54	9,109.02
Gasoline, Lubricants and Oil	7,085.30	11,444.28	18,529.58	9,420.56	5,214.17
Office Supplies	5,214.17	3,839.58	9,053.75	3,839.58	5,279.32
Postage	5,279.32		5,279.32		16,531.26
Sewer Department	23,009.48	28,967.79	51,977.27	35,446.01	20,377.18
Computer Maintenance Service Contract	20,560.51	4,774.58	25,335.09	4,957.91	41,052.22
Sanitary Landfill - Contractual	31,410.81	103,176.23	134,587.04	93,534.82	
Uniform Construction Code - Appropriations Offset by					
Dedicated Revenues (N.J.A.C. 5:23-4.17)	8,498.01	1,510.00	10,008.01	1,310.00	8,698.01
Contingent	500.00		500.00		500.00

BOROUGH OF SOUTH RIVER
CURRENT FUND
SCHEDULE OF 2023 APPROPRIATION RESERVES

	Appropriation Reserves	December 31, 2023 Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Balance Lapsed
Other Expenses (Continued):					
Operations - Within "CAPS" (Continued):					
Deferred Charges And Statutory Expenditures - Municipal Within "CAPS":					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	\$ 2,555.00	\$	2,555.00	\$ 1,673.13	\$ 881.87
Social Security System (O.A.S.I.)	16,131.07		16,131.07		16,131.07
Defined Contribution Retirement Plan	6,000.00		6,000.00		6,000.00
Operations - Excluded from "CAPS":					
Other Operations - Excluded from "CAPS":					
Sanitation:					
County Sewerage Authority Contract	1.37		1.37		1.37
Maintenance of Free Public Library		\$ 40,110.89	40,110.89	40,110.89	
Length of Service Award Program (LOSAP)		80,000.00	80,000.00	52,500.00	27,500.00
Interlocal Municipal Service Agreements:					
Middlesex County Improvement Authority:					
Recycling	23,757.79	60,014.79	83,772.58	58,251.42	25,521.16
East Brunswick - Radio Safety Communication System	343.84		343.84		343.84
Public and Private Programs Offset by Revenues:					
Matching Funds for Grants	32,000.00		32,000.00		32,000.00
Capital Improvements - Excluded from "CAPS":					
Park Improvements	22,808.00		22,808.00		22,808.00
Computer Upgrades	50,000.00		50,000.00		50,000.00
Total Other Expenses	\$ 661,565.09	\$ 666,832.37	\$ 1,328,397.46	\$ 643,723.10	\$ 684,674.36
Grand Total	\$ 961,975.46	\$ 666,832.37	\$ 1,628,807.83	\$ 646,209.46	\$ 982,598.37

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

BALANCE, DECEMBER 31, 2023

Payable	\$ 1,586,002.00	
Deferred School Taxes	7,559,686.00	\$ 9,145,688.00

INCREASED BY

Levy, School Year July 1, 2024 to June 30, 2025		19,354,375.00
		\$ 28,500,063.00

DECREASED BY

Cash Disbursed		19,112,180.00
----------------	--	---------------

BALANCE, DECEMBER 31, 2024

Payable	\$ 1,828,197.00	
Deferred School Taxes	7,559,686.00	\$ 9,387,883.00

2024 LIABILITY FOR LOCAL DISTRICT SCHOOL TAX

2024 School Taxes Paid		\$ 19,112,180.00
Less: School Taxes Payable, December 31, 2023		1,586,002.00

		\$ 17,526,178.00
--	--	------------------

Add: School Taxes Payable, December 31, 2024		1,828,197.00
--	--	--------------

<u>AMOUNT CHARGED TO OPERATIONS</u>		<u>\$ 19,354,375.00</u>
--	--	--------------------------------

BOROUGH OF SOUTH RIVER
CURRENT FUND
SCHEDULE OF VARIOUS RESERVES

	Balance December 31, <u>2023</u>	<u>Decreased by</u>	Balance December 31, <u>2024</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	\$ 3,639.00	200.80
Municipal Relief Fund Aid	<u>86,082.75</u>	<u>86,082.75</u>	
	<u>\$ 316,518.00</u>	<u>\$ 89,721.75</u>	<u>\$ 226,796.25</u>
Detail:			
Cash Disbursements		\$ 3,639.00	
Transfer to Miscellaneous Anticipated Revenue		<u>86,082.75</u>	
		<u>\$ 89,721.75</u>	

BOROUGH OF SOUTH RIVER
GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE

	Balance December 31, 2023	2024 Budget Revenue Realized	Cash Received	Decreased by Transfer from Unappropriated Reserve	Canceled	Balance December 31, 2024
Federal:						
County of Middlesex:						
Office on Aging Grant:						
Physical:						
2024		5,000.00	3,550.00			\$ 1,450.00
2023	\$ 740.00		740.00			
Residential Maintenance:						
2024		8,078.00	1,836.00			6,242.00
2023	7,180.00		7,180.00			
Information and Assistance:						
2024		10,000.00	7,500.00			2,500.00
2023	1,591.00		1,591.00			
Assisted Transportation:						
2024		88,176.00	72,519.00			15,657.00
2023	4,515.00		4,515.00			
Socialization and Recreation						
2024		3,500.00	1,271.00			2,229.00
2023	839.00		839.00			
Mental Health						
2024		50,000.00	35,387.00			14,613.00
2023	21,998.00		10,608.00		\$ 11,390.00	
Bulletproof Vest Partnership	5,819.25	4,533.57	3,757.50		2,061.75	4,533.57
	\$ 42,682.25	\$ 169,287.57	\$ 151,293.50		\$ 13,451.75	\$ 47,224.57
State:						
Alcohol Education and Rehabilitation Program						
State of New Jersey - Department of Community Affairs:						
Dalley Field Grant		1,427.74		1,427.74		
American Rescue Plan Firefighter Grant		75,000.00	56,250.00			\$ 18,750.00
2024 Local Recreation Improvement Grant		75,000.00				75,000.00
State of New Jersey - Department of Environmental Protection:						
Green Acres Grant - Grekosi Park		554,250.00				554,250.00
Clean Communities Program		37,577.92	37,557.92	2,867.56	\$ 20.00	
Body Armor Replacement Fund		2,867.56				
Recycling Tonnage Grant		23,021.25	23,021.25			
NJDEP-Stormwater Assistant Grant						
State of New Jersey - Department of Law and Public Safety:						
Body Worn Camera Grant	10,000.00					10,000.00
	17,526.80					17,526.80
	\$ 27,526.80	\$ 848,144.47	\$ 116,829.17	\$ 4,295.30	\$ 20.00	\$ 754,526.80
Local:						
Recycling Enhancement Grant						
Middlesex County Swimming Lessons Pilot Program Grant		11,000.00	10,775.00			\$ 225.00
Optoid Settlement		16,000.00				16,000.00
		34,667.17	26,626.92	8,040.25		
		\$ 61,667.17	\$ 37,401.92	8,040.25		16,225.00
	\$ 70,209.05	\$ 1,079,099.21	\$ 305,524.59	\$ 12,335.55	\$ 13,471.75	\$ 817,976.37
Detail:						
Adopted Budget		327,623.12				
Added by NJSA 40A-4-87		751,476.09				
		\$ 1,079,099.21				

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BOROUGH OF SOUTH RIVER
GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES

	Balance December 31, 2023	Transferred from 2024 Budget		Appropriation by 40A:4-87	Paid or Charged		Balance December 31, 2024
		Budget	Appropriations		Cash Disbursed	Reserve for Encumbrances/ (Canceled)	
State: (Continued)							
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				49.97		
2021	916.89						\$ 1,194.98
2024		\$ 1,427.74					916.89
Lead Grant Assistance Program	20,300.00						1,427.74
State of New Jersey - Department of Community Affairs:							20,300.00
Dailey Field Grant		75,000.00			75,000.00		
American Rescue Plan Firefighter Grant		75,000.00			56,425.85	\$ 18,574.15	
2024 Local Recreation Improvement Grant			\$ 79,000.00				79,000.00
State of New Jersey - Department of Environmental Protection:							
Green Acres - Grekoski Park			554,250.00			7,500.00	546,750.00
State of New Jersey - Department of Law and Public Safety:							
Body Worn Camera Grant	901.10						901.10
Local:							
Recycling Enhancement Grant	\$ 57,733.55	\$ 154,295.30	\$ 693,849.17	\$	190,448.93	\$ 37,170.23	\$ 678,238.86
Middlesex County Swimming Lessons Pilot Program Grant				\$			
Opioid Settlement	\$ 14,834.52	\$ 8,040.25	\$ 11,000.00	\$	10,775.00		\$ 225.00
			16,000.00		8,486.40		7,513.60
			26,626.92		4,950.00		44,551.69
	14,834.52	8,040.25	53,626.92	\$	24,211.40		52,290.29
	\$ 94,689.14	\$ 424,195.12	\$ 751,476.09	\$	464,722.09	\$ 22,141.07	\$ 740,158.60
Detail:							
Grant	\$ 327,623.12						
Match	96,572.00						
	\$ 424,195.12						

BOROUGH OF SOUTH RIVER
GRANT FUND
SCHEDULE OF UNAPPROPRIATED RESERVES

	Balance December 31, <u>2023</u>	Transferred to 2024 Budget <u>Appropriations</u>	<u>Received</u>	Balance December 31, <u>2024</u>
State:				
Municipal Alcohol Education and Rehabilitation	\$ 1,427.74	\$ 1,427.74		
Opioid Settlement	8,040.25	8,040.25	\$ 17,822.83	\$ 17,822.83
Body Armor Replacement Fund	<u>2,867.56</u>	<u>2,867.56</u>	<u>2,983.51</u>	<u>2,983.51</u>
	<u>\$ 12,335.55</u>	<u>\$ 12,335.55</u>	<u>\$ 20,806.34</u>	<u>\$ 20,806.34</u>

TRUST AND AGENCY FUNDS

STATEMENTS

BOROUGH OF SOUTH RIVER
TRUST AND AGENCY FUNDS
**COMBINED COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE -
REGULATORY BASIS**
AS OF DECEMBER 31, 2024 AND 2023

	Payroll Fund		Animal Control		Trust Other Fund #1		Trust Other Fund #2		Tax Title Lien Premium	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
ASSETS										
Cash and Cash Equivalents	\$ 3,298.39	\$ 3,931.44	\$ 14,360.40	\$ 11,486.00	\$ 425,970.59	\$ 869,116.01	\$ 1,123,874.39	\$ 649,913.80	\$ 603,801.97	\$ 766,547.91
Amount Held by Plan Administrator (Unaudited)										
Accounts Receivable							194.00	42.00		
Due from Municipal Court							2,818.29	1,438.29		
Due from Vendor										
Total Assets	\$ 3,298.39	\$ 3,931.44	\$ 14,360.40	\$ 11,486.00	\$ 425,970.59	\$ 869,116.01	\$ 1,126,886.68	\$ 651,394.09	\$ 603,801.97	\$ 766,547.91
LIABILITIES, RESERVES AND FUND BALANCE										
Due to Vendor	\$ 3,298.39	\$ 3,931.44	\$ 13.80	\$ 5.40			\$ 25,077.69	\$ 25,077.69		
Payroll Deductions Payable			14,346.60	11,480.60	\$ 425,372.37	\$ 868,517.79	1,101,808.99	622,034.55	\$ 603,801.97	\$ 766,547.91
Due to State of New Jersey Reserves			\$ 14,360.40	\$ 11,486.00	\$ 425,372.37	\$ 868,517.79	\$ 1,126,886.68	\$ 647,112.24	\$ 603,801.97	\$ 766,547.91
Fund Balance					598.22	598.22		4,281.85		
Total Liabilities, Reserves and Fund Balance	\$ 3,298.39	\$ 3,931.44	\$ 14,360.40	\$ 11,486.00	\$ 425,970.59	\$ 869,116.01	\$ 1,126,886.68	\$ 651,394.09	\$ 603,801.97	\$ 766,547.91

See accompanying notes to financial statements

**BOROUGH OF SOUTH RIVER
TRUST AND AGENCY FUNDS
COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE -
REGULATORY BASIS
AS OF DECEMBER 31, 2024 AND 2023**

	Length of Service Awards (Unaudited)		Law Enforcement		Electric Consumer Deposits		Unemployment		Bond and Coupon		Totals (Memorandum Only)	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
ASSETS												
Cash and Cash Equivalents												
Amount Held by Plan Administrator (Unaudited)	\$ 2,005,113.69	\$ 1,694,308.07										
Accounts Receivable	52,500.00	52,500.00										
Due from Municipal Court												
Due from Vendor												
Total Assets	\$ 2,057,613.69	\$ 1,746,808.07	\$ 19,545.68	\$ 27,648.94	\$ 648,277.21	\$ 617,917.40	\$ 164,027.03	\$ 194,612.06	\$ 1,970.25	\$ 3,005,125.91	\$ 3,143,143.81	
LIABILITIES, RESERVES AND FUND BALANCE												
Due to Vendor												
Payroll Deductions Payable												
Due to State of New Jersey	\$ 2,057,613.69	\$ 1,746,808.07	\$ 19,545.68	\$ 27,648.94	\$ 648,277.21	\$ 617,917.40	\$ 164,027.03	\$ 194,612.06	\$ 1,970.25	\$ 5,036,763.79	\$ 4,857,537.57	
Reserves												
Fund Balance	\$ 2,057,613.69	\$ 1,746,808.07	\$ 19,545.68	\$ 27,648.94	\$ 648,277.21	\$ 617,917.40	\$ 164,027.03	\$ 194,612.06	\$ 1,970.25	\$ 5,065,153.67	\$ 4,886,552.10	
Total Liabilities, Reserves and Fund Balance	\$ 2,057,613.69	\$ 1,746,808.07	\$ 19,545.68	\$ 27,648.94	\$ 648,277.21	\$ 617,917.40	\$ 164,027.03	\$ 194,612.06	\$ 1,970.25	\$ 5,065,751.89	\$ 4,891,432.17	

See accompanying notes to financial statements

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

	<u>Trust Other Fund #1</u>	<u>Trust Other Fund #2</u>	<u>Total</u>
<u>BALANCE, DECEMBER 31, 2023</u>	\$ 598.22	\$ 4,281.85	\$ 4,880.07
<u>DECREASED BY</u>			
Transferred to Current Fund as Anticipated Revenue	<u> </u>	<u>4,281.85</u>	<u>4,281.85</u>
<u>BALANCE, DECEMBER 31, 2024</u>	<u>\$ 598.22</u>	<u> </u>	<u>\$ 598.22</u>

See accompanying notes to financial statements

SCHEDULES

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

	Balance December 31, 2023	Increased by	Decreased by	Balance December 31, 2024
Reserve for:				
Deposits and Performance Bonds	\$ 137,434.31	\$ 31,604.13	\$ 76,257.89	\$ 92,780.55
Engineering Inspection Fees	4,495.90			4,495.90
Street Opening Deposits	28,467.00	1,000.00	1,000.00	28,467.00
Developer's Escrow	271,989.79	157,263.90	136,874.81	292,378.88
Dumpster Permits	6,850.00	1,400.04	1,000.00	7,250.04
Affordable Housing	419,280.79	45.83	419,326.62	
	<u>\$ 868,517.79</u>	<u>\$ 191,313.90</u>	<u>\$ 634,459.32</u>	<u>\$ 425,372.37</u>

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

	Balance December 31, 2023	Increased by	Decreased by	Balance December 31, 2024
Reserve for:				
ABC License - Buy Back	\$ 124,607.00			\$ 124,607.00
Recreation Commission (Per N.J.S.A. 40A:4-39)	30,903.89	\$ 116,728.26	\$ 94,395.56	53,236.59
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)	7,943.49	656.00	278.88	8,320.61
Shade Tree	30,399.60	22,500.00		52,899.60
Senior Program	30,525.55	11,246.73	8,103.74	33,668.54
Older Americans Act - Donations	3,077.27	212.00	6.00	3,283.27
Off Duty Police Services	560.00	216,614.16	216,716.48	457.68
Fire Prevention - Code Deposit	3,128.00			3,128.00
Fire Department - Code Deposit	2,282.00	1,250.00		3,532.00
Municipal Alliance Donations	13,348.83	100.00		13,448.83
Public Defender Fees	18,743.85	2,810.00	8,000.00	13,553.85
Cultural Arts Commission	21,168.03	2,050.00	1,089.82	22,128.21
Special Events	10,855.18	6,275.00	6,313.29	10,816.89
September 11, 2001 Memorial	5,640.72			5,640.72
Board of Health Donations	177,507.59	23,885.37	21,784.05	179,608.91
Accumulated Absences	64,239.86	35,000.00	30,000.00	69,239.86
Affordable Housing		419,326.62		419,326.62
Developer's Escrow	76,626.86	28,602.07	20,793.95	84,434.98
	\$ 622,034.55	\$ 887,256.21	\$ 407,481.77	\$ 1,101,808.99

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

<u>BALANCE, DECEMBER 31, 2023</u>		\$ 11,480.60
<u>INCREASED BY</u>		
Dog License Fees - Borough Share	\$ 8,065.40	
Cat License Fees - Borough Share	445.00	
Late Fees and Other Charges	<u>3,467.00</u>	<u>11,977.40</u>
		\$ 23,458.00
<u>DECREASED BY</u>		
Expenditures	\$ 8,674.22	
Statutory Excess Due to Current Fund	<u>437.18</u>	<u>9,111.40</u>
<u>BALANCE, DECEMBER 31, 2024</u>		<u>\$ 14,346.60</u>

BOROUGH LICENSE FEES COLLECTED

<u>Year</u>	<u>Amount</u>
2022	\$ 7,586.40
2023	<u>6,760.20</u>
	<u>\$ 14,346.60</u>

AUDITOR'S NOTE:

R.S. 4:19-15.11

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

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

	Balance December 31, 2023	Increased by Borough's Share	Payroll Deductions	Decreased by Disbursements	Balance December 31, 2024
Federal Withholding Tax			\$ 1,135,561.95	\$ 1,135,561.95	
FICA and Medicare		\$ 516,976.62	517,866.12	1,034,842.74	
State of New Jersey Withholding Tax			439,466.93	439,466.93	
Public Employees Retirement System			336,593.97	336,825.72	
PERS Back Deduction	\$ 231.75		6,837.87	6,837.87	
PERS Loan			116,885.70	116,885.70	
PERS Contributory Group Insurance	15.45		22,445.05	22,460.50	
PERS Back Contributory Group Insurance			462.06	462.06	
Police and Firemen's Retirement System			379,112.04	379,112.04	
PFRS Back Deductions			935.00	935.00	
PFRS Loan			57,695.01	57,695.01	
D.C.R.P. Investment	151.20		9.17	160.37	
State Unemployment Tax			22,250.34	22,250.34	
Family Leave Insurance			9,281.15	9,281.15	
Superior Officer Association Dues			10,800.00	10,800.00	
Police Benevolent Association Dues			27,000.00	27,000.00	
AFL/CIO Dues			4,317.95	4,317.95	
I.B.E.W.			7,092.00	7,092.00	
IUJUT Dues			12,267.50	12,267.50	
Garnishment			55,276.82	55,276.82	
Employee Health Benefit Contribution			482,185.13	482,185.13	
Disability	3,533.04		39,823.52	40,058.17	\$ 3,298.39
Employee Dental/Disability Benefit Contribution			61,734.35	61,734.35	
Flexible Spending Account			1,750.32	1,750.32	
Deferred Compensation			118,689.67	118,689.67	
	\$ 3,931.44	\$ 516,976.62	\$ 3,866,339.62	\$ 4,383,949.29	\$ 3,298.39

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

<u>BALANCE, DECEMBER 31, 2023</u>		\$ 194,612.06
<u>INCREASED BY</u>		
Due from Current Fund	\$ 10,000.00	
Due from Electric Utility Operating Fund	5,000.00	
Due from Water Utility Operating Fund	2,000.00	
Employees Contribution	15,705.62	
Interest Earned - Retained	<u>8,838.49</u>	<u>41,544.11</u>
		\$ 236,156.17
<u>DECREASED BY</u>		
Unemployment Compensation Paid		<u>72,129.14</u>
<u>BALANCE, DECEMBER 31, 2024</u>		<u>\$ 164,027.03</u>

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

<u>BALANCE, DECEMBER 31, 2023</u>		\$	617,917.40
<u>INCREASED BY</u>			
Deposits	\$	58,300.00	
Interest Earned - Retained		29,455.28	
Cancellation of Outstanding Checks		<u>3,124.12</u>	<u>90,879.40</u>
		\$	708,796.80
<u>DECREASED BY</u>			
Refunded			<u>60,519.59</u>
<u>BALANCE, DECEMBER 31, 2024</u>		\$	<u><u>648,277.21</u></u>

BOROUGH OF SOUTH RIVER
TRUST OTHER FUND
SCHEDULE OF RESERVE FOR
LAW ENFORCEMENT TRUST FUND

<u>BALANCE, DECEMBER 31, 2023</u>		\$	27,648.94
<u>INCREASED BY</u>			
Funds Received	\$	1,474.85	
Interest Earned - Retained		<u>1,025.94</u>	<u>2,500.79</u>
			\$ 30,149.73
<u>DECREASED BY</u>			
Expenditures			<u>10,604.05</u>
<u>BALANCE, DECEMBER 31, 2024</u>		\$	<u><u>19,545.68</u></u>

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

<u>BALANCE, DECEMBER 31, 2023</u>	\$ 766,547.91
<u>INCREASED BY</u>	
Cash Received	<u>223,600.00</u>
	\$ 990,147.91
<u>DECREASED BY</u>	
Refunded	<u>386,345.94</u>
<u>BALANCE, DECEMBER 31, 2024</u>	\$ <u><u>603,801.97</u></u>

BOROUGH OF SOUTH RIVER
TRUST OTHER FUND
SCHEDULE OF RESERVE FOR
BOND AND COUPON

<u>BALANCE, DECEMBER 31, 2023</u>	\$	1,970.25
<u>INCREASED BY</u>		
Interest Earned		<u>91.48</u>
	\$	2,061.73
<u>DECREASED BY</u>		
Due to Current Fund		<u>91.48</u>
<u>BALANCE, DECEMBER 31, 2024</u>	\$	<u><u>1,970.25</u></u>

GENERAL CAPITAL FUND

STATEMENTS

BOROUGH OF SOUTH RIVER
GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
AS OF DECEMBER 31, 2024 AND 2023

	Balance December 31, <u>2024</u>	Balance December 31, <u>2023</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ <u>2,247,403.48</u>	\$ <u>1,439,580.83</u>
Intergovernmental Accounts Receivable	\$ <u>1,959,675.81</u>	\$ <u>1,327,626.75</u>
Deferred Charges to Future Taxation:		
Funded	\$ 14,972,603.80	\$ 15,965,679.88
Unfunded	<u>9,949,270.59</u>	<u>8,937,700.76</u>
	\$ <u>24,921,874.39</u>	\$ <u>24,903,380.64</u>
Total Assets	\$ <u><u>29,128,953.68</u></u>	\$ <u><u>27,670,588.22</u></u>

See accompanying notes to financial statements

BOROUGH OF SOUTH RIVER
GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
AS OF DECEMBER 31, 2024 AND 2023

	Balance December 31, <u>2024</u>	Balance December 31, <u>2023</u>
<u>LIABILITIES, RESERVES AND</u> <u>FUND BALANCE</u>		
Serial Bonds	\$ 7,150,000.00	\$ 7,875,000.00
Bond Anticipation Notes	\$ 6,071,000.00	\$ 5,278,000.00
USDA Loan Payable	\$ 7,822,603.80	\$ 8,090,679.88
Other Liabilities and Reserves:		
Capital Improvement Fund	\$ 56,889.89	\$ 25,068.89
Reserve for Encumbrances	3,240,137.25	1,078,569.60
Reserve for Road Improvements, Appropriated		150,000.00
Reserve for Park Improvements, Appropriated	100,000.00	
	<u>\$ 3,397,027.14</u>	<u>\$ 1,253,638.49</u>
Improvement Authorizations:		
Funded	\$ 361,231.67	\$ 1,093,036.89
Unfunded	4,091,886.19	3,796,515.66
	<u>\$ 4,453,117.86</u>	<u>\$ 4,889,552.55</u>
Fund Balance	\$ 235,204.88	\$ 283,717.30
Total Liabilities, Reserves and Fund Balance	<u>\$ 29,128,953.68</u>	<u>\$ 27,670,588.22</u>

There were Bonds and Notes Authorized but not Issued of \$3,878,270.59 at December 31, 2024.

See accompanying notes to financial statements

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

<u>BALANCE, DECEMBER 31, 2023</u>		\$ 283,717.30
<u>INCREASED BY</u>		
Premium on Sale of Bond Anticipation Notes	\$ 50,389.26	
Miscellaneous	<u>1,098.32</u>	
		<u>51,487.58</u>
		\$ 335,204.88
<u>DECREASED BY</u>		
Transferred to Current Fund as Anticipated Revenue		<u>100,000.00</u>
<u>BALANCE, DECEMBER 31, 2024</u>		<u>\$ 235,204.88</u>

See accompanying notes to financial statements

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

	Balance December 31, 2023	Receipts		Disbursements		Transfer		Balance December 31, 2024
		Bond Anticipation Notes Issued	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	
Fund Balance	\$ 283,717.30	\$	\$ 51,487.58	\$	\$ 100,000.00	\$ 88,179.00	\$	235,204.88
Capital Improvement Fund	25,068.89		120,000.00			1,762.30	\$ 4,372,008.53	56,889.89
Reserve for Encumbrances	1,078,569.60				2,208,678.58	82,841.00		3,240,137.25
Due from County of Middlesex HCD	(95,290.81)		81,841.00			1,181,980.00	93,086.33	(96,290.81)
Due from NJDOT	(1,232,335.94)		457,844.61		60,002.52	900,000.00		(1,863,585.00)
Due to/(from) Current Fund			960,002.52			150,000.00		
Reserve for Road Improvements, Appropriated	150,000.00		100,000.00					100,000.00
Reserve for Park Improvements, Appropriated								
Improvement Authorizations:								
Ordinance Number	Description							
08-25/08-46	Acquisition of Various Equipment, Road and Drainage Improvements and Various Other Improvements					92,032.92		1,029.08
12-30	Rehabilitation of the Jackson Street and William Street Pump Stations and Human Resource Building			\$ 172.37		45.68		1,213.61
14-14/14-26	Various 2014 Road Improvements							3,927.20
14-30/15-03	Acquisition of Various Capital Equipment							2,759.98
15-10/16-23/ 17-03/18-16	Construction of a New Firehouse			159.48		68.04	762.30	19,869.58
15-18	Acquisition of Various Capital Equipment			81.72		31.52		1,227.51
16-07	Acquisition of Various Capital Equipment and Improvements							(260.36)
17-10	Various Capital Improvements			48.95		20.50		951.48
18-08	Various Federal Housing and Community Development Grant Improvements							2,373.81
18-23	Various Capital Improvements			338.53		146.48		47,563.94

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

Ordinance Number	Description	Balance December 31, 2023	Receipts		Disbursements		Transfer		Balance December 31, 2024
			Bond Anticipation Notes Issued	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	
18-26/19-02	Various Capital Improvements for Main Street	\$ 5,427.84			\$ 193.73		\$ 83.79		\$ 5,150.32
19-09	Acquisition of Various Capital Equipment and Improvements	33,762.91			1,475.45		11,470.20		20,817.26
20-24	Various Capital Improvements	12,194.29	\$ 74,000.00		1,309.72		47,865.82		37,018.75
20-32	Various Capital Improvements and Acquisition of a New Firetruck	1,045.00					1,045.00		
21-10	Various Capital Improvements and the Acquisition of Various Capital Equipment	1,918.06	50,000.00		2,663.77		36,714.25		12,540.04
21-16	Roof Replacement for Municipal Buildings	9,241.78			385.49		10,361.59		(1,505.30)
22-09	Various Capital Improvements and the Acquisition of Various Capital Equipment	(29,810.40)	100,000.00	5,430.17	12,100.08		57,736.69		5,783.00
22-15	Various Federal Housing and Community Development Grant Improvements	11,076.00					11,076.00		
22-22	Various Capital Improvements and the Acquisition of Various Capital Equipment	32,118.69			1,017.52		2,595.83	\$ 63,863.63	92,368.97
22-37	Various Federal Housing and Community Development Grant Improvements	81,841.00					81,841.00		
23-16	Various Sewer System Improvements and the Acquisition of Various Capital Equipment	658,301.90					826,000.00		(167,698.10)
23-20	Various Capital Improvements and the Acquisition of Various Capital Equipment	239,695.00	1,000,000.00				1,172,089.18	1,000.00	68,605.82
24-02	Improvements to Various Roads		199,000.00		1,155.92		828,875.00	701,000.00	69,969.08
24-26	Various Capital Improvements and the Acquisition of Various Capital Equipment				1,999.40		1,198,859.00	1,552,000.00	351,141.60
		\$ 1,439,580.83	\$ 1,423,000.00	\$ 1,776,605.88	\$ 23,102.13	\$ 2,368,681.10	\$ 6,783,720.79	\$ 6,783,720.79	\$ 2,247,403.48

Bracketed Amount Denotes Deficit.

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

<u>Ordinance Number</u>	<u>Description</u>	<u>Balance December 31, 2023</u>	<u>Granted/ Adjusted</u>	<u>Cancellation</u>	<u>Cash Receipts</u>	<u>Balance December 31, 2024</u>
County of Middlesex:						
HCD Funds:						
18-08	Various Improvements	\$ 2,373.81			\$	2,373.81
22-15	Various Improvements	11,076.00				11,076.00
22-37	Various Improvements	81,841.00			\$ 81,841.00	
24-02	Various Improvements		\$ 82,841.00			82,841.00
	Total HCD Funds	\$ 95,290.81	\$ 82,841.00		\$ 81,841.00	\$ 96,290.81
State of New Jersey - Department of Transportation:						
20-24	2020 Roadway and Drainage Improvements Unreserved	\$ 258,046.19		\$ 47,865.82	\$ 210,180.37	
21-10	2021 Roadway Improvements Unreserved	178,532.25		35,677.92	142,854.33	
22-09	2022 Roadway Improvements Unreserved	114,352.50		9,542.59	104,809.91	
23-20	2023 Roadway Improvements Unreserved	681,405.00			\$	681,405.00
24-02	2024 Roadway Improvements Unreserved		\$ 606,980.00			606,980.00
24-26	2024 Roadway Improvements Unreserved					
	Total NJDOT	\$ 1,232,335.94	\$ 1,181,980.00	\$ 93,086.33	\$ 457,844.61	\$ 1,863,385.00
		\$ 1,327,626.75	\$ 1,264,821.00	\$ 93,086.33	\$ 539,685.61	\$ 1,959,675.81
Detail:						
Unreserved:						
	Middlesex County HCD	\$ 95,290.81	\$ 82,841.00		\$ 81,841.00	\$ 96,290.81
	NJ DOT	1,232,335.94	1,181,980.00	\$ 93,086.33	457,844.61	1,863,385.00
		\$ 1,327,626.75	\$ 1,264,821.00	\$ 93,086.33	\$ 539,685.61	\$ 1,959,675.81

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

Exhibit D-4

Ordinance Number	Description	Balance December 31, 2023	Decreased By			Balance December 31, 2024	Analysis of Balance December 31, 2024		
			2024 Authorizations	2024 Budget Appropriation	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	\$ 984,976.29		\$ 10,500.00		\$ 974,476.29	\$ 66,000.00	\$	\$ 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	55,000.00				55,000.00			55,000.00
15-10/16-23/17-03/18-16	Construction of a New Firehouse	129,000.00		15,500.00		113,500.00	98,500.00		15,000.00
15-18	Acquisition of Various Capital Equipment	84,500.00		7,500.00		77,000.00	45,000.00		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	95,000.00		5,000.00		90,000.00	30,000.00		60,000.00
18-23	Various Capital Improvements	345,000.00		35,000.00		310,000.00	210,000.00		100,000.00
18-26/19-02	Various Capital Improvements for Main Street	225,000.00		20,000.00		205,000.00	120,000.00		85,000.00
19-09	Acquisition of Various Capital Equipment and Improvements	810,000.00		180,000.00		630,000.00	630,000.00		
20-12	Various Sewer System Improvements	380,000.00		95,000.00		285,000.00	285,000.00		
20-24	Various Capital Improvements	329,000.00		35,000.00		294,000.00	294,000.00		
20-32	Various Capital Improvements and Acquisition of a Firetruck	565,000.00		99,500.00		465,500.00	465,500.00		
21-10	Various Capital Improvements and the Acquisition of Various Capital Equipment	1,486,000.00				1,486,000.00	1,425,000.00		61,000.00
21-16	Roof Replacement for Municipal Buildings	292,500.00		31,000.00		261,500.00	239,000.00	1,505.30	20,994.70
22-09	Various Capital Improvements and the Acquisition of Various Capital Equipment	613,974.47		26,000.00	5,430.17	582,544.30	334,000.00		248,544.30
22-22	Various Capital Improvements and the Acquisition of Various Capital Equipment	783,750.00		70,000.00		713,750.00	630,000.00		83,750.00
23-16	Various Sewer System Improvements and the Acquisition of Various Capital Equipment	236,500.00				236,500.00		167,698.10	68,801.90
23-20	Various Capital Improvements and the Acquisition of Various Capital Equipment	1,342,500.00				1,342,500.00	1,000,000.00		342,500.00
24-02	Improvements to Various Roads		\$ 199,000.00			199,000.00	199,000.00		
24-26	Various Capital Improvements and the Acquisition of Various Capital Equipment		1,448,000.00			1,448,000.00			1,448,000.00
		\$ 8,937,700.76	\$ 1,647,000.00	\$ 630,000.00	\$ 5,430.17	\$ 9,949,270.59	\$ 6,071,000.00	\$ 169,463.76	\$ 3,708,806.83

Analysis of Balance:
Improvement Authorizations, Unfunded
Unexpended Balance of Bond Anticipation Note Proceeds

\$ 4,091,886.19
383,079.36
\$ 3,708,806.83

BOROUGH OF SOUTH RIVER
GENERAL CAPITAL FUND
SCHEDULE 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, 2024</u>		<u>Interest Rate</u>	<u>Balance December 31, 2023</u>	<u>Decreased By</u>	<u>Balance December 31, 2024</u>
			<u>Date</u>	<u>Amount</u>				
General Improvement Bonds Series 2019	12/5/2019	\$ 10,500,000.00	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%			
						\$ 7,875,000.00	\$ 725,000.00	\$ 7,150,000.00
						\$ 7,875,000.00	\$ 725,000.00	\$ 7,150,000.00

**BOROUGH OF SOUTH RIVER
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES**

Ordinance Number	Improvement Description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2023	Increased By Bond Anticipation Notes Issued	Decreased by Budget Appropriation	Balance December 31, 2024
12-30	Rehabilitation of the Jackson and William Street Pump Stations and Human Resource Building	12/18/2020	12/13/2023	12/12/2024	4.00%	\$ 52,500.00	\$	7,500.00	\$ 45,000.00
12-30	Rehabilitation of the Jackson and William Street Pump Stations and Human Resource Building	12/16/2021	12/13/2023	12/12/2024	4.00%	24,000.00		3,000.00	21,000.00
15-10/16-23/ 17-03/18-16	Construction of a New Firehouse	12/18/2020	12/13/2023	12/12/2024	4.00%	70,000.00		10,000.00	60,000.00
15-10/16-23/ 17-03/18-16	Construction of a New Firehouse	12/16/2021	12/13/2023	12/12/2024	4.00%	44,000.00		5,500.00	38,500.00
15-18	Acquisition of Various Capital Equipment	12/18/2020	12/13/2023	12/12/2024	4.00%	52,500.00		7,500.00	45,000.00
17-10	Various Capital Improvements	12/18/2020	12/13/2023	12/12/2024	4.00%	35,000.00		5,000.00	30,000.00
18-23	Various Capital Improvements	12/18/2020	12/13/2023	12/12/2024	4.00%	245,000.00		35,000.00	210,000.00
18-26/19-02	Various Capital Improvements for Main Street	12/18/2020	12/13/2023	12/10/2025	4.00%	140,000.00		20,000.00	120,000.00
19-09	Acquisition of Various Capital Improvements and Equipment	12/18/2020	12/13/2023	12/10/2025	4.00%	810,000.00		180,000.00	630,000.00
20-12	Various Sewer System Improvements	12/18/2020	12/13/2023	12/10/2025	4.00%	380,000.00		95,000.00	285,000.00
20-24	Various Capital Improvements	12/18/2020	12/13/2023	12/10/2025	4.00%	70,000.00		10,000.00	60,000.00
20-24	Various Capital Improvements	12/16/2021	12/13/2023	12/10/2025	4.00%	160,000.00		20,000.00	140,000.00
20-24	Various Capital Improvements	12/13/2023	12/13/2023	12/10/2025	4.00%	25,000.00		5,000.00	20,000.00
20-24	Various Capital Improvements	12/11/2024	12/11/2024	12/10/2025	4.00%		\$ 74,000.00		74,000.00
20-32	Various Capital Improvements and Acquisition of a Firetruck	12/16/2021	12/13/2023	12/10/2025	4.00%	565,000.00		99,500.00	465,500.00
21-10	Various Capital Improvements and the Acquisition of Various Capital Equipment	12/13/2023	12/13/2023	12/10/2025	4.00%	1,375,000.00			1,375,000.00
21-10	Various Capital Improvements and the Acquisition of Various Capital Equipment	12/11/2024	12/11/2024	12/10/2025	4.00%		50,000.00		50,000.00

**BOROUGH OF SOUTH RIVER
GENERAL CAPITAL FUND
SCHEDULE 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, 2023</u>	<u>Increased By Bond Anticipation Notes Issued</u>	<u>Decreased by Budget Appropriation</u>	<u>Balance December 31, 2024</u>
21-16	Roof Replacement on Municipal Buildings	12/16/2021	12/13/2023	12/10/2025	4.00%	\$ 160,000.00		\$ 20,000.00	\$ 140,000.00
21-16	Roof Replacement on Municipal Buildings	12/13/2023	12/13/2023	12/10/2025	4.00%	110,000.00		11,000.00	99,000.00
22-09	Various Capital Improvements and the Acquisition of Various Capital Equipment	12/13/2023	12/13/2023	12/10/2025	4.00%	260,000.00		26,000.00	234,000.00
22-09	Various Capital Improvements and the Acquisition of Various Capital Equipment	12/11/2024	12/11/2024	12/10/2025	4.00%		\$ 100,000.00		100,000.00
22-22	Various Capital Improvements and the Acquisition of Various Capital Equipment	12/13/2023	12/13/2023	12/10/2025	4.00%	700,000.00		70,000.00	630,000.00
23-20	Various Capital Improvements and the Acquisition of Various Capital Equipment	12/11/2024	12/11/2024	12/10/2025	4.00%		1,000,000.00		1,000,000.00
24-02	Improvements to Various Roads	12/11/2024	12/11/2024	12/10/2025	4.00%		199,000.00		199,000.00
						<u>\$ 5,278,000.00</u>	<u>\$ 1,423,000.00</u>	<u>\$ 630,000.00</u>	<u>\$ 6,071,000.00</u>

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

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Loans Outstanding</u>		<u>Interest Rate</u>	<u>Balance December 31, 2023</u>	<u>Decreased by</u>	<u>Balance December 31, 2024</u>
			<u>December 31, 2024</u>	<u>Amount</u>				
Community Facilities Program - Construction of a New Firehouse	12/13/16	\$ 9,800,000.00	06/13/25	\$ 136,425.91	2.375%	\$ 8,090,679.88	\$ 268,076.08	\$ 7,822,603.80
			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				
			06/13/39	189,866.84				
			12/13/39	192,121.51				

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

Purpose	Date of Issue	Amount of Original Issue	Maturities of Loans Outstanding		Interest Rate	Balance December 31, 2023	Decreased by	Balance December 31, 2024
			Date	Amount				
Community Facilities Program - Construction of a New Firehouse (Continued)			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				
						\$ 8,090,679.88	\$ 268,076.08	\$ 7,822,603.80

BOROUGH OF SOUTH RIVER
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Description	Ordinance Date	Amount	Balance December 31, 2023		2024 Authorizations	Reserve for Encumbrances Canceled	Paid or Charged	Canceled	Balance December 31, 2024	
				Funded	Unfunded					Funded	Unfunded
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				\$ 92,032.92		\$ 1,029.08	
12-30	Rehabilitation of the Jackson Street and William Street Pump Stations and Human Resource Building	12/17/12	3,500,000.00		\$ 909,907.95			218.05			\$ 909,689.90
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	2,759.98	55,000.00					2,759.98	55,000.00
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		34,334.80			227.52		762.30	34,869.58
15-18	Acquisition of Various Capital Equipment	08/10/15	350,000.00		33,340.75			113.24			33,227.51
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		61,020.93			69.45			60,951.48
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		148,048.95			485.01			147,563.94
18-26/19-02	Various Capital Improvements for Main Street	09/10/18	300,000.00		90,427.84			277.52			90,150.32
19-09	Acquisition of Various Capital Improvements and Equipment	06/24/19	1,610,000.00		33,762.91			12,945.65			20,817.26
20-24	Various Capital Improvements	09/14/20	1,000,000.00		86,194.29			1,309.72	\$ 47,865.82		37,018.75
20-32	Various Capital Improvements and Acquisition of a Firetruck	12/21/20	700,000.00		1,045.00			1,045.00			
21-10	Various Capital Improvements and the Acquisition of Various Capital Equipment	07/12/21	2,075,000.00		112,918.06			3,700.10			73,540.04
21-16	Roof Replacement on Municipal Buildings	10/04/21	350,000.00		31,741.78			10,747.08			20,994.70

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

Ordinance Number	Description	Ordinance		Balance December 31, 2023		2024 Authorizations	Reserve for Encumbrances Canceled	Paid or Charged	Canceled	Balance December 31, 2024	
		Date	Amount	Funded	Unfunded					Funded	Unfunded
22-09	Various Capital Improvements and the Acquisition of Various Capital Equipment	03/21/22	\$ 1,110,000.00		\$ 324,164.07			\$ 60,294.18	\$ 9,542.59	\$	\$ 254,327.30
22-15	Various Federal Housing and Community Development Grant Improvements	05/27/22	81,841.00	\$ 11,076.00				11,076.00			
22-22	Various Capital Improvements and the Acquisition of Various Capital Equipment	08/01/22	825,000.00		115,868.69		\$ 63,863.63	3,613.35			176,118.97
22-37	Various Federal Housing and Community Development Grant Improvements	12/05/22	81,841.00	81,841.00				81,841.00			
23-16	Various Sewer System Improvements and the Acquisition of Various Capital Equipment	04/10/23	1,075,000.00	658,301.90	236,500.00			826,000.00			68,801.90
23-20	Various Capital Improvements and the Acquisition of Various Capital Equipment	07/10/23	2,095,000.00	239,695.00	1,342,500.00		1,000.00	1,172,089.18			411,105.82
24-02	Improvements to Various Roads	02/12/24	900,000.00			\$ 900,000.00		830,030.92			69,969.08
24-26	Various Capital Improvements and the Acquisition of Various Capital Equipment	06/10/24	3,000,000.00			3,000,000.00		1,200,858.40		\$ 351,141.60	1,448,000.00
Detail of 2024 Authorizations:				\$ 1,093,036.89	\$ 3,796,515.66	\$ 3,900,000.00	\$ 65,625.93	\$ 4,308,974.29	\$ 93,086.33	\$ 361,231.67	\$ 4,091,886.19
Capital Improvement Fund						\$ 88,179.00					
Middlesex County HCD						82,841.00					
NJ DOT Grant						1,181,980.00					
Budget Appropriation - Road Improvements						300,000.00					
Budget Appropriation - Purchase of a Firetruck						600,000.00					
Deferred Charges to Future Taxation, Unfunded						1,647,000.00					
						\$ 3,900,000.00					

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

<u>BALANCE, DECEMBER 31, 2023</u>	\$ 25,068.89
<u>INCREASED BY</u>	
2024 Budget Appropriation	<u>120,000.00</u>
	\$ 145,068.89
<u>DECREASED BY</u>	
Appropriated to Finance Improvement Authorizations	<u>88,179.00</u>
<u>BALANCE, DECEMBER 31, 2024</u>	<u>\$ 56,889.89</u>

Detail:

Ord #24-02	\$ 11,179.00
Ord #24-26	<u>77,000.00</u>
	<u>\$ 88,179.00</u>

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance December 31, 2023</u>	<u>2024 Authorizations</u>	<u>Cash Received</u>	<u>Bond Anticipation Notes Issued</u>	<u>Balance December 31, 2024</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
20-24	Various Capital Improvements	74,000.00			\$ 74,000.00	
21-10	Various Capital Improvements and the Acquisition of Various Capital Equipment	111,000.00			50,000.00	61,000.00
21-16	Roof Replacement for Municipal Buildings	22,500.00				22,500.00
22-09	Various Capital Improvements and the Acquisition of Various Capital Equipment	353,974.47		\$ 5,430.17	100,000.00	248,544.30
22-22	Various Capital Improvements and the Acquisition of Various Capital Equipment	83,750.00				83,750.00
23-16	Various Sewer System Improvements and the Acquisition of Various Capital Equipment	236,500.00				236,500.00
23-20	Various Capital Improvements and the Acquisition of Various Capital Equipment	1,342,500.00			1,000,000.00	342,500.00
24-02	Improvements to Various Roads		\$ 199,000.00		199,000.00	
24-26	Various Capital Improvements and the Acquisition of Various Capital Equipment		1,448,000.00			1,448,000.00
		<u>\$ 3,659,700.76</u>	<u>\$ 1,647,000.00</u>	<u>\$ 5,430.17</u>	<u>\$ 1,423,000.00</u>	<u>\$ 3,878,270.59</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, 2024 AND 2023

	Electric Utility		Parking Utility		Water Utility		Totals (Memorandum Only)	
	2024	2023	2024	2023	2024	2023	2024	2023
ASSETS								
Cash and Cash Equivalents	\$ 8,357,168.72	\$ 8,877,357.11	\$ 112,376.38	\$ 89,401.13	\$ 504,860.01	\$ 1,147,659.17	\$ 8,974,405.11	\$ 10,114,417.41
Due from Bond Registrar/Paying Agent					57,812.00	57,812.00	57,812.00	57,812.00
Consumer Accounts Receivable	2,705,917.85	1,619,464.04			1,461,332.95	832,586.62	4,167,250.80	2,452,050.66
Consumer Liens Receivable	29,820.80	29,820.80			1,845.08	23,098.58	31,665.88	52,919.38
Inventory	485,048.30	405,685.80			106,265.20	3,422.67	591,313.50	409,108.47
Deferred Charges					217,661.97		217,661.97	
Total Assets	\$ 11,577,955.67	\$ 10,932,327.75	\$ 112,376.38	\$ 89,401.13	\$ 2,349,777.21	\$ 2,064,579.04	\$ 14,040,109.26	\$ 13,086,307.92
LIABILITIES, RESERVES AND FUND BALANCE								
Liabilities:								
Appropriation Reserves	\$ 2,042,689.56	\$ 2,014,171.47	\$ 9,328.75	\$ 35,247.06	\$ 72,338.63	\$ 87,597.51	\$ 2,124,356.94	\$ 2,137,016.04
Other Liabilities and Reserves:								
Reserve for Encumbrances	\$ 907,747.92	\$ 627,128.73	\$ 4,300.00	\$ 4,050.00	\$ 233,033.37	\$ 221,487.46	\$ 1,145,081.29	\$ 852,666.19
Prepaid Parking Permits			830.00	510.00			830.00	510.00
Consumer Overpayments	233,312.72	221,017.33			197,450.50	185,630.40	430,763.22	406,647.73
Accounts Payable	484,258.02	674,998.50			8,000.00	40,264.69	492,258.02	715,263.19
Accrued Interest on Bonds and Notes					13,690.50	9,961.13	13,690.50	9,961.13
Due to Government Agencies - ARP	4,604.05	4,604.05					4,604.05	4,604.05
Due to Bond Registrar/Paying Agent					81,840.00	81,840.00	81,840.00	81,840.00
Reserve for Receivables and Other Assets	\$ 1,629,922.71	\$ 1,527,748.61	\$ 5,130.00	\$ 4,560.00	\$ 534,014.37	\$ 539,183.68	\$ 2,169,067.08	\$ 2,071,492.29
Fund Balance	\$ 3,220,786.95	\$ 2,054,970.64			\$ 1,627,255.23	\$ 916,919.87	\$ 4,848,042.18	\$ 2,971,890.51
	\$ 4,684,556.45	\$ 5,335,437.03	\$ 97,917.63	\$ 49,594.07	\$ 116,168.98	\$ 520,877.98	\$ 4,898,643.06	\$ 5,905,909.08
Total Liabilities, Reserves and Fund Balance	\$ 11,577,955.67	\$ 10,932,327.75	\$ 112,376.38	\$ 89,401.13	\$ 2,349,777.21	\$ 2,064,579.04	\$ 14,040,109.26	\$ 13,086,307.92

See accompanying notes to financial statements

ELECTRIC UTILITY OPERATING FUND

STATEMENTS

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

	<u>Year 2024</u>	<u>Year 2023</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>		
Fund Balance Utilized	\$ 3,000,000.00	\$ 3,050,000.00
Electric Charges	13,075,444.03	14,380,772.01
Electric Capital Fund Balance		2,256.00
Nonbudget Revenue	464,489.27	368,530.71
Other Credits to Income:		
Current Appropriations Canceled	10,000.00	3,070.61
Unexpended Balance of Appropriation Reserves		
Lapsed and Reserve for Encumbrances Canceled	1,977,668.72	1,675,226.03
Cancellation of Various Payables	<u>43,517.40</u>	<u>106,254.00</u>
Total Income	\$ <u>18,571,119.42</u>	\$ <u>19,586,109.36</u>
<u>EXPENDITURES</u>		
Budget Appropriations:		
Operating	\$ 10,473,000.00	\$ 10,183,000.00
Capital Improvements	670,000.00	655,000.00
Debt Service	10,000.00	274,000.00
Deferred Charges and Statutory Expenditures	369,000.00	350,000.00
Surplus - General Budget	<u>3,000,000.00</u>	<u>3,050,000.00</u>
Total Expenditures	\$ <u>14,522,000.00</u>	\$ <u>14,512,000.00</u>
Statutory Excess to Fund Balance	\$ 4,049,119.42	\$ 5,074,109.36
Fund Balance, January 1	<u>5,335,437.03</u>	<u>3,911,327.67</u>
	\$ 9,384,556.45	\$ 8,985,437.03
Decreased By:		
Utilization as Anticipated Revenue	\$ 3,000,000.00	\$ 3,050,000.00
Transferred to Current Fund as Anticipated Revenue	<u>1,700,000.00</u>	<u>600,000.00</u>
	\$ <u>4,700,000.00</u>	\$ <u>3,650,000.00</u>
Fund Balance, December 31	\$ <u><u>4,684,556.45</u></u>	\$ <u><u>5,335,437.03</u></u>

See accompanying notes to financial statements

BOROUGH OF SOUTH RIVER
ELECTRIC UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Operating Fund Balance Anticipated	\$ 3,000,000.00	\$ 3,000,000.00	
Electric Charges	<u>11,522,000.00</u>	<u>13,075,444.03</u>	<u>\$ 1,553,444.03</u>
	\$ 14,522,000.00	\$ 16,075,444.03	\$ 1,553,444.03
Nonbudget Revenue	<u> </u>	<u>464,489.27</u>	<u>464,489.27</u>
	<u>\$ 14,522,000.00</u>	<u>\$ 16,539,933.30</u>	<u>\$ 2,017,933.30</u>

ANALYSIS OF REALIZED REVENUETotal

Electric Charges:

Consumer Accounts Receivable	\$ 13,054,519.03
State of New Jersey Lifeline	<u>20,925.00</u>
	<u>\$ 13,075,444.03</u>

Nonbudget Revenue:

Interest on Investments	\$ 366,590.24
Interest on Delinquent Rents	553.90
Connection Fees	4,575.00
Refund of Prior Years Expenditures	39,109.01
Turn On/Off Fees	12,775.00
Use of Lights	343.75
Portal Convenience Fee	35,364.34
Transportation/Vehicle Fees/EV Application Fee	1,362.50
Returned Check Fees	3,485.00
Miscellaneous	<u>330.53</u>
	<u>\$ 464,489.27</u>

See accompanying notes to financial statements

BOROUGH OF SOUTH RIVER
ELECTRIC UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

	<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	\$ 1,685,000.00	\$ 1,685,000.00	\$ 1,597,805.83		\$ 87,194.17	
Purchase of Power	6,000,000.00	6,000,000.00	4,136,767.04	\$ 274,694.42	1,588,538.54	
Other Expenses - Operating	560,000.00	560,000.00	386,525.65	91,657.16	81,817.19	
Other Expenses - Office/Administrative	3,000.00	3,000.00	1,112.70		1,887.30	
Other Expenses - Insurance	1,065,000.00	1,165,000.00	1,067,400.19		97,599.81	
Other Expenses - Professional Services	1,100,000.00	1,050,000.00	821,667.85	207,795.34	20,536.81	
Other Expenses - Accumulated Absences	10,000.00	10,000.00	10,000.00			
Total Operating	\$ 10,423,000.00	\$ 10,473,000.00	\$ 8,021,279.26	\$ 574,146.92	\$ 1,877,573.82	
CAPITAL IMPROVEMENTS						
Capital Improvement Fund	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00			
Capital Outlay	700,000.00	650,000.00	165,955.87	\$ 333,601.00	\$ 150,443.13	
Total Capital Improvements	\$ 720,000.00	\$ 670,000.00	\$ 185,955.87	\$ 333,601.00	\$ 150,443.13	
DEBT SERVICE						
Interest on Notes	\$ 10,000.00	\$ 10,000.00				\$ 10,000.00
Total Debt Service	\$ 10,000.00	\$ 10,000.00				\$ 10,000.00
DEFERRED CHARGES AND STATUTORY EXPENDITURES						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	\$ 230,000.00	\$ 230,000.00	\$ 227,068.80		\$ 2,931.20	
Social Security System (O.A.S.I.)	134,000.00	134,000.00	122,258.59		11,741.41	
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et. seq.)	5,000.00	5,000.00	5,000.00			
Total Deferred Charges and Statutory Expenditures	\$ 369,000.00	\$ 369,000.00	\$ 354,327.39		\$ 14,672.61	
Surplus (General Budget)	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,000,000.00			
Total Electric Utility Appropriations	\$ 14,522,000.00	\$ 14,522,000.00	\$ 11,561,562.52	\$ 907,747.92	\$ 2,042,689.56	\$ 10,000.00

See accompanying notes to financial statements

PARKING UTILITY OPERATING FUND

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STATEMENTS

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

	<u>Year 2024</u>	<u>Year 2023</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>		
Fund Balance Utilized	\$ 16,000.00	\$ 30,837.00
Parking Fees	53,773.11	37,335.51
Parking Capital Fund Balance		15,663.00
Nonbudget Revenue	10,303.39	7,834.04
Other Credits to Income:		
Current Appropriations Canceled	1,000.00	1,000.00
Unexpended Balance of Appropriation Reserves		
Lapsed and Encumbrances Payable Canceled	<u>35,247.06</u>	<u>13,060.50</u>
Total Income	\$ <u>116,323.56</u>	\$ <u>105,730.05</u>
<u>EXPENDITURES</u>		
Budget Appropriations:		
Operating	\$ 42,500.00	\$ 53,000.00
Capital Improvements	3,000.00	2,000.00
Debt Service	1,000.00	23,000.00
Deferred Charges and Statutory Expenditures	<u>5,500.00</u>	<u>4,500.00</u>
Total Expenditures	\$ <u>52,000.00</u>	\$ <u>82,500.00</u>
Statutory Excess to Fund Balance	\$ 64,323.56	\$ 23,230.05
Fund Balance, January 1	<u>49,594.07</u>	<u>57,201.02</u>
	\$ 113,917.63	\$ 80,431.07
Decreased By:		
Utilization as Anticipated Revenue	<u>16,000.00</u>	<u>30,837.00</u>
Fund Balance, December 31	\$ <u><u>97,917.63</u></u>	\$ <u><u>49,594.07</u></u>

See accompanying notes to financial statements

BOROUGH OF SOUTH RIVER
PARKING UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Operating Fund Balance Anticipated	\$ 16,000.00	\$ 16,000.00	
Parking Fees	<u>36,000.00</u>	<u>53,773.11</u>	\$ <u>17,773.11</u>
	\$ 52,000.00	\$ 69,773.11	\$ 17,773.11
Nonbudget Revenue	<u> </u>	<u>\$ 10,303.39</u>	<u>\$ 10,303.39</u>
	<u>\$ 52,000.00</u>	<u>\$ 80,076.50</u>	<u>\$ 28,076.50</u>

ANALYSIS OF REALIZED REVENUE

	<u>Total</u>
Parking Fees:	
Parking Permits	\$ 25,190.00
Parking Meters	<u>28,583.11</u>
	<u>\$ 53,773.11</u>
Nonbudget Revenues:	
Interest on Investments	<u>\$ 10,303.39</u>
	<u>\$ 10,303.39</u>

See accompanying notes to financial statements

BOROUGH OF SOUTH RIVER
PARKING UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Canceled
<u>OPERATING</u>						
Salaries and Wages	\$ 29,500.00	\$ 29,500.00	\$ 28,638.09		\$ 861.91	
Other Expenses - Operating	8,000.00	8,000.00	2,817.50	\$ 250.00	4,932.50	
Other Expenses - Professional Services	5,000.00	5,000.00	225.00	4,050.00	725.00	
Total Operating	\$ 42,500.00	\$ 42,500.00	\$ 31,680.59	\$ 4,300.00	\$ 6,519.41	
<u>CAPITAL IMPROVEMENTS</u>						
Capital Improvement Fund	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00			
Capital Outlay - Meter Upgrades	2,000.00	2,000.00			\$ 2,000.00	
Total Capital Improvements	\$ 3,000.00	\$ 3,000.00	\$ 1,000.00		\$ 2,000.00	
<u>DEBT SERVICE</u>						
Interest on Notes	\$ 1,000.00	\$ 1,000.00				\$ 1,000.00
Total Debt Service	\$ 1,000.00	\$ 1,000.00				\$ 1,000.00
<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.)	3,000.00	3,000.00	2,190.66		\$ 809.34	
Total Deferred Charges and Statutory Expenditures	\$ 5,500.00	\$ 5,500.00	\$ 4,690.66		\$ 809.34	
Total Parking Utility Appropriations	\$ 52,000.00	\$ 52,000.00	\$ 37,371.25	\$ 4,300.00	\$ 9,328.75	\$ 1,000.00

See accompanying notes to financial statements

WATER UTILITY OPERATING FUND

STATEMENTS

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

	<u>Year 2024</u>	<u>Year 2023</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>		
Fund Balance Utilized	\$ 404,709.00	\$ 554,290.00
Water Rents	3,932,087.78	4,493,408.79
Water Capital Fund Balance	20,425.00	18,444.00
Nonbudget Revenues	135,807.90	100,682.87
Other Credits to Income:		
Current Appropriations Canceled	5,791.88	2,037.28
Unexpended Balance of Appropriation Reserves		
Lapsed and Encumbrances Payable Canceled	102,369.97	49,261.21
Cancellation of Prior Year's Accounts Payable	<u>31,280.50</u>	
Total Income	\$ <u>4,632,472.03</u>	\$ <u>5,218,124.15</u>
<u>EXPENDITURES</u>		
Budget Appropriations:		
Operating	\$ 3,681,000.00	\$ 3,716,000.00
Capital Improvements	235,000.00	110,000.00
Debt Service	712,634.00	668,234.00
Deferred Charges and Statutory Expenditures	<u>221,500.00</u>	<u>213,500.00</u>
Total Expenditures	\$ <u>4,850,134.00</u>	\$ <u>4,707,734.00</u>
Statutory Excess/(Deficit) to Fund Balance	\$ <u>(217,661.97)</u>	\$ 510,390.15
Fund Balance, January 1	<u>520,877.98</u>	<u>564,777.83</u>
	\$ 520,877.98	\$ 1,075,167.98
Decreased By:		
Utilization as Anticipated Revenue	<u>404,709.00</u>	<u>554,290.00</u>
Fund Balance, December 31	\$ <u><u>116,168.98</u></u>	\$ <u><u>520,877.98</u></u>

See accompanying notes to financial statements

BOROUGH OF SOUTH RIVER
WATER UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Operating Fund Balance Anticipated	\$ 404,709.00	\$ 404,709.00	
Water Rents - Basic	4,200,000.00	3,707,087.78	\$ (492,912.22)
Water Rents - Rate Increase - 4/1/24	225,000.00	225,000.00	
Water Capital Fund Balance	<u>20,425.00</u>	<u>20,425.00</u>	
	\$ 4,850,134.00	\$ 4,357,221.78	\$ (492,912.22)
Nonbudget Revenue		<u>135,807.90</u>	<u>135,807.90</u>
	<u>\$ 4,850,134.00</u>	<u>\$ 4,493,029.68</u>	<u>\$ (357,104.32)</u>

ANALYSIS OF REALIZED REVENUE

	<u>Total</u>
Water Rents:	
Consumer Accounts Receivable	\$ 3,902,266.97
American Rescue Plan/Community Resources Funds	5,404.18
Consumer Liens Receivable	<u>24,416.63</u>
	<u>\$ 3,932,087.78</u>
Nonbudget Revenues:	
Interest on Investments	\$ 79,651.31
Meter Installation	2,613.73
Turn Off Fees	6,600.00
Bounced Check Fees	900.00
Portal Convenience Fee	8,609.53
Refund of Prior Years Expenditures	36,829.41
Miscellaneous	<u>603.92</u>
	<u>\$ 135,807.90</u>

See accompanying notes to financial statements

BOROUGH OF SOUTH RIVER
WATER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

	<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	\$ 975,000.00	\$ 825,000.00	\$ 792,350.02		\$ 32,649.98	
Purchase of Water	1,100,000.00	1,105,000.00	1,100,783.93		4,216.07	
Other Expenses - Operating	430,000.00	455,000.00	351,724.67	\$ 76,255.92	27,019.41	
Other Expenses - Office/Administrative	1,000.00	1,000.00	741.80		258.20	
Other Expenses - Insurance	710,000.00	710,000.00	709,933.53		66.47	
Other Expenses - Professional Services	450,000.00	580,000.00	441,469.54	138,001.94	528.52	
Other Expenses - Accumulated Absences	5,000.00	5,000.00	5,000.00			
Total Operating	\$ 3,671,000.00	\$ 3,681,000.00	\$ 3,402,003.49	\$ 214,257.86	\$ 64,738.65	
<u>CAPITAL IMPROVEMENTS</u>						
Capital Improvement Fund	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00			
Capital Outlay	225,000.00	225,000.00	206,130.65	\$ 18,775.51	93.84	
Total Capital Improvements	\$ 235,000.00	\$ 235,000.00	\$ 216,130.65	\$ 18,775.51	93.84	
<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	37,634.00	37,634.00	37,633.34			\$ 0.66
Interest on Notes	140,000.00	140,000.00	134,208.78			5,791.22
Total Debt Service	\$ 712,634.00	\$ 712,634.00	\$ 706,842.12			\$ 5,791.88
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u>						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	\$ 153,000.00	\$ 153,000.00	\$ 151,379.20		\$ 1,620.80	
Social Security System (O.A.S.I.)	76,000.00	66,000.00	60,614.66		5,385.34	
Defined Contribution Retirement Plan	500.00	500.00			500.00	
Unemployment Compensation Insurance (NJSA 43:21 et seq)	2,000.00	2,000.00	2,000.00			
Total Deferred Charges and Statutory Expenditures	\$ 231,500.00	\$ 221,500.00	\$ 213,993.86		\$ 7,506.14	
Total Water Utility Appropriations	\$ 4,850,134.00	\$ 4,850,134.00	\$ 4,538,970.12	\$ 233,033.37	\$ 72,338.63	\$ 5,791.88

See accompanying notes to financial statements

ELECTRIC UTILITY OPERATING FUND

SCHEDULES

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

<u>BALANCE, DECEMBER 31, 2023</u>		\$ 1,619,464.04
<u>INCREASED BY</u>		
Electric Charges Levied		<u>14,180,572.84</u>
		\$ 15,800,036.88
<u>DECREASED BY</u>		
Collections	\$ 12,833,501.70	
State of New Jersey Lifeline/Heap Credits	20,925.00	
Municipal Lifeline	18,675.00	
Consumer Overpayments Applied	<u>221,017.33</u>	<u>13,094,119.03</u>
<u>BALANCE, DECEMBER 31, 2024</u>		\$ <u><u>2,705,917.85</u></u>

SCHEDULE OF CONSUMER LIENS RECEIVABLE

<u>BALANCE, DECEMBER 31, 2023</u>	\$ 29,820.80
<u>BALANCE, DECEMBER 31, 2024</u>	\$ <u><u>29,820.80</u></u>
Detail of Balance:	
Consumer Accounts Receivable	\$ 29,654.51
Interest and Costs	<u>166.29</u>
	\$ <u><u>29,820.80</u></u>

BOROUGH OF SOUTH RIVER
ELECTRIC UTILITY OPERATING FUND
SCHEDULE OF 2023 APPROPRIATION RESERVES

	Balance December 31, 2023		Balance After Transfers	Paid or Charged	Balance Lapsed
	Appropriation Reserves	Reserve for Encumbrances			
OPERATING					
Salaries and Wages	\$ 64,502.87		\$ 64,502.87		\$ 64,502.87
Purchase of Power	1,175,053.35	\$ 250,255.53	1,425,308.88	\$ 252,257.37	1,173,051.51
Other Expenses:					
Operating	154,178.34	83,799.90	237,978.24	82,333.34	155,644.90
Office/Administrative	1,897.50		1,897.50		1,897.50
Insurance	58,520.00		58,520.00		58,520.00
Professional Services	87,625.20	252,648.30	340,273.50	281,304.82	58,968.68
Total Operating	\$ 1,541,777.26	\$ 586,703.73	\$ 2,128,480.99	\$ 615,895.53	\$ 1,512,585.46
CAPITAL IMPROVEMENTS					
Capital Outlay	\$ 459,047.00	\$ 40,425.00	\$ 499,472.00	\$ 46,752.16	\$ 452,719.84
Total Capital Improvements	\$ 459,047.00	\$ 40,425.00	\$ 499,472.00	\$ 46,752.16	\$ 452,719.84
DEFERRED CHARGES AND STATUTORY EXPENDITURES					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	\$ 10,533.00		\$ 10,533.00	\$ 983.79	\$ 9,549.21
Social Security System (O.A.S.I.)	2,814.21		2,814.21		2,814.21
Total Deferred Charges and Statutory Expenditures	\$ 13,347.21		\$ 13,347.21	\$ 983.79	\$ 12,363.42
Total Electric Utility Appropriations	\$ 2,014,171.47	\$ 627,128.73	\$ 2,641,300.20	\$ 663,631.48	\$ 1,977,668.72

PARKING UTILITY OPERATING FUND

SCHEDULES

BOROUGH OF SOUTH RIVER
PARKING UTILITY OPERATING FUND
SCHEDULE OF 2023 APPROPRIATION RESERVES

	Appropriation Reserves	Balance December 31, 2023 Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Balance Lapsed
OPERATING					
Salaries and Wages	\$ 15,968.73		\$ 15,968.73		\$ 15,968.73
Other Expenses:					
Operating	1,473.60		1,473.60		1,473.60
Professional Services	15,725.00	\$ 4,050.00	19,775.00	\$ 4,050.00	15,725.00
Total Operating	\$ 33,167.33	\$ 4,050.00	\$ 37,217.33	\$ 4,050.00	\$ 33,167.33
CAPITAL IMPROVEMENTS					
Capital Outlay - Meter Upgrades	\$ 1,000.00		\$ 1,000.00		\$ 1,000.00
Total Capital Improvements	\$ 1,000.00		\$ 1,000.00		\$ 1,000.00
DEFERRED CHARGES AND STATUTORY EXPENDITURES					
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)	\$ 1,079.73		\$ 1,079.73		\$ 1,079.73
Total Deferred Charges and Statutory Expenditures	\$ 1,079.73		\$ 1,079.73		\$ 1,079.73
Grand Total	\$ 35,247.06	\$ 4,050.00	\$ 39,297.06	\$ 4,050.00	\$ 35,247.06

WATER UTILITY OPERATING FUND

SCHEDULES

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

<u>BALANCE, DECEMBER 31, 2023</u>		\$ 832,586.62
<u>INCREASED BY</u>		
Water Charges Levied		<u>4,536,417.48</u>
		\$ 5,369,004.10
<u>DECREASED BY</u>		
Collections	\$ 3,716,636.57	
American Rescue Plan/Community Resources Funds	5,404.18	
Consumer Overpayments Applied	<u>185,630.40</u>	<u>3,907,671.15</u>
<u>BALANCE, DECEMBER 31, 2024</u>		<u>\$ 1,461,332.95</u>

SCHEDULE OF CONSUMER LIENS RECEIVABLE

<u>BALANCE, DECEMBER 31, 2023</u>		\$ 23,098.58
<u>INCREASED BY</u>		
Interest and Costs Accrued to Liens		<u>3,163.13</u>
		\$ 26,261.71
<u>DECREASED BY</u>		
Cash Received		<u>24,416.63</u>
<u>BALANCE, DECEMBER 31, 2024</u>		<u>\$ 1,845.08</u>

Detail of Balance:

Consumer Liens Receivable	\$ 1,845.08
Interest and Costs	<u>None</u>
	<u>\$ 1,845.08</u>

BOROUGH OF SOUTH RIVER
WATER UTILITY OPERATING FUND
SCHEDULE OF 2023 APPROPRIATION RESERVES

	Balance December 31, 2023		Balance After Transfers	Paid or Charged	Balance Lapsed
	Appropriation Reserves	Reserve for Encumbrances			
OPERATING					
Salaries and Wages	\$ 44,826.46		\$ 44,826.46		\$ 44,826.46
Purchase of Water	173.63	\$ 104,709.91	104,883.54	\$ 98,792.88	6,090.66
Other Expenses:					
Operating	4,669.03	42,289.00	46,958.03	43,111.23	3,846.80
Office/Administrative	265.00		265.00		265.00
Insurance	8,013.30		8,013.30		8,013.30
Professional Services	18,693.05	74,488.55	93,181.60	64,155.03	29,026.57
Total Operating	\$ 76,640.47	\$ 221,487.46	\$ 298,127.93	\$ 206,059.14	\$ 92,068.79
CAPITAL IMPROVEMENTS					
Capital Outlay	\$ 1,735.70		\$ 1,735.70		\$ 1,735.70
Total Capital Improvements	\$ 1,735.70		\$ 1,735.70		\$ 1,735.70
DEFERRED CHARGES AND STATUTORY EXPENDITURES					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	\$ 2,022.00		\$ 2,022.00	\$ 655.86	\$ 1,366.14
Social Security System (O.A.S.I.)	6,699.34		6,699.34		6,699.34
Defined Contribution Retirement Plan	500.00		500.00		500.00
Total Deferred Charges and Statutory Expenditures	\$ 9,221.34		\$ 9,221.34	\$ 655.86	\$ 8,565.48
Grand Total	\$ 87,597.51	\$ 221,487.46	\$ 309,084.97	\$ 206,715.00	\$ 102,369.97

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

<u>BALANCE, DECEMBER 31, 2023</u>		\$ 9,961.13
<u>INCREASED BY</u>		
Budget Appropriation:		
Interest on Bonds	\$ 37,633.34	
Interest on Notes	<u>134,208.78</u>	<u>171,842.12</u>
		\$ 181,803.25
<u>DECREASED BY</u>		
Cash Disbursed		<u>168,112.75</u>
<u>BALANCE, DECEMBER 31, 2024</u>		<u>\$ 13,690.50</u>

ANALYSIS OF ACCRUED INTEREST - DECEMBER 31, 2024

	<u>Outstanding December 31, 2024</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Serial Bonds, 2019	\$ 1,345,000.00	3.00%	12/1/2024	12/31/2024	1 Month	\$ 2,708.34
Bond Anticipation Notes	4,772,000.00	4.00%	12/11/2024	12/31/2024	21 Days	<u>10,982.16</u>
						<u>\$ 13,690.50</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, 2024 AND 2023

	Electric Utility		Parking Utility		Water Utility		Total (Memorandum Only)
	2024	2023	2024	2023	2024	2023	
ASSETS							
Cash and Cash Equivalents	\$ 647,621.59	\$ 627,621.59	\$ 123,072.76	\$ 122,072.76	\$ 829,707.69	\$ 1,442,525.85	\$ 1,600,402.04 \$ 2,192,220.20
Fixed Capital	\$ 18,043,493.15	\$ 17,830,785.12	\$ 258,376.25	\$ 258,376.25	\$ 23,054,406.69	\$ 21,743,784.15	\$ 41,356,276.09 \$ 39,832,945.52
Fixed Capital Authorized and Uncompleted	543,517.37	543,517.37	72,370.56	72,370.56	6,951,090.46	4,496,497.35	7,566,978.39 5,112,385.28
	\$ 18,587,010.52	\$ 18,374,302.49	\$ 330,746.81	\$ 330,746.81	\$ 30,005,497.15	\$ 26,240,281.50	\$ 48,923,254.48 \$ 44,945,330.80
Total Assets	\$ 19,234,632.11	\$ 19,001,924.08	\$ 453,819.57	\$ 452,819.57	\$ 30,835,204.84	\$ 27,682,807.35	\$ 50,523,656.52 \$ 47,137,551.00
LIABILITIES AND RESERVES							
Serial Bonds					\$ 1,345,000.00	1,625,000.00	\$ 1,345,000.00 \$ 1,625,000.00
Bond Anticipation Notes					\$ 4,772,000.00	2,897,000.00	\$ 4,772,000.00 \$ 2,897,000.00

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, 2024 AND 2023

	Electric Utility		Parking Utility		Water Utility		Total	
	2024	2023	2024	2023	2024	2023	(Memorandum Only)	
LIABILITIES AND RESERVES								
(CONTINUED)								
Improvement Authorizations:								
Funded	\$ 43,517.37	\$ 43,517.37	\$ 51,817.76	\$ 55,072.76	\$ 1,069,506.54	\$ 358,906.00	\$ 95,335.13	\$ 457,496.13
Unfunded	500,000.00	500,000.00	15,000.00	15,000.00		1,396,723.94	1,584,506.54	1,911,723.94
	\$ 543,517.37	\$ 543,517.37	\$ 66,817.76	\$ 70,072.76	\$ 1,069,506.54	\$ 1,755,629.94	\$ 1,679,841.67	\$ 2,369,220.07
Capital Improvement Fund	\$ 318,903.15	\$ 298,903.15	\$ 68,000.00	\$ 67,000.00	\$ 42,233.19	\$ 82,233.19	\$ 429,136.34	\$ 448,136.34
Reserve for Encumbrances			3,255.00		3,646,789.87	2,182,667.27	3,650,044.87	2,182,667.27
	\$ 318,903.15	\$ 298,903.15	\$ 71,255.00	\$ 67,000.00	\$ 3,689,023.06	\$ 2,264,900.46	\$ 4,079,181.21	\$ 2,630,803.61
Reserve for Amortization	\$ 18,087,010.52	\$ 17,874,302.49	\$ 315,746.81	\$ 315,746.81	\$ 18,705,497.15	\$ 17,935,281.50	\$ 37,108,254.48	\$ 36,125,330.80
Reserve for Deferred Amortization					\$ 1,108,000.00	\$ 1,078,000.00	\$ 1,108,000.00	\$ 1,078,000.00
Fund Balance	\$ 285,201.07	\$ 285,201.07			\$ 146,178.09	\$ 126,995.45	\$ 431,379.16	\$ 412,196.52
Total Liabilities and Reserves	\$ 19,234,632.11	\$ 19,001,924.08	\$ 453,819.57	\$ 452,819.57	\$ 30,835,204.84	\$ 27,682,807.35	\$ 50,523,656.52	\$ 47,137,551.00

There were Bonds and Notes Authorized but not Issued of \$500,000.00 in the Electric Utility Capital Fund, \$15,000.00 in the Parking Utility Capital Fund and \$4,075,000.00 in the Water Utility Capital Fund at December 31, 2024.

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

	<u>Electric Utility</u>	<u>Water Utility</u>	<u>Total</u>
<u>BALANCE, DECEMBER 31, 2023</u>	\$ 285,201.07	\$ 126,995.45	\$ 412,196.52
<u>INCREASED BY</u>			
Premium on Sale of Bond Anticipation Notes		39,607.64	39,607.64
<u>DECREASED BY</u>			
Transferred to Operating Fund as Anticipated Revenue	\$ 285,201.07	\$ 166,603.09	\$ 451,804.16
		20,425.00	20,425.00
<u>BALANCE, DECEMBER 31, 2024</u>	<u>\$ 285,201.07</u>	<u>\$ 146,178.09</u>	<u>\$ 431,379.16</u>

ELECTRIC UTILITY CAPITAL FUND

SCHEDULES

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

		Balance	Receipts	Disbursements	Balance
		December 31,			December 31,
		<u>2023</u>	<u>Miscellaneous</u>	<u>Miscellaneous</u>	<u>2024</u>
Fund Balance		\$ 285,201.07			\$ 285,201.07
Capital Improvement Fund		298,903.15	\$ 20,000.00		318,903.15
Due to Electric Utility Operating Fund			27,626.95	\$ 27,626.95	
<u>Ordinance</u>	<u>Improvement</u>				
<u>Number</u>	<u>Authorizations</u>				
14-16	Acquisition and Installation of a Standby Generator(s)	40,463.29			40,463.29
16-12	Improvements to the Willett Avenue Substation	<u>3,054.08</u>			<u>3,054.08</u>
		<u>\$ 627,621.59</u>	<u>\$ 47,626.95</u>	<u>\$ 27,626.95</u>	<u>\$ 647,621.59</u>

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

<u>BALANCE, DECEMBER 31, 2023</u>	\$ 17,830,785.12
<u>INCREASED BY</u>	
Adjustment for Budget Expenditure Capital Outlay:	
2023 Appropriation Reserves	\$ 46,752.16
2024 Appropriation	165,955.87
	<u>212,708.03</u>
<u>BALANCE, DECEMBER 31, 2024</u>	<u>\$ 18,043,493.15</u>
Detail:	
Miscellaneous intangible, Plant	\$ 1,100.00
Land and Land Rights	5,685.00
Structures and Improvement, Distribution Plant	281,161.69
Internal Combustion Engines	650,836.49
Generators	136,077.19
Accessory Electric Equipment	96,355.56
Miscellaneous Power Plant Equipment	45,054.60
Structures and Improvements	31,330.06
Station Equipment	58,206.53
Poles, Towers and Fixtures	125,679.21
Overhead Conductors and Devices	237,508.78
Line Transformers	303,628.00
Services	102,049.40
Meters	159,621.30
Street Lighting and Signal System	88,801.11
Yard Lighting	52.47
Land and Land Rights, General Plant	6,482.24
Structures and Improvements, General Plant	74,398.42
Office Furniture and Equipment	42,831.23
Transportation Equipment	63,172.21
Store Equipment	1,125.54
Tools and Work Equipment	13,951.02
Laboratory Equipment	2,227.60
Power Operated Equipment	7,759.31
Communications Equipment	8,628.47
Fire Alarm and Safety Equipment	493.32
Construction of Additions, Extensions and Improvement to the Existing Electrical System	1,900,667.84
Appurtenant Equipment for Willett Avenue Sub-Station	187,500.00
Dump Trucks and Scavenger Truck	69,315.22
Computer	32,774.03
Bay Lifts	59,743.92
Heating System	46,500.00
Gas Tanks	22,000.00
Improvement to Willett Avenue Sub-Station	86,277.70
Installation and Purchase of Street Lights	24,717.63
Acquisition of a Stump Grinder	7,993.64
Improvement to Electrical System	79,937.74
1999 Capital Outlay	48,515.00
Acquisition of a Bucket Truck	158,990.00
Acquisition and Installation of Radio Communication Equipment	116,975.29
Improvement to the Electrical System	157,036.27
Acquisition and Installation of an Electric Transformer	424,551.80
Repairs and Rebuilding of an Electric Transformer	228,397.79
Renovations to the Gordon Street Administration Building	399,136.97
Acquisition of Utility Vehicles	261,345.09
Improvements to Willett Avenue Substation	4,973,492.03
Acquisition and Installation of Electric Meters	1,377,732.71
Acquisition and Installation of Various Equipment	1,192,994.33
Improvements to the Radio Communication System	346,855.74
Various Computer Equipment and Network Upgrades	18,104.37
Acquisition and Installation of a Standby Generator(s)	957,616.71
Improvement to Willett Avenue Substation	996,945.92
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
2023 Capital Outlay - Appropriation	135,528.00
2023 Capital Outlay - Appropriation Reserves	46,752.16
2024 Capital Outlay - Appropriation	165,955.87
	<u>\$ 18,043,493.15</u>

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

<u>Ordinance Number</u>	<u>Improvement Authorizations</u>	<u>Ordinance</u>		<u>Balance December 31, 2023</u>	<u>Balance December 31, 2024</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 Avenue Substation	08/22/16	1,000,000.00	3,054.08	3,054.08
				<u>\$ 543,517.37</u>	<u>\$ 543,517.37</u>

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

Ordinance Number	Description	Ordinance		Balance	
		Date	Amount	December 31, 2023	December 31, 2024
				Funded	Unfunded
14-16	Acquisition and Installation of a Standby Generator	06/09/14	\$ 1,500,000.00	\$ 40,463.29	\$ 500,000.00
16-12	Improvements to the Willett Avenue Substation	08/22/16	1,000,000.00	3,054.08	
			\$	<u>43,517.37</u>	<u>\$ 500,000.00</u>
				<u>43,517.37</u>	<u>\$ 500,000.00</u>

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

<u>BALANCE, DECEMBER 31, 2023</u>	\$ 298,903.15
<u>INCREASED BY</u>	
2024 Budget Appropriation	<u>20,000.00</u>
<u>BALANCE, DECEMBER 31, 2024</u>	<u>\$ 318,903.15</u>

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

<u>Ordinance Number</u>	<u>Improvement Authorizations</u>	Balance December 31, <u>2023</u>	Balance December 31, <u>2024</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

SCHEDULES

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

Ordinance Number	Description	Balance December 31, 2023	Receipts		Disbursements		Transfers		Balance December 31, 2024
			Miscellaneous		Miscellaneous		From	To	
	Capital Improvement Fund	\$ 67,000.00	\$	1,000.00					\$ 68,000.00
	Reserve for Encumbrances								3,255.00
	Due to/(from) Parking Utility Operating Fund		5,293.17	\$	5,293.17		\$	3,255.00	\$ 3,255.00
12-20	Parking Lot Improvements and Parking Meters	47,702.20							47,702.20
14-25	Obert Street Parking Lot Improvements	7,370.56					3,255.00		4,115.56
		\$ 122,072.76	\$	6,293.17	\$	5,293.17	\$	3,255.00	\$ 123,072.76

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

BALANCE, DECEMBER 31, 2023

AND

BALANCE, DECEMBER 31, 2024

\$ 258,376.25

Detail:

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

BOROUGH OF SOUTH RIVER
PARKING UTILITY CAPITAL FUND
SCHEDULE 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, 2023</u>	<u>December 31, 2024</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
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Description	Ordinance		Balance December 31, 2023		Paid or Charged	Balance December 31, 2024	
		Date	Amount	Funded	Unfunded		Funded	Unfunded
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	7,370.56	15,000.00	3,255.00	4,115.56	15,000.00
				\$ 55,072.76	\$ 15,000.00	\$ 3,255.00	\$ 51,817.76	\$ 15,000.00

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

<u>BALANCE, DECEMBER 31, 2023</u>	\$ 67,000.00
<u>INCREASED BY</u>	
2024 Budget Appropriation	<u>1,000.00</u>
<u>BALANCE, DECEMBER 31, 2024</u>	\$ <u><u>68,000.00</u></u>

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

<u>Ordinance Number</u>	<u>Improvement Authorizations</u>	Balance December 31, <u>2023</u>	Balance December 31, <u>2024</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

SCHEDULES

Exhibit FW-1

Bracketed amounts denote deficit.

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

BALANCE, DECEMBER 31, 2023 \$ 21,743,784.15

INCREASED BY

Transferred from Fixed Capital Authorized and Uncompleted	\$ 1,095,406.89	
Adjustment for Budget Expenditure Capital Outlay:		
2024 Appropriation	<u>215,215.65</u>	<u>1,310,622.54</u>

BALANCE, DECEMBER 31, 2024 \$ 23,054,406.69

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
Extension of Water Main - Hillside Avenue Section II	72,446.65

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

Exhibit FW-2
Sheet 2 of 2

Detail: (Continued)

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	199,832.14
Various Water System Improvements	381,754.99
Rehabilitation of Well #2 and Other Wells	1,306,846.75
Improvements to the Borough's Water Treatment, Storage and Distribution System	790,864.16
Various Water System Improvements and Equipment Acquisitions	499,000.00
Improvements to the Borough's Water Treatment, Storage and Distribution System	945,611.50
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
2022 Capital Outlay - Appropriation Reserves	65,897.56
2023 Capital Outlay - Appropriation	98,264.30
2024 Capital Outlay - Appropriation	215,215.65
	<u>\$ 23,054,406.69</u>

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Ordinance Amount</u>	<u>Balance December 31, 2023</u>	<u>Increased by Fixed Capital Authorized</u>	<u>Decreased by Transferred to Fixed Capital</u>	<u>Balance December 31, 2024</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	216.31		\$ 48.45	167.86
19-10	Various Water Utility Improvements	06/24/19	400,000.00	123,274.67		105,029.66	18,245.01
19-15	Rehabilitation of Well #2 and Other Borough Wells	08/19/19	1,450,000.00	145,353.36		2,200.11	143,153.25
19-16	Improvements to the Borough's Water Treatment, Storage and Distribution System	08/19/19	925,000.00	176,653.01		42,517.17	134,135.84
22-19	Improvements to the Borough's Water Treatment, Storage and Distribution System	06/13/22	950,000.00	950,000.00		945,611.50	4,388.50
22-38	Various Water System Improvements and Equipment Acquisitions	12/19/22	500,000.00	1,000.00			1,000.00
23-21	Improvements to the Borough's Water Treatment, Storage and Distribution System	07/10/23	950,000.00	950,000.00			950,000.00
24-10	Improvements to the Borough's Water Treatment, Storage and Distribution System	03/11/24	950,000.00	\$ 950,000.00			950,000.00
24-43	Replacement of Borough-Wide Water Mains, Valves and Hydrants, including Lead and Galvanized Pipes	10/28/24	2,600,000.00		2,600,000.00		2,600,000.00
				<u>\$ 4,496,497.35</u>	<u>\$ 3,550,000.00</u>	<u>\$ 1,095,406.89</u>	<u>\$ 6,951,090.46</u>

**BOROUGH OF SOUTH RIVER
WATER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of</u>		<u>Interest Rate</u>	<u>Balance December 31, 2023</u>	<u>Decrease</u>	<u>Balance December 31, 2024</u>
			<u>Date</u>	<u>Bonds Outstanding December 31, 2024 Amount</u>				
Water System Improvements	12/05/19	\$ 2,605,000.00	12/1/2025	\$ 280,000.00	3.000%			
			12/1/2026	280,000.00	3.000%			
			12/1/2027	265,000.00	2.000%			
			12/1/2028	260,000.00	2.000%			
			12/1/2029	260,000.00	2.000%	\$ 1,625,000.00	\$ 280,000.00	\$ 1,345,000.00
						\$ 1,625,000.00	\$ 280,000.00	\$ 1,345,000.00

**BOROUGH OF SOUTH RIVER
WATER UTILITY CAPITAL FUND
SCHEDULE 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, 2023</u>	<u>Increased by</u>	<u>Decreased by Budget Appropriation</u>	<u>Balance December 31, 2024</u>
03-36/06-43	Acquisition of Water Meters	12/13/23	12/13/23	12/10/25	4.00%	\$ 1,017,000.00			\$ 1,017,000.00
03-36/06-43	Acquisition of Water Meters	12/11/24	12/11/24	12/10/25	4.00%		\$ 1,000,000.00		1,000,000.00
18-24	Various Water System Imp.	12/18/20	12/13/23	12/10/25	4.00%	35,000.00		\$ 5,000.00	30,000.00
19-10	Various Water System Imp.	12/18/20	12/13/23	12/10/25	4.00%	175,000.00		25,000.00	150,000.00
19-10	Various Water System Imp.	12/11/24	12/11/24	12/10/25	4.00%		130,000.00		130,000.00
19-15	Rehabilitation of Well #2 and Other Borough Wells	12/18/20	12/13/23	12/10/25	4.00%	210,000.00		30,000.00	180,000.00
19-15	Rehabilitation of Well #2 and Other Borough Wells	12/16/21	12/13/23	12/10/25	4.00%	840,000.00		105,000.00	735,000.00
19-16	Improvements to the Borough's Water Treatment, Storage and Distribution System	12/18/20	12/13/23	12/10/25	4.00%	525,000.00		75,000.00	450,000.00
19-16	Improvements to the Borough's Water Treatment, Storage and Distribution System	12/16/21	12/13/23	12/10/25	4.00%	95,000.00		15,000.00	80,000.00
22-19	Improvements to the Borough's Water Treatment, Storage and Distribution System	12/11/24	12/11/24	12/10/25	4.00%		100,000.00		100,000.00
24-10	Improvements to the Borough's Water Treatment, Storage and Distribution System	12/11/24	12/11/24	12/10/25	4.00%		900,000.00		900,000.00
						<u>\$ 2,897,000.00</u>	<u>\$ 2,130,000.00</u>	<u>\$ 255,000.00</u>	<u>\$ 4,772,000.00</u>

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

Exhibit FW-6

Ordinance Number	Description	Ordinance Date	Amount	Balance December 31, 2023		2024 Authorizations	Reserve for Encumbrances Cancelled	Paid or Charged	Balance December 31, 2024	
				Funded	Unfunded				Funded	Unfunded
03-36/ 06-43	Acquisition and Installation of Water Meters	09/29/03, 12/18/06	\$ 2,150,000.00		\$ 80,779.31			\$ 78,880.95	\$	1,898.36
18-24	Various Water System Improvements	07/16/18	200,000.00		216.31			64.78		151.53
19-10	Various Water Utility Improvements	06/24/19	400,000.00		90,804.95			88,652.03		2,152.92
19-15	Rehabilitation of Well #2 and Other Borough Wells	08/19/19	1,450,000.00		138,105.36		\$ 7,248.00	2,200.11		143,153.25
19-16	Improvements to the Borough's Water Treatment, Storage and Distribution System	08/19/19	925,000.00		176,653.01			150,935.92		25,717.09
22-19	Improvements to the Borough's Water Treatment, Storage and Distribution System	06/13/22	950,000.00	\$ 358,906.00	100,000.00			454,517.50		4,388.50
22-38	Various Water System Improvements and Equipment Acquisitions	12/19/22	500,000.00		1,000.00					1,000.00
23-21	Improvements to the Borough's Water Treatment, Storage and Distribution System	07/10/23	950,000.00		809,165.00			787,357.91		21,807.09
24-10	Improvements to the Borough's Water Treatment, Storage and Distribution System	03/11/24	950,000.00			\$ 950,000.00		126,427.20		823,572.80
24-43	Replacement of Borough-Wide Water Mains, Valves and Hydrants, including Lead and Galvanized Pipes	10/28/24	2,600,000.00							
				\$ 358,906.00	\$ 1,396,723.94	\$ 2,600,000.00	\$ 7,248.00	2,554,335.00		45,665.00
						\$ 3,550,000.00	\$ 4,243,371.40			\$ 1,069,506.54
Detail:										
	Capital Improvement Fund			\$ 50,000.00						
	Bonds & Notes Authorized			3,500,000.00						
				\$ 3,550,000.00						

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

<u>BALANCE, DECEMBER 31, 2023</u>	\$ 82,233.19
<u>INCREASED BY</u>	
2024 Budget Appropriation	<u>10,000.00</u>
	\$ 92,233.19
<u>DECREASED BY</u>	
Appropriated to Finance Improvement Authorizations	<u>50,000.00</u>
<u>BALANCE, DECEMBER 31, 2024</u>	<u>\$ 42,233.19</u>

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

<u>Ordinance Number</u>	<u>Improvement Authorizations</u>	<u>Balance December 31, 2023</u>	<u>2024 Authorization</u>	<u>Bond Anticipation Notes Issued</u>	<u>Balance December 31, 2024</u>
03-36/06-43	Acquisition and Installation of Water Meters	\$ 1,000,000.00	\$	1,000,000.00	
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
23-21	Improvements to the Borough's Water Treatment, Storage and Distribution System	900,000.00			900,000.00
24-10	Improvements to the Borough's Water Treatment, Storage and Distribution System		\$ 900,000.00	900,000.00	
24-43	Replacement of Borough-Wide Water Mains, Valves and Hydrants, including Lead and Galvanized Pipes		2,600,000.00		2,600,000.00
		<u>\$ 2,705,000.00</u>	<u>\$ 3,500,000.00</u>	<u>\$ 2,130,000.00</u>	<u>\$ 4,075,000.00</u>

CAPITAL ASSETS ACCOUNT

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

	Balance December 31, 2024	Balance December 31, 2023
General Capital Assets:		
Land	\$ 4,904,916.00	\$ 4,848,616.00
Buildings	18,672,575.98	19,670,226.98
Vehicles	8,472,887.75	8,067,537.55
Equipment	<u>4,071,207.60</u>	<u>3,634,565.28</u>
	<u>\$ 36,121,587.33</u>	<u>\$ 36,220,945.81</u>
Investment in General Capital Assets	<u>\$ 36,121,587.33</u>	<u>\$ 36,220,945.81</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	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Government	\$ 955,200.00	\$ 969,600.00	\$ 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
Public Safety	5,483,850.00	5,403,850.00	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
Public Works	2,763,000.00	2,619,000.00	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
Utility Expense and										
Bulk Purchases	448,000.00	515,000.00	457,000.00	416,000.00	431,000.00	358,000.00	320,000.00	365,500.00	362,000.00	399,500.00
Land Use	56,000.00	56,000.00	60,000.00	78,000.00	60,000.00	56,000.00	61,500.00	53,400.00	81,900.00	63,300.00
Sanitary Landfill	600,000.00	600,000.00	600,000.00	600,000.00	570,000.00	535,000.00	525,000.00	505,000.00	480,000.00	500,000.00
Insurance	1,996,000.00	1,821,942.00	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
Health and Human Services	191,038.00	189,538.00	235,636.00	144,860.00	234,312.00	248,990.00	252,694.00	245,325.00	257,579.00	257,857.00
Parks and Recreation	535,817.00	508,317.00	474,867.00	454,317.00	422,317.00	432,317.00	449,317.00	360,817.00	362,617.00	346,817.00
Education	669,520.00	615,839.00	560,973.00	507,773.00	490,181.00	483,281.00	461,208.00	460,081.00	446,130.00	430,987.00
Deferred Charges and Statutory										
Expenditures	1,953,748.00	1,972,612.46	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
Grants	1,185,671.21	394,130.70	290,321.24	521,998.54	209,579.46	208,995.40	291,233.14	106,970.84	107,733.17	215,267.59
Capital Improvements	1,570,000.00	535,000.00	150,000.00	175,000.00	200,000.00	130,000.00	300,000.00	300,000.00	100,000.00	100,000.00
Debt Service	2,234,558.00	2,197,948.00	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
Sewer	1,544,478.00	1,477,961.00	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
Contingent	100,500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00
Reserve for Uncollected Taxes	940,000.00	920,000.00	900,000.00	890,000.00	880,000.00	870,000.00	860,000.00	840,000.00	820,000.00	790,000.00
	<u>\$ 23,227,380.21</u>	<u>\$ 20,797,238.16</u>	<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>

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	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Operating	\$ 10,473,000.00	\$ 10,183,000.00	\$ 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
Capital Improvements	670,000.00	655,000.00	450,000.00	220,000.00	220,000.00	275,000.00	20,000.00	20,000.00	20,000.00	20,000.00
Debt Service	10,000.00	274,000.00	549,250.00	544,334.00	543,600.00	536,884.00	734,167.00	863,671.00	854,500.00	866,721.00
Deferred Charges and Statutory										
Expenditures	369,000.00	350,000.00	330,000.00	325,000.00	313,000.00	321,000.00	311,000.00	300,000.00	305,584.00	291,404.00
Surplus - General Budget	3,000,000.00	3,050,000.00	3,100,000.00	3,150,000.00	3,200,000.00	3,978,500.00	3,250,000.00	3,250,000.00	3,300,000.00	3,350,000.00
	<u>\$ 14,522,000.00</u>	<u>\$ 14,512,000.00</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>

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

Function	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Operating	\$ 42,500.00	\$ 53,000.00	\$ 39,500.00	\$ 38,000.00	\$ 39,000.00	\$ 38,000.00	\$ 33,000.00	\$ 30,300.00	\$ 33,000.00	\$ 29,000.00
Capital Improvements	3,000.00	2,000.00	32,000.00	6,500.00	6,500.00	6,500.00	6,500.00	6,500.00	6,500.00	9,000.00
Debt Service	1,000.00	23,000.00	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	5,500.00	4,500.00	3,500.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	4,500.00
	<u>\$ 52,000.00</u>	<u>\$ 82,500.00</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>

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

Function	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Operating	\$ 3,681,000.00	\$ 3,716,000.00	\$ 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
Capital Improvements	235,000.00	110,000.00	610,000.00	640,000.00	325,000.00	326,000.00	231,000.00	425,000.00	320,000.00	220,000.00
Debt Service	712,634.00	668,234.00	619,400.00	499,800.00	463,125.00	485,735.00	546,819.00	572,189.00	661,689.00	624,992.00
Deferred Charges and Statutory Expenditures	221,500.00	213,500.00	202,500.00	207,500.00	402,500.00	195,500.00	195,500.00	187,000.00	185,056.00	176,289.00
	<u>\$ 4,850,134.00</u>	<u>\$ 4,707,734.00</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>

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

Source	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Surplus Anticipated	\$ 2,500,000.00	\$ 2,425,000.00	\$ 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
Taxes	12,628,975.04	12,202,615.33	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
Delinquent Taxes	473,133.16	433,873.13	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
Miscellaneous	6,317,391.00	5,263,013.56	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
State Aid	921,215.15	874,046.10	825,291.00	825,291.00	825,291.01	825,291.00	825,291.00	825,291.00	825,291.00	825,291.00
State and Federal Grants	1,079,099.21	285,558.70	183,749.24	493,998.54	194,379.46	193,795.40	286,033.14	101,770.84	102,533.17	215,267.59
Nonbudget Revenue										
and Other Items	1,971,517.18	1,848,952.51	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
	<u>\$ 25,891,330.74</u>	<u>\$ 23,313,059.33</u>	<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>

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>			
2024	\$ 0.751	\$ 0.044	\$ 1.273	\$ 0.439	\$ 0.040	\$ 2.547	98.90%	1.67%
2023	0.732	0.041	1.245	0.416	0.037	2.471	98.60%	1.92%
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%

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>
2024	\$ 38,750,733.42	\$ 38,323,961.84	98.90%
2023	37,571,834.54	37,046,712.06	98.60%
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%

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>
2024	\$ 260,072.78	\$ 388,480.31	\$ 648,553.09	1.67%
2023	246,065.86	474,852.40	720,918.26	1.92%
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%

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>
2024	\$ 1,520,336,000	\$ 2,250,349,319	67.56%
2023	1,516,462,700	2,008,559,868	75.50%
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%

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 - 2024</u>	<u>As a Percent of Net Assessed Valuation Taxable</u>
LIT Industrial, LP	\$ 49,100,900	3.23%
LIT Northend, LLC	32,810,300	2.16%
Leonardine Gardens, LLC	14,776,600	0.97%
Village Greens Living, LLC	9,745,300	0.64%
Emess Apts., Ltd.	8,554,800	0.56%
Absolute Property Management	4,174,500	0.27%
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>8.71%</u>

Source: Municipal Tax Assessor.

BOROUGH OF SOUTH RIVER
COMPUTATION OF LEGAL DEBT MARGIN
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024
[UNAUDITED]

Average Equalized Valuation	\$ <u>2,035,475,466.33</u>
Borrowing Margin - 3½% of Average Equalized Valuation Basis	\$ 71,241,641.32
Net Debt	<u>32,514,789.79</u>
Remaining Borrowing Power	\$ <u>38,726,851.53</u>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt - Borough of South River	\$ <u>37,448,874.39</u>	\$ <u>4,934,084.60</u>	\$ 32,514,789.79
Overlapping Debt Apportioned to the Municipality: County of Middlesex (\$598,454,466 at 1.4293%) ⁽¹⁾			<u>8,553,710.00</u>
			\$ <u>41,068,499.79</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>
2024	16,118 (1A)	\$ 2,250,349,319.00	\$ 35,628,874.39	1.58%	\$ 2,210.50
2023	16,118 (1A)	2,008,559,868.00	32,645,380.64	1.63%	2,025.40
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

(1) Based on the 2010 U.S. Census for Years 2015-2020.

(1A) Based on the 2020 U.S. Census for Years 2021-2024.

(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 December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total Current Fund Governmental Fund Expenditures</u>	<u>Ratio of Debt Service to Current Fund Expenditures</u>
2024	\$ 1,623,076.08	\$ 610,810.55	\$ 2,233,886.63	\$ 23,227,380.21	9.62%
2023	1,663,820.91	533,741.34	2,197,562.25	20,797,238.16	10.57%
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%

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

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

Cash Receipts from Fees, Rents and Other Charges	\$ 16,497,008.76
Deductions:	
Operating and Maintenance Cost	<u>11,492,000.00</u>
Excess in Revenues	<u>\$ 5,005,008.76</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	\$ 80,076.50
Deductions:	
Operating and Maintenance Cost	<u>50,000.00</u>
Excess in Revenues	<u>\$ 30,076.50</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		\$ 4,454,696.35
Deductions:		
Operating and Maintenance Cost	\$ 4,127,500.00	
Debt Service	<u>706,842.12</u>	
Total Deductions		<u>4,834,342.12</u>
Excess/(Deficit) in Revenues		\$ <u><u>(379,645.77)</u></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>
2024	16,118 (1A)	5.80%	4,316	\$ 42,195
2023	16,118 (1A)	5.10%	4,319	40,055
2022	16,118 (1A)	5.10%	4,323	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

(1) Based on the 2010 U.S. Census for Years 2015-2020

(1A) Based on the 2020 U.S. Census for Years 2021-2024

(2) NJ Department of Labor

(3) Borough Tax Collector's Office

BOROUGH OF SOUTH RIVER
MISCELLANEOUS STATISTICS
DECEMBER 31, 2024

Date of Incorporation 1898

Form of Government Borough

Area 2.87 square miles

	<u>Full Time</u>	<u>Part Time</u>
Employees:		
Administrative	29	16
Police	43	12
Crossing Guards		15
Public Works	22	3
Parks and Recreation	4	21
Volunteer Firemen		60
Other (part time employees)		29
Total Employees	<u><u>98</u></u>	<u><u>156</u></u>

Source: Borough Records.

SINGLE AUDIT SECTION

SAMUEL KLEIN AND COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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 Federal Program

Opinion on Each Major Federal Program

We have audited the Borough of South River's ("Borough") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Borough's major federal programs for the year ended December 31, 2024. The Borough's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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 federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

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; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Borough and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Borough's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Borough's federal programs.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE (CONTINUED)**

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Borough's compliance based on our audit. 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 the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Borough's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Borough's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Borough's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the Uniform Guidance. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the Borough's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Borough's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE (CONTINUED)**

Report on 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 federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal 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 federal 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 Uniform Guidance. Accordingly, this report 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 30, 2025

BOROUGH OF SOUTH RIVER
NOTES TO THE SCHEDULES OF EXPENDITURES
OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2024

1. GENERAL

The accompanying schedule of expenditures of federal awards includes federal award activity of the Borough of South River ("Borough") under programs of the federal government for the year ended December 31, 2024. The information in the schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included in the schedule. Because the schedule presents 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

The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (OCBOA), which differs in certain respects from generally accepted accounting principles (GAAP). This basis of accounting is described in Note 1 to the Borough's financial statements.

3. RELATIONSHIP TO FINANCIAL STATEMENTS

Amounts reported in the accompanying schedule agree with amounts reported in the Borough's regulatory basis financial statements. These amounts are reported in either the Grant Fund, General Capital Fund, or Water Utility Capital Fund. Matching contributions expended by the Borough in accordance with the terms of various grants are not reported in the accompanying schedule.

4. RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

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

5. INDIRECT COSTS

The Borough has not elected to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

BOROUGH OF SOUTH RIVER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024
(CONTINUED)

Section I - Summary of Auditor's Results (Continued)

State Financial Assistance

Type of auditor's report issued on compliance for major programs: n/a

Internal Control over major programs:

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

2. Significant deficiency(ies) identified that are not
considered to be material weakness(es): Yes No X n/a

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

Identification of major programs:

<u>State Number</u>	<u>Name of State Program or Cluster</u>
<u> n/a </u>	<u> n/a </u>
<u> n/a </u>	<u> n/a </u>

Dollar threshold used to distinguish between Type A and Type B Programs: n/a

Auditee qualifies as low-risk auditee? Yes No X n/a

BOROUGH OF SOUTH RIVER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024
(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, 2024

FOR THE YEAR ENDED DECEMBER 31, 2023:

Financial Statements Findings

None.

Major Federal and State Awards Findings and Questioned Costs

Not Applicable. There was no single audit for the year ended December 31, 2023.

**BOROUGH OF SOUTH RIVER
COUNTY OF MIDDLESEX, NEW JERSEY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Federal Grantor/Program Title	Federal Assistance Listing Number	Award Amount	Grant Period		Current Year		Cumulative Expenditures
			From	To	Cash Receipts	Expenditures	
<u>U.S. Department of Housing and Urban Development:</u>							
Pass-through County of Middlesex							
CDBG - Entitlement Grants Cluster							
Various Federal Housing and Community Development Grant Improvements	14.218	\$ 81,841.00	1/1/22	- Completion	\$ 81,841.00	\$ 81,841.00	\$ 81,841.00
Total U.S. Department of Housing and Urban Development					\$ 81,841.00	\$ 81,841.00	\$ 81,841.00
<u>U.S. Department of Health and Human Services:</u>							
Pass-through County of Middlesex							
Title III Aging Cluster							
Physical	93.044	\$ 5,000.00	1/1/24	- 12/31/24	\$ 3,550.00	\$ 5,000.00	\$ 5,000.00
Residential Maintenance	93.044	8,078.00	1/1/24	- 12/31/24	1,836.00	4,949.96	4,949.96
Socialization and Recreation	93.044	3,500.00	1/1/24	- 12/31/24	1,271.00	1,873.93	1,873.93
Assisted Transportation	93.044	88,176.00	1/1/24	- 12/31/24	72,519.00	88,176.00	88,176.00
Information and Assistance	93.044	10,000.00	1/1/24	- 12/31/24	7,500.00	10,000.00	10,000.00
Mental Health	93.044	50,000.00	1/1/24	- 12/31/24	35,387.00	43,489.87	43,489.87
Total U.S. Department of Health and Human Services					\$ 122,063.00	\$ 153,489.76	\$ 153,489.76
<u>U.S. Department of Treasury:</u>							
Coronavirus State and Local Fiscal Recovery Funding:							
American Rescue Plan Act:							
Improvements to Water Treatment, Storage, and Distribution System	21.027	\$ 825,782.56	3/3/21	- 12/31/24	None	\$ 450,138.56	\$ 825,782.56
Various Sewer System Improvements and the Acquisition of Various Capital Equipment	21.027	825,782.56	3/3/21	- 12/31/24	None	596,386.40	596,386.40
Total U.S. Department of Treasury					None	1,046,524.96	1,422,168.96
Total Federal Awards					\$ 203,904.00	\$ 1,281,855.72	\$ 1,657,499.72

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

AUDITOR'S COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS
DECEMBER 31, 2024

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, 2024 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:

2024-1 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, 2024

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:

Janitorial Services	Electric Utility Department Materials
Motor Vehicle Parts and Supply	Supply and Install a Traffic Signal at the Intersection of Main and Jackson Street
Water Treatment Plant Chemical Modification	Public Works Functions and Utility Maintenance
Various Sewer Repairs	Extension of Water Mains
Consultant Services for OEM	Various Roadway Improvements and Various Park Improvements

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

911 Dispatch Equipment	Purchase of Rock Salt
Purchase a Pickup Truck	Purchase of a Chevy Tahoe
Purchase of Police Vehicles	Installation Services for E911 Solution F
Lease of Photocopying Equipment	Purchase of a Radio Dispatch Console
Dailey's Field Ball Stopper	Purchase and Installation of a Camera System
Purchase of a New Fire Apparatus	Turnout Gear
Purchase of Twenty (20) Fire Hydrants	Purchase of a Skid Steer Loader
Automotive Gasoline	Police Protective Clothing & Equipment
Fuel Oil #1 and #2	Equipment & Lighting
Firefighter Equipment	Supplies and Lighting
Wireless Services	Office Supplies
Purchase of a Radio Dispatch Furniture	Purchase of a Dodge Durango
Tires	

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

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

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

GENERAL COMMENTS (CONTINUED)
DECEMBER 31, 2024

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

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.

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 8, 2024, 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 2024, 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.

GENERAL COMMENTS (CONTINUED)
DECEMBER 31, 2024

Delinquent Taxes and Tax Title Liens

The detail of all unpaid taxes for 2024 is being properly carried in the Tax Collector's records. An abstract taken from these records as at December 31, 2024, 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.

The last tax sale was held on October 24, 2024, and was complete with respect to taxes.

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

Number of Liens			
<u>Year</u>	<u>Tax</u>	<u>Water</u>	<u>Electric</u>
2024	13	3	3
2023	12	4	2
2022	12	3	2

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.

The outside service in the latter part of 2024 experienced an internal technical problem which resulted in a delay of the release of water and electric bills for November and December. This resulted in higher-than-normal receivable balances at year end. There was no adverse impact on the Borough's operation.

GENERAL COMMENTS (CONTINUED)
DECEMBER 31, 2024

Delinquent Electric and Water Utility Rents (Continued)

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.

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, 2024, and September 30, 2024, 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.

OTHER COMMENTS
DECEMBER 31, 2024

Payroll

An examination was made of the employees' compensation records for the year 2024 to determine that salaries were paid in conformity with the amounts of salaries and wages authorized by ordinance with a minor exception which has since been resolved.

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.

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

Receivables, Reserves, unexpended appropriations and improvement 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 2024 was maintained in accordance with acceptable accounting control standards. (NJAC 5:30-5:7)

A complete encumbrance system for budgetary purposes was maintained during 2024. (NJAC 5:30-5:2)

A fixed assets detail was maintained in 2024. (NJAC 5:30-5:6)

OTHER COMMENTS (CONTINUED)
DECEMBER 31, 2024

Miscellaneous Comments (Continued)

Construction Code Official

Our examination of the Uniform Construction Code Annual Report revealed the revenues for 2024 in accordance with the report were \$176,681 and expenditures were \$232,467. The revenue and expenditures should be reviewed annually for sufficiency and adjustment of rate if necessary.

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, 2024, was verified by the School Board Secretary.

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, 2024, 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.

OTHER COMMENTS (CONTINUED)
DECEMBER 31, 2024

Miscellaneous Comments (Continued)

Cybersecurity

With the ever-increasing challenges relating to cybersecurity, each organization determines what particular assessment or combination of assessments best fits its information security strategy. We suggest management continue to assess risks related to cybersecurity along with the utilization of specialized assessments, which would also include a periodic reporting mechanism to those charged with governance.

Condition of Records - Other Officials Collecting Fees

Our reviews of the records maintained for other officials collecting fees, which were designed to determine that minimum levels of internal control and accountability were met, and that cash receipts were deposited or turned over to the Borough's Treasurer's accounts within a 48-hour period as required by N.J.S.A. 40A:5-15. There were no exceptions to report. Municipal Clerk's Office and the Recreation Department prepare monthly reports. No exceptions were noted for items tested.

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, 2024.

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 2023 audit since there were no recommendations and no plan of action is required for 2024 as a similar condition exists.

RECOMMENDATIONS
DECEMBER 31, 2024

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 blue horizontal line.

Gerard Stankiewicz
Certified Public Accountant
Registered Municipal Accountant #431

For the Firm
SAMUEL KLEIN AND COMPANY, LLP