

COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE

BOROUGH OF SOUTH RIVER

**48 Washington Street
South River, New Jersey 08882**

FOR THE YEAR ENDED DECEMBER 31, 2014

**Presented by
Borough of South River**

**Frederick C. Carr
Borough Administrator**

**Joseph Zanga
Chief Financial Officer**

BOROUGH OF SOUTH RIVER
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2014

	<u>Page</u>
 <u>INTRODUCTORY SECTION</u>	
Letter of Transmittal	1-7
Table of Organization	8
Roster of Officials	9
Consultants and Advisors	10
 <u>FINANCIAL SECTION</u>	
Independent Auditors' Report	11-13
Report on Internal Control over Financial Reporting and Compliance and Other Matters based on an Audit of Financial Statements – Regulatory Basis Performed in accordance with <i>Government Auditing Standards</i>	14-15
<u>Exhibit Number</u>	
 <u>GENERAL PURPOSE FINANCIAL STATEMENTS</u>	
A-1 Combined Statement of Assets, Liabilities, Reserves and Fund Balance - All Fund Types and Accounts - Regulatory Basis	16-17
A-2 Combined Statement of Revenues, Expenses and Change in Fund Balance - Budget and Actual – Current and Utility Operating Funds - Regulatory Basis	18-20
A-3 Statement of Fund Balance - Trust Other Fund - Regulatory Basis	21
A-4 Statement of Fund Balance - General Capital Fund - Regulatory Basis	22
A-5 Combined Statement of Fund Balance –Utility Capital Funds – Regulatory Basis	23
Notes to Financial Statements	24-60
 <u>COMBINING AND INDIVIDUAL FUND AND ACCOUNT GROUP STATEMENTS</u>	
Current Fund:	
B-1 Comparative Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis	61-63
B-2 Comparative Statement of Operations and Change in Fund Balance - Regulatory Basis	64-65
B-3 Statement of Revenues - Regulatory Basis	66-67
B-4 Statement of Expenditures - Regulatory Basis	68-74
B-5 Statement of Taxes Receivable and Analysis of Property Tax Levy	75-76

BOROUGH OF SOUTH RIVER
TABLE OF CONTENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2014

Page

FINANCIAL SECTION (CONTINUED)

Exhibit
Number

COMBINING AND INDIVIDUAL FUND AND ACCOUNT
GROUP STATEMENTS (CONTINUED)

Current Fund (Continued):		
B-6	Statement of Tax Title Liens Receivable	77
B-7	Statement of 2013 Appropriation Reserves	78-81
B-8	Statement of Local District School Tax	82
B-9	Statement of Grants Receivable - Grant Fund	83
B-10	Statement of Appropriated Reserves - Grant Fund	84-85
B-11	Statement of Unappropriated Reserves - Grant Fund	86
Trust and Agency Funds:		
C-1	Comparative Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis	87-88
C-2	Statement of Various Reserves – Trust Fund #1	89
C-3	Statement of Various Reserves – Trust Fund #2	90
C-4	Statement of Reserve for Animal Control Expenditures	91
C-5	Statement of Payroll Deductions Payable	92
C-6	Statement of Reserve for New Jersey Unemployment Compensation Insurance	93
C-7	Statement of Reserves for Electric Utility Consumer Deposits	94
C-8	Statement of Reserves for Law Enforcement Trust Fund	95
C-9	Statement of Reserves for Tax Title Lien Premium/Redemption – Trust Other Fund	96
General Capital Fund:		
D-1	Comparative Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis	97-98
D-2	Analysis of Cash and Cash Equivalents	99-100
D-3	Statement of Intergovernmental Accounts Receivable	101
D-4	Statement of Deferred Charges to Future Taxation - Unfunded	102
D-5	Statement of Serial Bonds	103
D-6	Statement of Bond Anticipation Notes	104-105
D-7	Statement of Loans Payable - New Jersey Environmental Infrastructure Trust	106
D-8	Statement of Improvement Authorizations	107-108
D-9	Statement of Capital Improvement Fund	109
D-10	Statement of Bonds and Notes Authorized but not Issued	110

BOROUGH OF SOUTH RIVER
TABLE OF CONTENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2014

Page

FINANCIAL SECTION (CONTINUED)

Exhibit
Number

COMBINING AND INDIVIDUAL FUND AND ACCOUNT
GROUP STATEMENTS (CONTINUED)

	Utility Operating Funds - Combined Statements:	
E-1	Combined Comparative Statement of Assets, Liabilities, Reserves and Fund Balance - Electric Utility, Parking Utility and Water Utility Operating Funds -Regulatory Basis	111
	Electric Utility Operating Fund:	
EE-1	Comparative Statement of Operations and Change in Fund Balance - Regulatory Basis	112
EE-2	Statement of Revenues - Regulatory Basis	113
EE-3	Statement of Expenditures - Regulatory Basis	114
EE-4	Statement of Consumer Accounts Receivable	115
EE-5	Statement of Consumer Liens Receivable	115
EE-6	Statement of 2013 Appropriation Reserves	116
EE-7	Statement of Accrued Interest on Bonds and Notes	117
	Parking Utility Operating Fund:	
EP-1	Statement of Operations and Change in Fund Balance - Regulatory Basis	118
EP-2	Statement of Revenues - Regulatory Basis	119
EP-3	Statement of Expenditures - Regulatory Basis	120
EP-4	Statement of 2013 Appropriation Reserves	121
EP-5	Statement of Accrued Interest on Notes	122
	Water Utility Operating Fund:	
EW-1	Comparative Statement of Operations and Change in Fund Balance - Regulatory Basis	123
EW-2	Statement of Revenues - Regulatory Basis	124
EW-3	Statement of Expenditures - Regulatory Basis	125
EW-4	Statement of Consumer Accounts Receivable	126
EW-5	Statement of Consumer Liens Receivable	126
EW-6	Statement of 2013 Appropriation Reserves	127
EW-7	Statement of Accrued Interest on Bonds, Notes and Loans	128

BOROUGH OF SOUTH RIVER
TABLE OF CONTENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2014

Page

FINANCIAL SECTION (CONTINUED)

Exhibit
Number

COMBINING AND INDIVIDUAL FUND AND ACCOUNT
GROUP STATEMENTS (CONTINUED)

Utility Capital Funds - Combined Statements:		
F-1	Combined Comparative Statement of Assets, Liabilities and Reserves - Electric Utility, Parking Utility and Water Utility Capital Funds - Regulatory Basis	129-130
Electric Utility Capital Fund:		
FE-1	Analysis of Cash and Cash Equivalents	131
FE-2	Statement of Fixed Capital	132
FE-3	Statement of Fixed Capital Authorized and Uncompleted	133
FE-4	Statement of Serial Bonds	134
FE-5	Statement of Bond Anticipation Notes	135
FE-6	Statement of Improvement Authorizations	136
FE-7	Statement of Capital Improvement Fund	137
FE-8	Statement of Bonds and Notes Authorized but not Issued	138
Parking Utility Capital Fund:		
FP-1	Analysis of Cash and Cash Equivalents	139
FP-2	Statement of Fixed Capital	140
FP-3	Statement of Fixed Capital Authorized and Uncompleted	141
FP-4	Statement of Bond Anticipation Notes	142
FP-5	Statement of Improvement Authorizations	143
FP-6	Statement of Capital Improvement Fund	144
FP-7	Statement of Bonds and Notes Authorized but not Issued	145
Water Utility Capital Fund:		
FW-1	Analysis of Cash and Cash Equivalents	146
FW-2	Statement of Fixed Capital	147-148
FW-3	Statement of Fixed Capital Authorized and Uncompleted	149
FW-4	Statement of Bond Anticipation Notes	150
FW-5	Statement of Loans Payable – NJEIT	151
FW-6	Statement of Improvement Authorizations	152
FW-7	Statement of Capital Improvement Fund	153
FW-8	Statement of Bonds and Notes Authorized but not Issued	154

BOROUGH OF SOUTH RIVER
TABLE OF CONTENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2014

Page

FINANCIAL SECTION (CONTINUED)

Exhibit
Number

COMBINING AND INDIVIDUAL FUND AND ACCOUNT
GROUP STATEMENTS (CONTINUED)

	Governmental Fixed Assets Account:	
G-1	Comparative Statement of Governmental Fixed Assets	155

STATISTICAL SECTION [UNAUDITED]

H-1	Current Fund Expenditures by Function	156
H-2	Electric Utility Operating Fund Expenditures by Function	157
H-3	Parking Utility Operating Fund Expenditures by Function	158
H-4	Water Utility Operating Fund Expenditures by Function	159
H-5	Current Fund Revenues by Source	160
H-6	Property Tax Rates Per \$100 of Assessed Valuation	161
H-7	Municipal Property Tax Levies and Collections	162
H-8	Delinquent Taxes and Tax Title Liens	163
H-9	Assessed and Estimated Actual Value of Taxable Property	164
H-10	Schedule of Ten Largest Taxpayers	165
H-11	Computation of Legal Debt Margin	166
H-12	Ratio of Bonded Debt, Bond Anticipation Notes and Loans to Equalized Value and Debt Per Capita	167
H-13	Ratio of Annual Debt Service Expenditures for Bonded Debt, Bond Anticipation Notes and Loans	168
H-14	Calculation of "Self-Liquidating Purpose" Per N.J.S. 40A:2-45 Electric Utility Operating Fund	169
H-15	Calculation of "Self-Liquidating Purpose" Per N.J.S. 40A:2-45 Parking Utility Operating Fund	170
H-16	Calculation of "Self-Liquidating Purpose" Per N.J.S. 40A:2-45 Water Utility Operating Fund	171
H-17	Demographic Statistics	172
H-18	Miscellaneous Statistics	173

BOROUGH OF SOUTH RIVER
TABLE OF CONTENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2014

Page

SINGLE AUDIT SECTION

	Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133 and NJ OMB 15-08	174-175
<u>Schedule Number</u>		
I	Schedule of Expenditures of Federal Awards	176
	Notes to the Schedule of Expenditures of Federal Awards	177
	Schedule of Findings and Questioned Costs	178-180
	Summary Schedule of Prior Year Findings	181

AUDITOR'S COMMENTS AND RECOMMENDATIONS

<u>General Comments:</u>		
	Contracts and Agreements Required to be Advertised per N.J.S. 40A:11-4	182-183
	Collection of Interest on Delinquent Taxes and Assessments	183-184
	Delinquent Taxes and Tax Title Liens	184
	Delinquent Electric and Water Utility Rents	185
	Parking Utility	185
<u>Other Comments:</u>		
	Cash Balances	186
	Revenues	186
	Expenditures	186
	Payroll	186
<u>Miscellaneous Comments:</u>		
	Interfunds Receivable/Payable	187
	Reserves	187
	Surety Bonds	187
	Grants	187
	General Ledger	187
	Construction Code Official	187
	Local School District Taxes	187
	Free Public Library	188
	Length of Service Awards Program	188
	Financial Procedure Review	188
	Appreciation	188
	Corrective Action Plan	188
	Recommendations	189

INTRODUCTORY SECTION

BOROUGH OF SOUTH RIVER
MIDDLESEX COUNTY
NEW JERSEY
08882-1247



June 26, 2015

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

The Comprehensive Annual Financial Report for the Borough of South River, County of Middlesex, State of New Jersey, for the year ended December 31, 2014 is submitted herewith and includes financial statements and supplemental schedules. I believe it is accurate in all material respects; that it is presented in a manner designated to set forth fairly the financial position and results of operations of the Borough of South River as measured by the financial activity of its various funds and account groups; and that all disclosures necessary to enable the reader to gain an understanding of the Borough's financial affairs have been included.

The Comprehensive Annual Financial Report is presented in five (5) sections: Introductory, Financial, Statistical, Single Audit and Auditor's Comments and Recommendations. The Introductory Section includes this transmittal letter, the Borough's organizational chart and a list of principal officials. The Financial Section includes the annual financial statements and individual fund financial schedules, as well as the independent auditor's report. The Statistical Section includes selected financial, economic and demographic information, generally presented on a multi-year basis. The 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 of \$16,778,970.75 exclusive of fund balance and total expenditures of \$16,734,812.23 and a Fund Balance increase of \$55,743.19 as of December 31, 2014. The following schedule summarizes revenues and expenses for 2014 and 2013.

<u>Revenues</u>	<u>2014</u>	<u>2013</u>	<u>Increase/(Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
Fund Balance	\$ 1,339,848.00	\$ 1,482,773.56	\$ (142,925.56)	(9.64) %
Real Estate Taxes	8,544,615.02	8,215,900.89	328,714.13	4.00
Delinquent Tax Receipts	640,720.55	633,863.95	6,856.60	1.08
Miscellaneous Anticipated Revenues	5,656,664.79	5,583,430.41	73,234.38	1.31
Grants	169,545.23	218,240.92	(48,695.69)	(22.31)
Intergovernmental Revenue	825,291.00	825,290.68	0.32	0.00
Other Credits to Income	486,565.42	657,331.18	(170,765.76)	(25.98)
Nonbudget Revenue	455,568.74	394,719.28	60,849.46	15.42
	<u>\$ 18,118,818.75</u>	<u>\$ 18,011,550.87</u>	<u>\$ 107,267.88</u>	<u>0.60 %</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 2014 over 2013 was as follows:

<u>Expenditures</u>	<u>2014</u>	<u>2013</u>	<u>Increase/(Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
General Government	\$ 737,300.00	\$ 756,100.00	\$ (18,800.00)	(2.49) %
Public Safety	4,625,700.00	4,596,500.00	29,200.00	0.64
Public Works	2,190,500.00	2,095,500.00	95,000.00	4.53
Utility Expense and Bulk Purchases	412,500.00	411,000.00	1,500.00	0.36
Land Use	62,205.00	42,205.00	20,000.00	47.39
Sanitary Landfill	515,000.00	515,000.00	0.00	0.00
Insurance	1,928,000.00	1,825,052.00	102,948.00	5.64
Health and Human Services	270,760.00	243,036.00	27,724.00	11.41
Parks and Recreation	375,250.00	375,750.00	(500.00)	(0.13)
Education - Library	437,365.00	449,822.36	(12,457.36)	(2.77)
Deferred Charges and Statutory Expenditures	1,316,230.00	1,395,338.00	(79,108.00)	(5.67)
Grants	171,445.23	222,040.92	(50,595.69)	(22.79)
Capital Improvements	75,000.00	150,000.00	(75,000.00)	(50.00)
Debt Service	1,896,277.00	1,836,126.00	60,151.00	3.28
Sewer	930,780.00	1,096,715.92	(165,935.92)	(15.13)
Contingent	500.00	500.00	0.00	0.00
Reserve for Uncollected Taxes	790,000.00	787,235.29	2,764.71	0.35
	<u>\$ 16,734,812.23</u>	<u>\$ 16,797,921.49</u>	<u>\$ (63,109.26)</u>	<u>(0.38) %</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 6,500 accounts. Revenues in 2014 exclusive of fund balance utilized were \$14,505,917.89 and expenditures exclusive of the transfer to the general budget were \$11,658,894.00. Fund balance decreased by \$709,347.11. The Electric Utility debt was considered to be self-liquidating for 2014, and, as a result, the Fund's debt is not factored into the Borough's net debt. The following schedule summarizes revenue and expenses for 2014 and 2013.

	<u>2014</u>	<u>2013</u>	<u>Increase/(Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
<u>Revenues</u>				
Fund Balance Utilized	\$ 3,556,371.00	\$ 3,556,371.00	\$ 0.00	0.00 %
Electric Charges	13,667,419.79	13,124,979.95	542,439.84	4.13
Miscellaneous Revenues	8,000.00	4,400.00	3,600.00	81.82
Other Credits to Income	830,498.10	1,137,955.27	(307,457.17)	(27.02)
	<u>\$ 18,062,288.89</u>	<u>\$ 17,823,706.22</u>	<u>\$ 238,582.67</u>	<u>1.34 %</u>
<u>Expenditures</u>				
Operating Expenses	\$ 10,493,000.00	\$ 10,540,000.00	\$ (47,000.00)	(0.45) %
Capital Improvements	20,000.00	20,000.00	0.00	0.00
Debt Service	857,316.00	873,793.00	(16,477.00)	(1.89)
Deferred Charges	288,578.00	281,262.00	7,316.00	2.60
Surplus (General Budget)	3,556,371.00	3,556,371.00	0.00	0.00
	<u>\$ 15,215,265.00</u>	<u>\$ 15,271,426.00</u>	<u>\$ (56,161.00)</u>	<u>(0.37) %</u>

Parking Utility Fund

The Borough dissolved its Parking Authority in the latter part of 2011 and 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 2014 exclusive of fund balance utilized were \$50,572.05 and expenditures were \$47,500.00. Fund balance increased \$3,072.05. The following schedule summarizes revenue and expenses for 2014 and 2013.

	<u>2014</u>	<u>2013</u>	<u>Increase/(Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
<u>Revenues</u>				
Fund Balance Utilized	\$ 12,500.00	\$ 12,500.00	\$ 0.00	0.00 %
Parking Permit Fee	45,084.45	47,409.30	(2,324.85)	(4.90)
Other Credits to Income	5,487.60	3,441.22	2,046.38	59.47 %
	\$ 63,072.05	63,350.52	\$ (278.47)	(0.44) %
<u>Expenditures</u>				
Operating Expenses	\$ 29,000.00	\$ 28,000.00	\$ 1,000.00	3.57 %
Capital Improvements	14,000.00	15,000.00	(1,000.00)	(6.67)
Deferred Charges	4,500.00	4,500.00	0.00	0.00
	\$ 47,500.00	47,500.00	\$ 0.00	0.00 %

Water Utility Fund

The Water Utility serves the entire Borough, which encompasses approximately 4,350 accounts. Revenues exclusive of fund balance were \$3,833,359.87 and expenditures were \$3,766,678.00. Fund balance increased \$66,681.87. The Water Utility Fund was considered to be self-liquidating for 2014 and, as a result, the Fund's debt is not factored into the Borough's net debt. The following schedule summarizes revenues and expenses for 2014 and 2013.

	<u>2014</u>	<u>2013</u>	<u>Increase/(Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
<u>Revenues</u>				
Fund Balance	\$ 549,678.00	\$ 489,886.00	\$ 59,792.00	12.21 %
Water Rents	3,309,077.21	3,446,430.81	(137,353.60)	(3.99)
Miscellaneous Revenues	27,000.00	11,120.00	15,880.00	142.81
Other Credits to Income	497,282.66	261,596.99	235,685.67	90.09
	\$ 4,383,037.87	\$ 4,209,033.80	\$ 174,004.07	4.13 %
<u>Expenditures</u>				
Operating Expenses	\$ 2,745,000.00	\$ 2,745,000.00	\$ 0.00	0.00 %
Capital Improvements	285,000.00	190,000.00	95,000.00	50.00
Debt Service	554,626.00	540,498.00	14,128.00	2.61
Deferred Charges	182,052.00	175,508.00	6,544.00	3.73
	\$ 3,766,678.00	\$ 3,651,006.00	\$ 115,672.00	3.17 %

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 2015 Municipal Budget as adopted reflects a rate of \$1.954, representing an increase from the prior year in the Local Purpose Tax Rate. The 2015 Budget as adopted will have increase of \$234,700.00, or 3.00% compared to 2014 appropriations exclusive of the Library.

In 2015, 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 are in the implementation stage.
- Various equipments are being purchased for all departments in order to provide a better level of service to the residents.
- Improvements to the Human Resource Building which was completed in 2014 and the Borough's pump stations damaged by Hurricane Sandy has begun and completion is expected in 2015.
- Improvements to Kamm Avenue Section III funded by the NJDOT and other roads are projected to be completed in 2015.
- The Governing Body is in constant pursuit of grants from the federal, state and county governments in order to improve the Borough at minimal cost to the local residents.

- Curb and sidewalk improvements funded by the Housing and Community Development Grant funds have begun.
- Ongoing computer equipment and network upgrades,
- Installation of a standby generator for the Public Works facility.
- Obert Street parking lot improvements were authorized and projected to be completed in 2015.

CASH MANAGEMENT

The Borough invests all surplus funds for appropriate periods of time as determined by the Chief Financial Officer. During 2014, funds were deposited in interest bearing accounts.

DEBT ADMINISTRATION

The current outstanding net debt of the Borough is \$22,992,874.60 which represents 1.745% of its average equalized value. Debt Service appropriations for 2014 were \$3,308,219.00 for all Borough funds.

RISK MANAGEMENT

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

The Borough is a member of the New Jersey State Health Benefits Program, as well as having dental and prescription plans with Blue Cross and Blue Shield of New Jersey.

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.

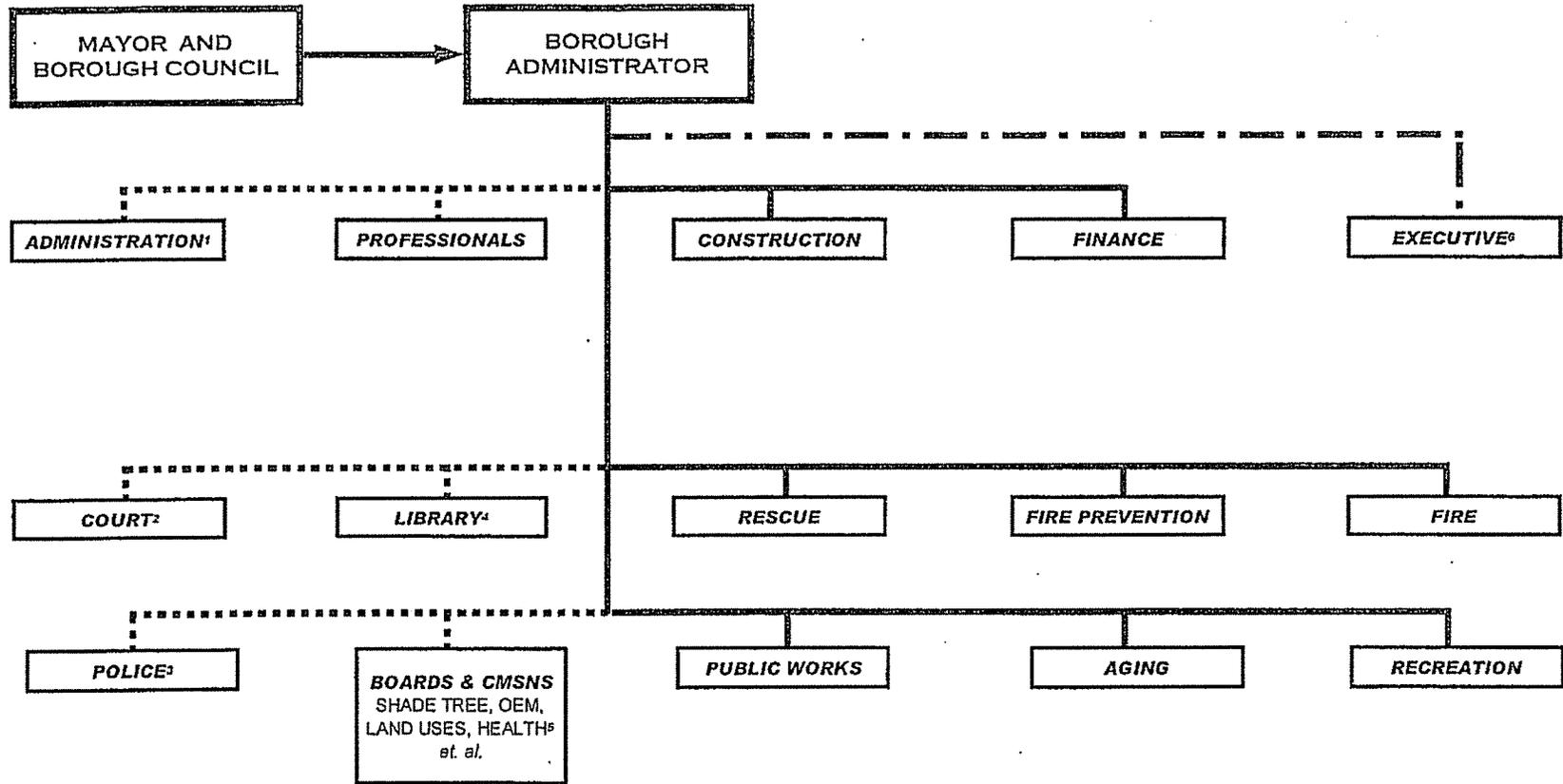
Respectfully submitted,



Frederick C. Carr
Borough Administrator



Joseph Zanga
Chief Financial Officer



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

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

BOROUGH OF SOUTH RIVER
ROSTER OF OFFICIALS
DECEMBER 31, 2014

Governing Body

John M. Krenzel, Mayor
Thomas Roselli, Council President
Peter Guindi, Councilman
Shawn P. Haussermann, Councilman
James Hutchison, Councilman
James C. Jones, Councilman
Michael Trenga, Councilman

Other Officials

Frederick C. Carr, Business Administrator
Patricia O'Connor, Borough Clerk
Sheryl Nevin, Deputy Borough Clerk
Deborah Jones, Registrar of Vital Statistics
Joseph Zanga, Chief Financial Officer, Director of Finance
Dawn Rodriguez, Deputy Chief Financial Officer
Richard Dudas, Tax Collector, Tax Search Officer, Utility Collector
Michael Frangella, Tax Assessor
Tina Martins Cruz, Magistrate
Cassandra Garrick, Court Administrator
David Stahl, Prosecutor
James P. Nolan & Associates, Borough Attorney
David Samuel, Borough Engineer

BOROUGH OF SOUTH RIVER
CONSULTANTS AND ADVISORS
DECEMBER 31, 2014

AUDIT FIRM

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

ATTORNEYS

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61 Green Street
Woodbridge, NJ 07095

LABOR COUNSEL

Arthur R. Thibault, Esq.
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PO Box 112
Liberty Corner, NJ 07938

BOND COUNSEL

Wilentz, Goldman & Spitzer
90 Woodbridge Center Drive, Suite 300
Woodbridge, NJ 07095

OFFICIAL DEPOSITORIES

Provident Bank
6 Jackson Street
South River, NJ 08882

Bank of America
25 Main Street
South River, New Jersey 08882

PNC Bank
55 Main Street
South River, NJ 08882

Columbia Savings Bank
389 Route 18 South
East Brunswick, NJ 08816

FINANCIAL SECTION

SAMUEL KLEIN AND COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

550 BROAD STREET, 11TH FLOOR
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INDEPENDENT AUDITORS' REPORT

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

To the Honorable Mayor and Members of the Borough Council:

Report on the Financial Statements

We have audited the financial statements – regulatory basis of the various funds and account groups of the Borough of South River, County of Middlesex, State of New Jersey as of December 31, 2014, and the related notes to the financial statements for the year ended then as listed in the foregoing table of contents. The financial statements – regulatory basis for the year ended December 31, 2013 were audited by another firm whose opinion dated August 15, 2014 was unmodified.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

INDEPENDENT AUDITORS' REPORT (CONTINUED)

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matters discussed in the “Basis for Adverse Opinion on the United States Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of South River, County of Middlesex, State of New Jersey as of December 31, 2014, and change in financial position or cash flows thereof for the year then ended.

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

As discussed in Note 1, the financial statements of the Length of Service Award Program Fund (“LOSAP”) have not been audited, and we were not required by the Division to audit nor were we engaged to audit the LOSAP financial statements as part of our audit of the Borough’s financial statements. The LOSAP financial activities are included in the Borough’s Trust Fund, and represent 30.81% and 25.30% of the assets and liabilities, respectively, of the Borough’s Trust Funds as of December 31, 2014 and 2013.

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

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

Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP financial statements been audited, the financial statements – regulatory basis referred to above present fairly, in all material respects the financial statements – regulatory basis of the various funds and account groups of the Borough of South River, County of Middlesex, State of New Jersey, as of December 31, 2014, 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, 2014 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Other Matters

Other Information

Our audit was made for the purpose of forming an opinion on the financial statements – regulatory basis of the Borough of South River, County of Middlesex, New Jersey. This information included in the Introductory section as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements – regulatory basis of the Borough. The information included Single Audit section – the accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations and is also not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2015, 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

Freehold, New Jersey
June 26, 2015

SAMUEL KLEIN AND COMPANY

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, 2014, and the related notes to the financial statements, which collectively comprise the Borough’s basic financial statements, and have issued our report thereon dated June 26, 2015.

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*.

We also noted other matters involving compliance and internal control over financial reporting that we have reported to management of the Borough in the General Comments section of the Report of Audit.

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 results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity'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

Freehold, New Jersey
June 26, 2015

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, 2014
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2013)

	Governmental Funds		Trust Funds	Utilities *		General Fixed Asset Account	Totals (Memorandum Only)	
	Current	General Capital		Operating	Capital		2014	2013
ASSETS AND OTHER DEBITS								
Cash and Cash Equivalents	\$ 4,041,760.35	\$ 1,831,925.13	\$ 1,970,085.38	\$ 5,779,690.25	\$ 3,057,925.44		\$ 16,681,386.55	\$ 17,167,735.23
Amount Held by Plan Administrator			896,766.84				896,766.84	799,335.99
Intergovernmental Accounts Receivable		715,361.61					715,361.61	723,188.61
Receivables and Other Assets:								
Delinquent Property Taxes	531,795.92						531,795.92	633,792.42
Consumer Accounts Receivable				1,699,364.75			1,699,364.75	1,696,992.14
Liens Receivable	300,547.14			44,662.00			345,209.14	336,536.73
Inventory				389,321.59			389,321.59	380,957.96
Property Acquired for Taxes - Assessed Valuation	47,800.00						47,800.00	47,800.00
Other Accounts Receivable	30,050.18		43,691.64	57,812.00			131,553.82	76,540.11
Deferred Charges		22,992,874.60					22,992,874.60	22,504,399.71
Fixed Capital					35,754,922.05		35,754,922.05	33,827,646.13
Fixed Assets						\$ 23,198,408.61	23,198,408.61	23,487,293.11
Grant Fund:								
Grants Receivable	85,613.49						85,613.49	137,217.51
Interfund Receivable	119,905.65						119,905.65	165,940.29
	<u>\$ 5,157,472.73</u>	<u>\$ 25,540,161.34</u>	<u>\$ 2,910,543.86</u>	<u>\$ 7,970,850.59</u>	<u>\$ 38,812,847.49</u>	<u>\$ 23,198,408.61</u>	<u>\$ 103,590,284.62</u>	<u>\$ 101,985,375.94</u>

* Electric, Water and Parking Utility 60,000.00

See 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, 2014
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2013)

	Governmental Funds		Trust Funds	Utilities *		General Fixed Asset Account	Totals (Memorandum Only)	
	Current	General Capital		Operating	Capital		2014	2013
LIABILITIES, RESERVES AND FUND BALANCE								
Liabilities and Reserves:								
Appropriation Reserves	\$ 656,215.82			\$ 465,158.40			\$ 1,121,374.22	\$ 1,167,467.94
Reserve for LOSAP (unaudited)			\$ 896,766.84				896,766.84	799,335.99
Other Liabilities and Reserves	1,545,387.74	\$ 3,428,220.98	1,987,919.33	1,041,742.54	\$ 1,928,225.75		9,931,496.34	7,371,448.82
Improvement Authorizations		3,336,073.98			3,799,360.66		7,135,434.64	7,980,171.39
Accrued Interest on Bonds, Notes and Loans				38,898.18			38,898.18	43,234.21
Interfunds Payable	119,905.65						119,905.65	165,940.29
Serial Bonds		5,900,000.00			3,725,000.00		9,625,000.00	11,035,000.00
Bond Anticipation Notes		12,236,000.00			4,866,000.00		17,102,000.00	15,496,000.00
Loans Payable		282,927.32			1,401,451.97		1,684,379.29	2,021,727.30
Reserve for Receivables and Other Assets	910,193.24	64,430.19		2,191,160.34			3,165,783.77	3,236,382.04
Reserve for Amortization					22,038,470.08		22,038,470.08	20,150,837.16
Deferred Reserve for Amortization					768,000.00		768,000.00	703,590.00
Grant Fund:								
Reserve for Encumbrances	5,726.75						5,726.75	82,302.56
Unappropriated/Appropriated Reserves	199,792.39						199,792.39	220,855.24
Total Liabilities and Reserves	\$ 3,437,221.59	\$ 25,247,652.47	\$ 2,884,686.17	\$ 3,736,959.46	\$ 38,526,508.46		\$ 73,833,028.15	\$ 70,474,292.94
Equity and Other Credits:								
Fund Balance	\$ 1,720,251.14	\$ 292,508.87	\$ 25,857.69	\$ 4,233,891.13	\$ 286,339.03		\$ 6,558,847.86	\$ 8,023,789.89
Investment in General Fixed Assets						\$ 23,198,408.61	23,198,408.61	23,487,293.11
Total Equity and Other Credits	\$ 1,720,251.14	\$ 292,508.87	\$ 25,857.69	\$ 4,233,891.13	\$ 286,339.03	\$ 23,198,408.61	\$ 29,757,256.47	\$ 31,511,083.00
Total Liabilities, Reserves and Fund Balance	\$ 5,157,472.73	\$ 25,540,161.34	\$ 2,910,543.86	\$ 7,970,850.59	\$ 38,812,847.49	\$ 23,198,408.61	\$ 103,590,284.62	\$ 101,985,375.94

* Electric, Water and Parking Utility

See 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, 2014

	Current Fund			Utility Operating Funds *		
	Final Budget	Actual	Variance Favorable/ (Unfavorable)	Final Budget	Actual	Variance Favorable/ (Unfavorable)
Revenues:						
Fund Balance Anticipated	\$ 1,339,848.00	\$ 1,339,848.00		\$ 4,118,549.00	\$ 4,118,549.00	
Rents				14,875,894.00	17,021,581.45	\$ 2,145,687.45
Miscellaneous Revenues	5,514,202.00	5,656,664.79	\$ 142,462.79	35,000.00	35,000.00	
State Aid	825,291.00	825,291.00				
Grants	169,545.23	169,545.23				
	<u>\$ 7,848,886.23</u>	<u>\$ 7,991,349.02</u>	<u>\$ 142,462.79</u>	<u>\$ 19,029,443.00</u>	<u>\$ 21,175,130.45</u>	<u>\$ 2,145,687.45</u>
Receipts from Delinquent Taxes	625,000.00	640,720.55	15,720.55			
Amount to be Raised by Taxes for Support of Municipal Budget:						
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	7,823,561.00	8,107,250.02	283,689.02			
Library Tax	437,365.00	437,365.00				
	<u>\$ 16,734,812.23</u>	<u>\$ 17,176,684.59</u>	<u>\$ 441,872.36</u>	<u>\$ 19,029,443.00</u>	<u>\$ 21,175,130.45</u>	<u>\$ 2,145,687.45</u>
Budget Totals						
Nonbudget Revenues		455,568.74	455,568.74		142,358.25	142,358.25
Other Credits to Income		486,565.42	486,565.42		1,190,910.11	1,190,910.11
Taxes Allocated to School and County	21,221,699.31	21,221,699.31				
	<u>\$ 37,956,511.54</u>	<u>\$ 39,340,518.06</u>	<u>\$ 1,384,006.52</u>	<u>\$ 19,029,443.00</u>	<u>\$ 22,508,398.81</u>	<u>\$ 3,478,955.81</u>
Total Revenues						

* Electric, Water and Parking Utility

See 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, 2014

	Current Fund			Utility Operating Funds *		
	Final Budget	Actual	Variance Favorable/ (Unfavorable)	Final Budget	Actual	Variance Favorable/ (Unfavorable)
Expenditures:						
Current:						
Within "CAPS":						
General Government	\$ 737,300.00	\$ 737,300.00				
Public Safety	4,483,700.00	4,483,700.00				
Public Works	2,000,500.00	2,000,500.00				
Health and Human Services	270,760.00	270,760.00				
Utility Expense and Bulk Purchases	412,500.00	412,500.00				
Sanitary Landfill	515,000.00	515,000.00				
Land Use	62,205.00	62,205.00				
Insurance	1,889,780.00	1,889,780.00				
Parks and Recreation	375,250.00	375,250.00				
Contingent	500.00	500.00				
Deferred Charges and Statutory Expenditures	1,316,230.00	1,316,230.00				
Excluded from "CAPS":						
Public Safety	142,000.00	142,000.00				
Public Works	190,000.00	190,000.00				
Education - Library	437,365.00	437,365.00				
Sewer	930,780.00	930,780.00				
Insurance	38,220.00	38,220.00				
Grants	171,445.23	171,445.23				
Operating - Utility				\$ 13,267,000.00	\$ 13,267,000.00	
Deferred Charges and Statutory Expenditures				475,130.00	475,130.00	
Capital Improvements	75,000.00	75,000.00		319,000.00	319,000.00	
Debt Service	1,896,277.00	1,896,277.00		1,411,942.00	1,411,942.00	
Budget - Anticipated Surplus to Current Reserve for Uncollected Taxes	790,000.00	790,000.00		3,556,371.00	3,556,371.00	
Total Budget Expenditures	<u>\$ 16,734,812.23</u>	<u>\$ 16,734,812.23</u>		<u>\$ 19,029,443.00</u>	<u>\$ 19,029,443.00</u>	

* Electric, Water and Parking Utility

See 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, 2014

	Current Fund			Utility Operating Funds *		
	Final Budget	Actual	Variance Favorable/ (Unfavorable)	Final Budget	Actual	Variance Favorable/ (Unfavorable)
Expenditures (Continued):						
County and School Taxes	\$ 21,221,699.31	\$ 21,222,054.76	\$ (355.45)			
Other Expenses		99,546.26	(99,546.26)			
Total Expenditures	\$ 37,956,511.54	\$ 38,056,413.25	\$ (99,901.71)	\$ 19,029,443.00	\$ 19,029,443.00	
Statutory Excess to Fund Balance		\$ 1,284,104.81	\$ 1,284,104.81		\$ 3,478,955.81	\$ 3,478,955.81
Fund Balance, January 1, 2014		\$ 1,775,994.33	\$ 1,775,994.33		\$ 4,873,484.32	\$ 4,873,484.32
		\$ 3,060,099.14	\$ 3,060,099.14		\$ 8,352,440.13	\$ 8,352,440.13
Decreased by:						
Utilization as Anticipated Revenue		\$ 1,339,848.00	\$ 1,339,848.00		\$ 4,118,549.00	\$ 4,118,549.00
		\$ 1,339,848.00	\$ 1,339,848.00		\$ 4,118,549.00	\$ 4,118,549.00
Fund Balance, December 31, 2014		\$ 1,720,251.14	\$ 1,720,251.14		\$ 4,233,891.13	\$ 4,233,891.13

* Electric, Water and Parking Utility

See 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, 2013</u>	\$ 1,570.23	\$ 64,281.85	\$ 65,852.08
<u>INCREASED BY</u>			
Cancellation of Various Reserves	<u>5.61</u>	<u> </u>	<u>5.61</u>
	\$ 1,575.84	\$ 64,281.85	\$ 65,857.69
<u>DECREASED BY</u>			
Transferred to Current Fund as Anticipated Revenue	<u> </u>	<u>40,000.00</u>	<u>40,000.00</u>
<u>BALANCE, DECEMBER 31, 2014</u>	<u>\$ 1,575.84</u>	<u>\$ 24,281.85</u>	<u>\$ 25,857.69</u>

See Notes to Financial Statements.

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

<u>BALANCE, DECEMBER 31, 2013</u>		\$ 380,680.73
 <u>INCREASED BY</u>		
Premium on Sale of Bond Anticipation Notes		71,828.14
		\$ 452,508.87
 <u>DECREASED BY</u>		
Appropriated to Finance Improvement Authorizations	\$ 35,000.00	
Transferred to Current Fund as Anticipated Revenue	125,000.00	160,000.00
 <u>BALANCE, DECEMBER 31, 2014</u>		 \$ 292,508.87

See Notes to Financial Statements.

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

	<u>Electric Utility</u>	<u>Parking Utility</u>	<u>Water Utility</u>	<u>Total</u>
<u>BALANCE, DECEMBER 31, 2013</u>	\$ 718,841.52	\$ 14,179.99	\$ 194,756.92	\$ 927,778.43
<u>INCREASED BY</u>				
Premium on Sale of Bond Anticipation Notes	<u>7,248.07</u>	<u>1,023.97</u>	<u>20,288.56</u>	<u>28,560.60</u>
	\$ 726,089.59	\$ 15,203.96	\$ 215,045.48	\$ 956,339.03
<u>DECREASED BY</u>				
Appropriated to Finance Improvement Authorizations	621,000.00		14,000.00	635,000.00
Transferred to Operating Fund as Anticipated Revenue	<u>8,000.00</u>		<u>27,000.00</u>	<u>35,000.00</u>
<u>BALANCE, DECEMBER 31, 2014</u>	<u>\$ 97,089.59</u>	<u>\$ 15,203.96</u>	<u>\$ 174,045.48</u>	<u>\$ 286,339.03</u>

See Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014

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. The population, according to the 2010 census, is 16,008.

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

The financial statements do not include the operations of the Municipal Library, which is a separate entity subject to a separate examination.

- 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, 2014

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 retained by the Library and expended there from. The Library is the subject of a separate 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, 2014

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, 2014

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, 2014

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, 2014

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, 2014

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 67, *Financial Reporting for Pension Plans, an Amendment of GASB 25*, will be effective after June 15, 2013. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans* and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria. The Borough does not expect this Statement to impact its financial statements.

- GASB 68, *Accounting and Financial Reporting for Pensions*, will be effective for fiscal year beginning after June 15, 2015. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The Borough does not expect this Statement to impact its financial statements.

F. **Subsequent Events**

Management has reviewed and evaluated all events and transactions from December 31, 2014 through June 26, 2015, the date that the financial statements are issued for possible disclosure and recognition in the financial statements, and no items have come to the attention of the Borough that would require disclosure.

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2014

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, 2014

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, 2014, the Borough had funds on deposit in checking and statement savings accounts. The carrying amount of the Borough's Cash and Cash Equivalents as of December 31, 2014 was \$16,560,818.17. 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, 2014

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>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Tax Rate	\$ 7.118	\$ 6.910	\$ 6.716	\$ 6.666	\$ 6.401
Apportionment of Tax Rate:					
Municipal	1.889	1.854	1.864	1.863	1.987
Library	0.105	0.108	0.114	0.123	
County:					
Regular	1.171	1.134	1.118	1.130	1.057
Open Space	0.096	0.097	0.103	0.111	0.076
Local School	3.857	3.717	3.517	3.439	3.281

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2014

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

Assessed Valuation

2014	\$	414,141,225.00
2013		413,638,494.00
2012		421,101,082.00
2011		422,765,085.00
2010		425,594,179.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collections</u>
2014	\$ 29,524,806.74	\$ 28,976,314.33	98.14%
2013	28,611,548.77	27,893,367.80	97.49%
2012	28,288,691.60	27,553,240.39	97.40%
2011	28,202,908.07	27,522,627.54	97.59%
2010	27,258,681.92	26,541,537.70	97.37%

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>
2014	\$ 300,547.14	\$ 531,795.92	\$ 832,343.06	2.82%
2013	297,573.52	633,792.42	931,365.94	3.26%
2012	274,332.41	603,257.04	877,589.45	3.10%
2011	149,613.83	613,734.94	763,348.77	2.71%
2010	132,592.22	669,440.05	802,032.27	2.94%

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2014

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>
2014	\$ 47,800.00
2013	47,800.00
2012	47,800.00
2011	47,800.00
2010	62,400.00

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>
2014	\$ 13,748,173.59	\$ 13,667,419.79
2013	12,895,789.63	13,124,979.95
2012	13,487,589.35	13,317,858.26
2011	14,744,412.76	14,953,578.47
2010	15,465,767.80	15,054,935.42

* 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, 2014

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>
2014	\$ 3,236,394.81	\$ 3,309,077.21
2013	3,305,669.31	3,446,430.81
2012	3,386,632.26	3,259,039.32
2011	3,477,710.35	3,558,123.15
2010	3,490,170.18	3,428,587.05

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

** Rate increases effective for 2010.

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>
2014	\$ 45,084.45
2013	47,409.30
2012	47,862.72
2011 (Inception November 1, 2011)	6,409.94

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2014

Note 6. **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>				
2014	\$ 1,720,251.14	\$ 1,501,790.00	N/A	87.30%
2013	1,775,994.33	1,339,848.00	N/A	75.44%
2012	2,058,322.31	1,482,773.56	N/A	72.04%
2011	1,670,191.58	1,126,612.64	N/A	67.45%
2010	1,543,642.96	1,126,612.23	N/A	72.98%
<u>Electric Utility Operating Fund</u>				
2014	\$ 3,039,700.46	\$ 3,000,000.00	None	98.69%
2011	3,749,047.57	3,556,371.00	None	94.86%
2012	4,753,138.35	3,556,371.00	None	74.82%
2011	4,142,373.53	3,556,371.00	None	85.85%
2010	3,841,052.47	None	\$ 2,913,371.00	75.85%
<u>Parking Utility Operating Fund</u>				
2014	76,425.91	\$ 23,500.00	None	30.75%
2013	73,353.86	12,500.00	None	17.04%
2012	70,003.34	12,500.00	None	17.86%
2011 *	66,493.52	28,500.00	None	42.86%
* Inception year effective November 1, 2011				
<u>Water Utility Operating Fund</u>				
2014	\$ 1,117,764.76	\$ 650,973.00	\$ None	58.24%
2013	1,051,082.89	549,678.00	None	52.30%
2012	982,941.09	489,886.00	None	49.84%
2011	974,116.82	416,855.00	None	42.79%
2010	652,007.86	340,257.00	None	52.19%

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2014

Note 7. **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.

Summary of Municipal Debt (Excluding Current and Operating Debt)

	<u>Year 2014</u>	<u>Year 2013</u>	<u>Year 2012</u>
Issued:			
General:			
Bonds, Loans and Notes	\$ 18,418,927.32	\$ 18,020,508.33	\$ 18,319,846.44
Electric Utility:			
Bonds and Notes	4,960,000.00	5,232,000.00	5,904,000.00
Parking Utility:			
Bonds and Notes	175,000.00	None	None
Water Utility:			
Bonds, Loans and Notes	<u>4,857,451.97</u>	<u>5,300,218.97</u>	<u>5,581,289.56</u>
Total Issued	<u>\$ 28,411,379.29</u>	<u>\$ 28,552,727.30</u>	<u>\$ 29,805,136.00</u>
Authorized But Not Issued:			
General:			
Bonds and Notes	\$ 4,573,947.28	\$ 4,483,891.38	\$ 5,889,930.19
Electric Utility:			
Bonds and Notes	900,000.00	400,000.00	400,000.00
Parking Utility:			
Bonds and Notes	15,000.00	None	None
Water Utility:			
Bonds and Notes	<u>2,041,000.00</u>	<u>2,041,000.00</u>	<u>2,191,000.00</u>
Total Authorized But Not Issued	<u>\$ 7,529,947.28</u>	<u>\$ 6,924,891.38</u>	<u>\$ 8,480,930.19</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 35,941,326.57</u>	<u>\$ 35,477,618.68</u>	<u>\$ 38,286,066.19</u>

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2014

Note 7. **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 1.745%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 11,700,172.81	\$ 11,700,172.81	\$ None
Electric Utility Debt	5,860,000.00	5,860,000.00	None
Parking Utility Debt	190,000.00	190,000.00	None
Water Utility Debt	6,898,451.97	6,898,451.97	None
General Debt	22,992,874.60	None	22,992,874.60
	\$ 47,641,499.38	\$ 24,648,624.78	\$ 22,992,874.60

Net Debt \$22,992,874.60 divided by Equalized Valuation basis per N.J.S. 40A:2-2 As Amended, \$1,317,915,652.00 equals 1.745%. The Annual Debt Statement has been filed.

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

3½% of Average Equalized Valuation Basis (Municipal)	\$ 46,127,047.82
Net Debt	22,992,874.60
Remaining Borrowing Power	\$ 23,134,173.22

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, 2014

Note 7. **MUNICIPAL DEBT (CONTINUED)**

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

Cash Receipts for Fees, Rents and Other Charges for the Year		\$ 17,332,407.27
Deductions:		
Operating and Maintenance Costs	\$ 10,781,578.00	
Debt Service	<u>856,460.51</u>	
Total Deductions		<u>11,638,038.51</u>
Excess in Revenue		<u><u>\$ 5,694,368.76</u></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		\$ 3,911,510.62
Deductions:		
Operating and Maintenance Costs	\$ 2,927,052.00	
Debt Service	<u>463,805.16</u>	
Total Deductions		<u>3,390,857.16</u>
Excess in Revenue		<u><u>\$ 520,653.46</u></u>

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

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2014

Note 7. 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	\$ 57,811.79
Deductions:	
Operating and Maintenance Costs	<u>33,500.00</u>
Excess in Revenue	<u>\$ 24,311.79</u>

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

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2014

Note 7. **MUNICIPAL DEBT (CONTINUED)**

Long-Term Debt

As of December 31, 2014, the Borough's long-term debt is as follows:

General Capital Fund - Serial Bonds:

\$8,405,000.00 General Obligation Bonds, Series 2007 Annual maturities of 675,000.00 to \$750,000.00 through December 2022 at interest rates ranging from 4.125% to 4.250%.	\$ <u>5,900,000.00</u> *
	\$ <u>5,900,000.00</u>

Electric Utility Capital Fund - Serial Bonds:

\$5,990,000.00 Electric System Improvement Bonds, Series 2007 - Annual maturities of \$400,000.00 to \$550,000.00 through December 2022 at interest rates ranging from 4.125% to 4.250%.	\$ <u>3,725,000.00</u> *
	\$ <u>3,725,000.00</u>
	\$ <u><u>9,625,000.00</u></u>

* Redemption of General Obligation Series 2007 and Electric System Improvement Bonds Series 2007: The Bonds maturing prior to December 1, 2018 are not subject to redemption prior to their stated maturities. The Bonds maturing on or after December 1, 2018 are subject to redemption at the option of the Borough, in whole or in part, on any date on or after December 1, 2017, upon notice as required herein, at a redemption price equal to one hundred percent (100%) of the principal amount being redeemed (the "Redemption Price"), plus accrued interest to the date fixed for redemption. If Notice of Redemption has been given as provided herein, the Bonds or the portion thereof called for redemption shall be due and payable on the date fixed for redemption at the Redemption Price, together with accrued interest to the date for redemption.

Subsequent Event – the Governing Body subsequent to yearend authorized the redemption of the Bonds by the adoption a Refunding Bond Ordinance; however, subject to market conditions and the State of New Jersey Local Finance Board criteria. The amount authorized was \$7,000,000.00 in order to refund \$6,750,000.00. .

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2014

Note 7. **MUNICIPAL DEBT (CONTINUED)**

Long-Term Debt (Continued)

State of New Jersey Environmental Infrastructure Trust Loans (NJEIT)

General Capital Fund:

\$430,000.00 NJEIT - State Portion -
 Year 2000 - Annual maturities of \$25,000.00 to \$35,000.00
 through August 1, 2020 at interest rates ranging from
 5.125% to 5.250%. \$ 180,000.00

\$425,000.00 NJEIT - Federal Portion -
 Year 2000 - Semi-annual maturities in varying amounts with
 a maximum of approximately \$23,000.00 per year through
 August 1, 2019. There is no interest being charged on this
 loan. 102,927.32

\$ 282,927.32

Water Utility Capital Fund:

\$2,620,000.00 NJEIT - State Portion -
 Year 2000 - Annual maturities of \$160,000.00 to \$205,000.00
 through August 1, 2020 at interest rates ranging from
 5.125% to 5.25%. \$ 1,100,000.00

\$2,637,500.00 NJEIT - Federal Portion -
 Year 2000 - Semi-annual maturities in varying amounts with
 a maximum of approximately \$135,000.00 per year through
 August 1, 2017. There is no interest being charged on this loan. 301,451.97

\$ 1,401,451.97

\$ 1,684,379.29

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2014

Note 7. 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>
2015	\$ 675,000.00	\$ 247,249.72	\$ 922,249.72
2016	725,000.00	219,384.91	944,384.91
2017	750,000.00	189,431.81	939,431.81
2018	750,000.00	158,475.00	908,475.00
2019	750,000.00	127,487.25	877,487.25
	<u>3,650,000.00</u>	<u>942,028.69</u>	<u>4,592,028.69</u>
2020	750,000.00	95,716.80	845,716.80
2021	750,000.00	65,005.88	815,005.88
2022	750,000.00	31,873.73	781,873.73
	<u>2,250,000.00</u>	<u>192,596.41</u>	<u>2,442,596.41</u>
	<u>\$ 5,900,000.00</u>	<u>\$ 1,134,625.10</u>	<u>\$ 7,034,625.10</u>

<u>Calendar Year</u>	<u>Electric Utility Capital Fund</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 400,000.00	\$ 156,094.03	\$ 556,094.03
2016	400,000.00	139,615.09	539,615.09
2017	425,000.00	123,161.94	548,161.94
2018	450,000.00	105,650.00	555,650.00
2019	475,000.00	87,137.75	562,137.75
	<u>2,150,000.00</u>	<u>611,658.81</u>	<u>2,761,658.81</u>
2020	500,000.00	66,845.70	566,845.70
2021	525,000.00	44,431.62	569,431.62
2022	550,000.00	23,376.27	573,376.27
	<u>1,575,000.00</u>	<u>134,653.59</u>	<u>1,709,653.59</u>
	<u>\$ 3,725,000.00</u>	<u>\$ 746,312.40</u>	<u>\$ 4,471,312.40</u>

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2014

Note 7. MUNICIPAL DEBT (CONTINUED)

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

Serial Bonds (Continued)

Calendar Year	Total for all Funds - Bonds		
	Principal	Interest	Total
2015	\$ 1,075,000.00	\$ 403,343.75	\$ 1,478,343.75
2016	1,125,000.00	359,000.00	1,484,000.00
2017	1,175,000.00	312,593.75	1,487,593.75
2018	1,200,000.00	264,125.00	1,464,125.00
2019	1,225,000.00	214,625.00	1,439,625.00
	<u>5,800,000.00</u>	<u>1,553,687.50</u>	<u>7,353,687.50</u>
2020	1,250,000.00	162,562.50	1,412,562.50
2021	1,275,000.00	109,437.50	1,384,437.50
2022	1,300,000.00	55,250.00	1,355,250.00
	<u>3,825,000.00</u>	<u>327,250.00</u>	<u>4,152,250.00</u>
	\$ <u>9,625,000.00</u>	\$ <u>1,880,937.50</u>	\$ <u>11,505,937.50</u>

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2014

Note 7. MUNICIPAL DEBT (CONTINUED)

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

New Jersey Environmental Infrastructure Trust ("NJEIT") Loan Payable

Calendar Year	General Capital Fund		
	Principal	Interest	Total
2015	\$ 45,823.92	\$ 9,381.26	\$ 55,205.18
2016	53,076.28	8,100.00	61,176.28
2017	52,145.04	6,562.50	58,707.54
2018	51,191.10	4,987.50	56,178.60
2019	45,690.98	3,412.50	49,103.48
	<u>247,927.32</u>	<u>32,443.76</u>	<u>280,371.08</u>
2020	<u>35,000.00</u>	<u>1,837.50</u>	<u>36,837.50</u>
	<u>\$ 282,927.32</u>	<u>\$ 34,281.26</u>	<u>\$ 317,208.58</u>

Calendar Year	Water Utility Capital Fund		
	Principal	Interest	Total
2015	\$ 294,070.59	\$ 57,337.50	\$ 351,408.09
2016	305,180.97	49,137.50	354,318.47
2017	212,200.41	40,425.00	252,625.41
2018	190,000.00	30,975.00	220,975.00
2019	195,000.00	21,000.00	216,000.00
	<u>1,196,451.97</u>	<u>198,875.00</u>	<u>1,395,326.97</u>
2020	<u>205,000.00</u>	<u>10,762.50</u>	<u>215,762.50</u>
	<u>\$ 1,401,451.97</u>	<u>\$ 209,637.50</u>	<u>\$ 1,611,089.47</u>

Calendar Year	Total for all Funds - NJEIT Loans		
	Principal	Interest	Total
2015	\$ 339,894.51	\$ 66,718.76	\$ 406,613.27
2016	358,257.25	57,237.50	415,494.75
2017	264,345.45	46,987.50	311,332.95
2018	241,191.10	35,962.50	277,153.60
2019	240,690.98	24,412.50	265,103.48
	<u>1,444,379.29</u>	<u>231,318.76</u>	<u>1,675,698.05</u>
2020	<u>240,000.00</u>	<u>12,600.00</u>	<u>252,600.00</u>
	<u>\$ 1,684,379.29</u>	<u>\$ 243,918.76</u>	<u>\$ 1,928,298.05</u>

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2014

Note 7. **MUNICIPAL DEBT (CONTINUED)**

Bond Anticipation Notes

At December 31, 2014, the Borough's outstanding Bond Anticipation Notes (BAN) are as follows:

	Interest Rate	Original Issue Date	Amount	Payment Required	
				First	Final
General Capital Fund	1.00%	2008	\$ 1,891,000.00	2011	2019
	1.00%	2009	694,000.00	2012	2020
	1.00%	2010	5,626,000.00	2013	2021
	1.00%	2011	539,000.00	2014	2022
	1.00%	2012	500,000.00	2015	2023
	1.00%	2013	1,116,000.00	2016	2024
	1.00%	2014	1,870,000.00	2017	2025
			<u>12,236,000.00</u>		
Electric Utility Capital Fund	1.00%	2008	\$ 290,000.00	2011	2019
	1.00%	2009	185,000.00	2012	2020
	1.00%	2012	360,000.00	2015	2023
	1.00%	2014	400,000.00	2017	2025
			<u>1,235,000.00</u>		
Water Utility Capital Fund	1.00%	2008	\$ 487,000.00	2011	2019
	1.00%	2009	1,973,000.00	2012	2020
	1.00%	2010	521,000.00	2013	2021
	1.00%	2012	325,000.00	2015	2023
	1.00%	2013	150,000.00	2016	2024
			<u>3,456,000.00</u>		
Parking Utility Capital Fund	1.00%	2014	\$ <u>175,000.00</u>	2017	2025
			<u>\$ 17,102,000.00</u>		

The budget for 2015 with regards to the minimum annual required BAN paydown has been met.

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2014

Note 7. MUNICIPAL DEBT (CONTINUED)

Bonds and Notes Authorized But Not Issued

At December 31, 2014, the Borough had authorized but not issued bonds and notes as follows:

General Capital Fund	\$ 4,573,947.28
Electric Utility Capital Fund	900,000.00
Water Utility Capital Fund	2,041,000.00
Parking Utility Capital Fund	<u>15,000.00</u>
	<u>\$ 7,529,947.28</u>

Due to Bond Registrar/Paying Agent

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

Continuing Disclosure Requirement

As a result of the General Obligation Refunding Bonds, Series 2007 General Obligation Bond Sales, 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 in 2014 and 2013.

Subsequent to yearend, the Borough adopted two (2) bond ordinances totaling \$8,575,000.00 for construction of a new firehouse and improvements to Montgomery Street, which are funded by the capital improvement fund of \$409,500.00, NJDOT grant of \$387,500.00, and Bonds and Notes Authorized in the amount of \$7,778,000.00.

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2014

Note 8. 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		Increase/ (Decrease)
	Balance, December 31		
	<u>2014</u>	<u>2013</u>	
Balance of Tax*	\$ 7,468,615.00	\$ 7,165,168.00	\$ 303,447.00
Deferred	<u>6,759,686.00</u>	<u>6,759,686.00</u>	<u>None</u>
Payable	<u>\$ 708,929.00</u>	<u>\$ 405,482.00</u>	<u>\$ 303,447.00</u>

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

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2014

Note 9. 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 (PERS) and the Police and Firemen's Retirement System (PFRS) 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 may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at www.state.nj.us/treasury/pensions/gasb-43-sept2008.pdf.

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 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. Members are eligible for retirement at age sixty with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Pension benefits for members enrolled in the system after May 21, 2010 would be based on 1/60th of the average annual compensation for the last five (5) years of service or any five fiscal years of membership that provide the largest benefit to the member or the member's beneficiary. Early retirement is available to those under age sixty with twenty-five or more years of credited service. Anyone who retires early and is under age fifty-five receives retirement benefits as calculated in the above-mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age fifty-five).

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. Membership is mandatory for such employees. Members may opt for Service Retirement if over age 55 or Special Retirement at any age if they have a minimum of 25 years of service or 20 years of service if enrolled in the PFRS as of January 18, 2000. Retirement benefits vary depending on age and years of service.

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2014

Note 9. PENSION PLANS (CONTINUED)

Description of Systems (Continued)

Significant Legislation

P.L. 2011, c.78, effective June 28, 2011 made various changes to the manner in which PERS operates and to the benefit provisions of that system.

This new legislation's provisions impacting employee pension and health benefits include:

- New members of PERS hired on or after June 28, 2011 (Tier 5 members), will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ to 1 percent for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 62 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PERS members enrolled after June 28, 2011 (Tier 3 members), will be 60 percent instead of 65 percent of the member's final compensation plus 1 percent for each year of creditable service over 25 years but not to exceed 30 years.
- Active member contribution rates will increase. PERS active member rates increase from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years. For fiscal year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contributions for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.

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).

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2014

Note 9. PENSION PLANS (CONTINUED)

Contributions Required to be Made

Employee contributions for 2014 were 6.78% through June 30, 2014 and 6.92% thereafter 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				
Borough				
<u>Year</u>	<u>Liability</u>		<u>Net Cost</u>	<u>Employees</u>
	<u>Normal</u>	<u>Accrued</u>		
2014	\$ 148,123.00	\$ 352,780.00	\$ 500,903.00	\$ 315,989.50
2013	137,001.00	327,572.00	464,573.00	316,486.27
2012	151,809.00	303,618.00	455,427.00	297,849.60

PFRS				
Borough				
<u>Year</u>	<u>Liability</u>		<u>Net Cost</u>	<u>Employees</u>
	<u>Normal</u>	<u>Accrued</u>		
2014	\$ 303,181.00	\$ 396,786.00	\$ 699,967.00	\$ 298,153.56
2013	308,483.00	408,236.00	716,719.00	312,513.37
2012	324,927.00	365,680.00	690,607.00	306,871.54

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2014

Note 10 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 – New Jersey State Health Benefits Program (“NJSHBP”)

The NJSHBP as of July 1, 2013 had “local employees” statewide of 47,533 active and 36,374 retired for a total of 83,907 members. The Borough at December 31, 2014 had 98 active and 51 retired employees for a total participation of 148.

The Borough contributes to the NJSHBP, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. NJSHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. NJSHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents. In accordance with GASB’s 43 and 45, the NJSHBP has been determined to be a cost-sharing multiple-employer plan. Under GASB 45, the Borough is not required to accrue reserves to fund the ultimate payment of the retirees health benefit obligation that is being earned.

The NJSHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the NJSHBP. In the early 1980’s, the Borough authorized participation in the NJSHBP’s post-retirement benefit program through resolution.

The New Jersey State Health Benefits (“NJSHB”) Commission is the executive body established by statute to be responsible for the operation of the NJSHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the NJSHBP and an annual actuarial valuation report. Those reports may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at www.state.nj.us/treasury/pensions/gasb-43-sept2008.pdf.

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2014

Note 10 **POST EMPLOYMENT RETIREMENT BENEFITS (CONTINUED)**

Funding Policy

Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis. The NJSHB Commission sets the employer contribution rate based on the annual required contribution (ARC) of the employers as established in an annual rate recommendation report.

Contributions to pay for the health premiums of participating retirees in the NJSHBP are billed to the Borough on a monthly basis. The number of employees covered and approximate cost for the past three years were as follows:

<u>Fiscal Year</u>	<u>Number of Employees</u>	<u>Employer's Cost</u>
2014	58	\$ 1,066,814.79
2013	52	912,873.62
2012	50	775,771.57

NOTE 11 **DEFINED CONTRIBUTION RETIREMENT PROGRAM**

Description of System

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

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

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee and employer and adjusted for membership earnings or loses. 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.

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2014

NOTE 11 DEFINED CONTRIBUTION RETIREMENT PROGRAM (CONTINUED)

Description of System (Continued)

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

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

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

Contributions Required and Made

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

There were no employer and employees contributions to the plan for years 2012-2014.

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2014

Note 14. **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, 2014 is as follows:

	<u>Electric Utility</u>	<u>Parking Utility</u>	<u>Water Utility</u>	<u>Total Enterprise Fund</u>
Revenue and Other Income Realized:				
Operating Fund Balance				
Appropriated	\$ 3,556,371.00	\$ 12,500.00	\$ 549,678.00	\$ 4,118,549.00
Rents	13,667,419.79	45,084.45	3,309,077.21	17,021,581.45
Miscellaneous	<u>8,000.00</u>		<u>27,000.00</u>	<u>35,000.00</u>
Budget Totals	\$ 17,231,790.79	57,584.45	\$ 3,885,755.21	\$ 21,175,130.45
Other Credits to Income:				
Nonbudget Revenue	\$ 105,425.94	\$ 227.34	\$ 36,704.97	\$ 142,358.25
Current Appropriations Canceled	855.49		90,820.84	91,676.33
Unexpended Balance of				
Appropriation Reserves Lapsed	424,216.67	5,260.26	369,756.85	799,233.78
and Encumbrances Canceled				
Other	<u>300,000.00</u>			<u>300,000.00</u>
Total Revenues	\$ <u>18,062,288.89</u>	\$ <u>63,072.05</u>	\$ <u>4,383,037.87</u>	\$ <u>22,508,398.81</u>
Expenditures:				
Operating:				
Salaries and Wages	\$ 1,375,000.00	22,000.00	700,000.00	\$ 2,097,000.00
Other Expenses	2,060,000.00	7,000.00	1,140,000.00	3,207,000.00
Purchase of Power/Water	7,058,000.00		905,000.00	7,963,000.00
Capital Improvements	20,000.00	14,000.00	285,000.00	319,000.00
Debt Service	857,316.00		554,626.00	1,411,942.00
Deferred Charges and Statutory				
Expenditures	288,578.00	4,500.00	182,052.00	475,130.00
Surplus - General Budget	<u>3,556,371.00</u>			<u>3,556,371.00</u>
Total Expenditures	\$ <u>15,215,265.00</u>	\$ <u>47,500.00</u>	\$ <u>3,766,678.00</u>	\$ <u>19,029,443.00</u>
Excess in Revenue	\$ <u>2,847,023.89</u>	\$ <u>15,572.05</u>	\$ <u>616,359.87</u>	\$ <u>3,478,955.81</u>
Statutory Excess to Fund Balance	\$ 2,847,023.89	\$ 15,572.05	\$ 616,359.87	\$ 3,478,955.81
Fund Balance, January 1, 2014	\$ <u>3,749,047.57</u>	\$ <u>73,353.86</u>	\$ <u>1,051,082.89</u>	\$ <u>4,873,484.32</u>
	\$ <u>6,596,071.46</u>	\$ <u>88,925.91</u>	\$ <u>1,667,442.76</u>	\$ <u>8,352,440.13</u>
Decreased by:				
Utilization as Anticipated Revenue	\$ <u>3,556,371.00</u>	\$ <u>12,500.00</u>	\$ <u>549,678.00</u>	\$ <u>4,118,549.00</u>
Fund Balance, December 31, 2014	\$ <u><u>3,039,700.46</u></u>	\$ <u><u>76,425.91</u></u>	\$ <u><u>1,117,764.76</u></u>	\$ <u><u>4,233,891.13</u></u>

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2014

Note 15. 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, 2014, 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.

New Jersey Unemployment Compensation Insurance

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

<u>Year Ended</u> <u>December 31,</u>	<u>Employer</u> <u>Contributions</u>	<u>Interest</u> <u>Earned</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2014	\$ 48,828.92	\$ 83.17	\$ 1,504.94	104,625.34
2013	6,496.82	78.44	15,929.54	57,218.19
2012	50,025.00	182.37	49,775.32	66,572.47

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2014

Note 16. 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).

Note 17. 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, 2014 revealed net position available for benefits of \$896,766.84. The Borough's contribution for December 31, 2014 is \$76,209.28. Contributions for the past three (3) years are as follows:

	<u>Total</u>	<u>Per Member</u>
2014	\$ 76,209.28	\$ 1,360.88
2013	68,311.95	1,339.45
2012	74,822.16	1,336.11

BOROUGH OF SOUTH RIVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2014

Note 18. CONTINGENT LIABILITIES

A. Accrued Sick Pay

The Borough's collective bargaining agreements provide for payment to employees upon retirement for unused sick days. There are six (6) collective bargaining agreements, which provide for amounts of payments based on the individual agreements. The noncollective bargaining employees are subject to a limit of one (1) day for every six (6) days accumulated and used. The total liability, based upon the above data and limitations, is on file in the Finance Office and amounts to 217,304.26.

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.

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, 2014 of \$75,000.00 which represents an estimate for several tax appeals that are pending for 2014. In the event the appeals are awarded in excess of that amount, then a charge to Fund Balance/(Operations) will be needed.

Note 19. ASSET IMPAIRMENT

As a result of Superstorm/Hurricane Sandy on October 29-30, 2012, the Borough's Office on Aging and Recreation Department building was damaged and is not operational as of the date of issuance of this audit. Additionally, the William Street Pump Station was damaged but is operational except has no backup generator and the Jackson Street Pump Station is nonoperating. The Borough has an outside contractor to service bypass pumps on a daily basis. It is not certain whether or to what extent the costs to repair will be covered by FEMA or insurance proceeds. An improvement authorization was adopted on December 17, 2012 to provide funds for reconstruction and/or repair.

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

CURRENT FUND

BOROUGH OF SOUTH RIVER
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
AS OF DECEMBER 31, 2014 AND 2013

	Balance December 31, <u>2014</u>	Balance December 31, <u>2013</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 4,041,760.35	\$ 3,454,673.08
Receivables and Other Assets with Full Reserves:		
Taxes Receivable	531,795.92	633,792.42
Tax Title Liens Receivable	300,547.14	297,573.52
Property Acquired for Taxes - Assessed Valuation	47,800.00	47,800.00
Other Accounts Receivable:		
Revenue Accounts Receivable	<u>30,050.18</u>	<u>18,060.60</u>
Total Current Fund	<u>\$ 4,951,953.59</u>	<u>\$ 4,451,899.62</u>
Grant Fund:		
Grants Receivable	\$ 85,613.49	\$ 137,217.51
Interfund Receivable- Due from Current Fund	<u>119,905.65</u>	<u>165,940.29</u>
Total Grant Fund	<u>\$ 205,519.14</u>	<u>\$ 303,157.80</u>
Total Assets	<u>\$ 5,157,472.73</u>	<u>\$ 4,755,057.42</u>

BOROUGH OF SOUTH RIVER
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
AS OF DECEMBER 31, 2014 AND 2013

	Balance December 31, <u>2014</u>	Balance December 31, <u>2013</u>
<u>LIABILITIES, RESERVES AND</u>		
<u>FUND BALANCE</u>		
Current Fund:		
Liabilities:		
Appropriation Reserves	\$ 656,215.82	\$ 352,105.61
Reserve for Encumbrances	409,427.64	435,067.59
Accounts Payable	1,150.00	
Prepaid Taxes	203,830.03	160,933.89
Tax Overpayments	4,855.86	8,586.79
Due to Government Agencies	87,151.63	
Due to State of New Jersey:		
Ch. 20,P.L. 1971	43,792.13	43,292.13
DCA Training Fees	2,146.00	3,165.00
Various Reserves	9,105.45	9,105.45
Reserve for State Tax Appeals	75,000.00	95,000.00
Local School Taxes Payable	708,929.00	405,482.00
Interfunds Payable-		
Due to Grant Fund	<u>119,905.65</u>	<u>165,940.29</u>
	\$ 2,321,509.21	\$ 1,678,678.75
Reserve for Receivables and Other Assets	910,193.24	997,226.54
Fund Balance	<u>1,720,251.14</u>	<u>1,775,994.33</u>
Total Current Fund	\$ <u>4,951,953.59</u>	\$ <u>4,451,899.62</u>

BOROUGH OF SOUTH RIVER
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
AS OF DECEMBER 31, 2014 AND 2013

	Balance December 31, <u>2014</u>	Balance December 31, <u>2013</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE (CONTINUED)</u>		
Grant Fund:		
Reserve for Grants:		
Appropriated	\$ 169,616.51	\$ 188,614.52
Unappropriated	30,175.88	32,240.72
Reserve for Encumbrances	<u>5,726.75</u>	<u>82,302.56</u>
 Total Grant Fund	 <u>\$ 205,519.14</u>	 <u>\$ 303,157.80</u>
 Total Liabilities, Reserves and Fund Balance	 <u><u>\$ 5,157,472.73</u></u>	 <u><u>\$ 4,755,057.42</u></u>

BOROUGH OF SOUTH RIVER
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE -
REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
Revenues and Other Income Realized:		
Fund Balance Utilized	\$ 1,339,848.00	\$ 1,482,773.56
Miscellaneous Revenues Anticipated	5,656,664.79	5,583,430.41
State Aid	825,291.00	825,290.68
Grants	169,545.23	218,240.92
Receipts from Delinquent Taxes	640,720.55	633,863.95
Amount to be Raised by Taxation for Support of Municipal Budget	8,544,615.02	8,215,900.89
Nonbudget Revenues	455,568.74	394,719.28
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves		
Lapsed and Reserve for Encumbrances Canceled	397,770.98	647,966.54
Current Appropriations Canceled	6,452.46	5,922.56
Cancellation of Reserve for State Tax Appeals	20,000.00	
Cancellation of Prior Year Grant Appropriated and Unappropriated Reserves	62,341.98	3,442.08
Taxes Allocated to School and County Taxes	<u>21,221,699.31</u>	<u>20,464,702.20</u>
 Total Income	 <u>\$ 39,340,518.06</u>	 <u>\$ 38,476,253.07</u>
Expenditures:		
Budget and Emergency Appropriations:		
Within "CAPS":		
General Government	\$ 737,300.00	\$ 756,100.00
Land Use	62,205.00	42,205.00
Insurance	1,889,780.00	1,756,672.00
Public Safety	4,483,700.00	4,471,500.00
Public Works	2,000,500.00	1,905,500.00
Health and Human Services	270,760.00	243,036.00
Parks and Recreation	375,250.00	375,750.00
Utility Expense and Bulk Purchases	412,500.00	411,000.00
Sanitary Landfill	515,000.00	515,000.00
Contingent	500.00	500.00
Deferred Charges and Statutory Expenditures	1,316,230.00	1,305,338.00
Excluded from "CAPS":		
Public Safety	142,000.00	125,000.00
Public Works	190,000.00	190,000.00
Education - Library	437,365.00	449,822.36
Sewer	930,780.00	1,096,715.92
Insurance	38,220.00	68,380.00

BOROUGH OF SOUTH RIVER
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE -
REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
Expenditures (Continued):		
Budget and Emergency Appropriations (Continued):		
Excluded from "CAPS" (Continued):		
Grants	\$ 171,445.23	\$ 222,040.92
Capital Improvements	75,000.00	150,000.00
Municipal Debt Service	1,896,277.00	1,836,126.00
Deferred Charges and Statutory Expenditures		90,000.00
Reserve for Uncollected Taxes	790,000.00	787,235.29
County Taxes	5,242,649.15	5,087,423.23
County Added and Omitted Taxes:		
2014	7,501.16	
2013	355.45	4,091.97
2012		536.93
Local District School Taxes	15,971,549.00	15,373,187.00
Refund of Prior Year's Revenues	29,024.60	
Cancellation of Prior Grants Receivable	62,781.25	3,442.08
Prior Years Senior Citizens and Veterans Disallowed	<u>7,740.41</u>	<u>9,204.79</u>
Total Expenditures	<u>\$ 38,056,413.25</u>	<u>\$ 37,275,807.49</u>
Statutory Excess to Fund Balance	\$ 1,284,104.81	\$ 1,200,445.58
Fund Balance, January 1	<u>1,775,994.33</u>	<u>2,058,322.31</u>
	\$ 3,060,099.14	\$ 3,258,767.89
Decreased by:		
Utilized as Anticipated Revenue	<u>1,339,848.00</u>	<u>1,482,773.56</u>
Fund Balance, December 31	<u>\$ 1,720,251.14</u>	<u>\$ 1,775,994.33</u>

BOROUGH OF SOUTH RIVER
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014

	Budget as <u>Modified</u>	Realized	Excess or <u>(Deficit)</u>
Fund Balance Anticipated	\$ 1,339,848.00	\$ 1,339,848.00	
Miscellaneous Revenues:			
Licenses:			
Alcoholic Beverages	\$ 13,800.00	\$ 13,980.00	\$ 180.00
Other	12,700.00	14,760.00	2,060.00
Fees and Permits	103,000.00	114,293.39	11,293.39
Fines and Costs - Municipal Court	280,900.00	339,122.76	58,222.76
Interest and Costs on Taxes	100,000.00	109,451.57	9,451.57
Anticipated Operating Surplus - Electric	<u>3,556,371.00</u>	<u>3,556,371.00</u>	
	<u>\$ 4,066,771.00</u>	<u>\$ 4,147,978.72</u>	<u>\$ 81,207.72</u>
State Aid Without Offsetting Appropriations:			
Energy Receipts Tax	\$ 179,425.00	\$ 179,425.00	
Consolidated Municipal Property Tax Relief Aid	<u>645,866.00</u>	<u>645,866.00</u>	
	<u>\$ 825,291.00</u>	<u>\$ 825,291.00</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	\$ 180,000.00	\$ 233,322.00	\$ 53,322.00
Zoning Fees	<u>13,200.00</u>	<u>14,795.00</u>	<u>1,595.00</u>
	<u>\$ 193,200.00</u>	<u>\$ 248,117.00</u>	<u>\$ 54,917.00</u>
Special Items of Revenue Offset with Appropriations:			
Drunk Driving Enforcement Fund	\$ 7,972.92	\$ 7,972.92	
Clean Communities Program	24,527.28	24,527.28	
Municipal Alliance on Alcoholism and Drug Abuse	7,568.50	7,568.50	
Alcohol Education and Rehabilitation Fund	177.24	177.24	
Body Armor Replacement Fund	3,924.95	3,924.95	
CDBG - Post Sandy Assistance Grant	80,000.00	80,000.00	
Middlesex County Office on Aging Grant:			
Physical	3,700.00	3,700.00	
Residential Maintenance	4,000.00	4,000.00	
Bulletproof Vest Partnership Grant	9,931.49	9,931.49	
Click it or Ticket Grant	4,000.00	4,000.00	
Recycling Tonnage Grant	<u>23,742.85</u>	<u>23,742.85</u>	
	<u>\$ 169,545.23</u>	<u>\$ 169,545.23</u>	

BOROUGH OF SOUTH RIVER
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014

	Budget as <u>Modified</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Special Items of Revenue with Prior Consent of the Director:			
Uniform Fire Safety Act	\$ 43,500.00	\$ 48,649.78	\$ 5,149.78
Host Community Benefits	813,050.00	813,050.87	0.87
Cable Television Percentage of Revenue - 2%	36,181.00	36,181.12	0.12
Payment in Lieu of Taxes - National Church Residence - Willet Manor	34,000.00	33,760.50	(239.50)
Payment in Lieu of Taxes - National Church Residence - South River Landing	37,500.00	38,926.80	1,426.80
General Capital Fund Balance	125,000.00	125,000.00	
Trust Other Fund Balance	40,000.00	40,000.00	
MCUA Sewer Reimbursement	<u>125,000.00</u>	<u>125,000.00</u>	
	<u>\$ 1,254,231.00</u>	<u>\$ 1,260,569.07</u>	<u>\$ 6,338.07</u>
Receipts from Delinquent Taxes	<u>\$ 625,000.00</u>	<u>\$ 640,720.55</u>	<u>\$ 15,720.55</u>
Amount to be Raised by Taxation for Support of Municipal Budget:			
Local Tax for Municipal Purposes	\$ 7,823,561.00	\$ 8,107,250.02	\$ 283,689.02
Minimum Library Tax	<u>437,365.00</u>	<u>437,365.00</u>	
	<u>\$ 8,260,926.00</u>	<u>\$ 8,544,615.02</u>	<u>\$ 283,689.02</u>
Budget Totals	\$ 16,734,812.23	\$ 17,176,684.59	\$ 441,872.36
Nonbudget Revenue		<u>455,568.74</u>	<u>455,568.74</u>
	<u>\$ 16,734,812.23</u>	<u>\$ 17,632,253.33</u>	<u>\$ 897,441.10</u>
Detail:			
Budget as Adopted	\$ 16,612,776.22		
Added by N.J.S.A. 40A:4-87	<u>122,036.01</u>		
	<u>\$ 16,734,812.23</u>		

BOROUGH OF SOUTH RIVER
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
<u>GENERAL GOVERNMENT FUNCTIONS</u>						
General Administration:						
Salaries and Wages	\$ 113,000.00	\$ 113,000.00	\$ 108,270.73		\$ 4,729.27	
Other Expenses	8,500.00	8,500.00	5,717.18		2,782.82	
Cable Television	9,000.00	9,000.00	7,782.00	\$ 1,190.00	28.00	
Human Resources:						
Other Expenses	30,000.00	45,000.00	28,363.06	6,868.47	9,768.47	
Mayor and Council:						
Salaries and Wages	26,100.00	26,100.00	25,788.83		311.17	
Other Expenses	11,000.00	11,000.00	5,095.11	4,862.00	1,042.89	
Borough Clerk:						
Salaries and Wages	93,000.00	93,000.00	92,082.63		917.37	
Other Expenses	18,000.00	18,000.00	13,064.13	70.00	4,865.87	
Codification of Ordinances	8,000.00	8,000.00	5,239.31		2,760.69	
Elections:						
Salaries and Wages	3,500.00	3,000.00	2,085.02		914.98	
Other Expenses	5,500.00	6,000.00	4,573.14		1,426.86	
Financial Administration:						
Salaries and Wages	98,000.00	98,000.00	97,137.77		862.23	
Other Expenses	46,000.00	46,000.00	36,846.61	8,250.18	903.21	
Audit Services:						
Other Expenses	29,000.00	29,000.00		29,000.00		
Collection of Taxes:						
Salaries and Wages	42,000.00	42,000.00	41,413.58		586.42	
Other Expenses	23,000.00	28,000.00	27,014.56		985.44	
Assessment of Taxes:						
Salaries and Wages	27,700.00	27,700.00	27,674.92		25.08	
Other Expenses	16,500.00	11,500.00	7,757.77	290.80	3,451.43	
Legal Services:						
Other Expenses	75,000.00	53,000.00	43,865.32	8,690.00	444.68	
Engineering Services and Costs:						
Other Expenses	25,000.00	25,000.00	12,956.25	8,231.25	3,812.50	
Economic Development Commission:						
Other Expenses	11,500.00	1,500.00	912.00	200.00	388.00	

BOROUGH OF SOUTH RIVER
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
LAND USE ADMINISTRATION						
Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.):						
Planning Board:						
Salaries and Wages	\$ 3,705.00	\$ 3,705.00	\$ 3,705.00			
Other Expenses	10,500.00	25,500.00	19,322.34	\$ 1,507.00	\$ 4,670.66	
Board of Adjustment:						
Salaries and Wages	23,000.00	23,000.00	22,918.76		81.24	
Other Expenses	5,000.00	10,000.00	4,637.30	50.00	5,312.70	
INSURANCE						
Liability Insurance	200,000.00	200,000.00	192,133.87		7,866.13	
Workers' Compensation	153,000.00	153,000.00	152,520.50		479.50	
Group Health Benefits	1,531,780.00	1,516,780.00	1,457,305.77	18,941.80	40,532.43	
Unemployment Insurance	20,000.00	20,000.00	20,000.00			
PUBLIC SAFETY FUNCTIONS						
Police:						
Salaries and Wages	3,290,000.00	3,275,000.00	3,158,184.55		116,815.45	
Other Expenses	115,000.00	118,500.00	110,135.99	7,390.24	973.77	
Special Police:						
Salaries and Wages	25,000.00	25,000.00	20,603.16		4,396.84	
Other Expenses	5,000.00	3,500.00	3,214.65	250.00	35.35	
School Guards:						
Salaries and Wages	207,000.00	207,000.00	194,729.92		12,270.08	
Other Expenses	3,500.00	1,500.00	571.80		928.20	
Juvenile Conference Committee:						
Other Expenses	500.00	500.00	50.09		449.91	
Police Dispatch/911:						
Salaries and Wages	208,000.00	208,000.00	193,432.35		14,567.65	
Other Expenses	1,000.00	1,000.00	353.25	590.72	56.03	
Office of Emergency Management:						
Other Expenses	7,100.00	7,100.00	6,193.56	906.44		
Aid to Volunteer Fire Companies:						
Other Expenses	95,000.00	96,167.92	69,483.71	26,678.25	5.96	
Clothing Allowance	40,000.00	38,832.08	38,832.08			
Emergency Medical Services:						
Other Expenses	32,500.00	32,500.00	31,148.41	1,329.55	22.04	

BOROUGH OF SOUTH RIVER
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
<u>PUBLIC SAFETY FUNCTIONS (CONTINUED)</u>						
Fire Protection Bureau (Uniform Fire Code P.L. 1983, C. 383):						
Salaries and Wages	\$ 59,000.00	\$ 59,000.00	\$ 59,000.00			
Other Expenses	2,700.00	2,700.00	998.00	\$ 1,366.50	\$ 335.50	
Code Enforcement:						
Salaries and Wages	51,000.00	51,000.00	50,575.84		424.16	
Other Expenses	2,650.00	2,650.00	1,265.40	699.81	684.79	
Municipal Prosecutor:						
Other Expenses	15,000.00	15,000.00	14,888.00		112.00	
Municipal Court:						
Salaries and Wages	174,000.00	174,000.00	173,457.91		542.09	
Other Expenses	9,000.00	9,000.00	3,969.51	1,196.16	3,834.33	
Public Defender (P.L. 1997, C.256):						
Salaries and Wages	250.00	250.00			250.00	
<u>PUBLIC WORKS FUNCTIONS</u>						
Road Repairs and Maintenance:						
Salaries and Wages	648,000.00	688,000.00	675,868.70		12,131.30	
Other Expenses	112,000.00	112,000.00	83,696.16	10,159.60	18,144.24	
Garbage and Trash Removal:						
Salaries and Wages	650,000.00	620,000.00	595,220.75		24,779.25	
Other Expenses	23,000.00	23,000.00	14,616.24	1,531.07	6,852.69	
Public Buildings and Grounds:						
Other Expenses	150,000.00	150,000.00	109,310.44	28,221.92	12,467.64	
Vehicle Maintenance:						
Salaries and Wages	97,000.00	97,000.00	82,829.20		14,170.80	
Other Expenses	240,000.00	257,000.00	194,081.84	36,613.37	26,304.79	
Lease/Purchase of Police Car(s)	53,500.00	53,500.00	53,500.00			
<u>HEALTH AND HUMAN SERVICES FUNCTIONS</u>						
Board of Health:						
Salaries and Wages	11,000.00	11,000.00	10,813.14		186.86	
Other Expenses	19,500.00	9,500.00	6,898.26	247.89	2,353.85	
County Health Program (C. 329, P.L. 1975)	59,860.00	59,860.00	59,859.56		0.44	

BOROUGH OF SOUTH RIVER
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
<u>HEALTH AND HUMAN SERVICES FUNCTIONS (CONTINUED)</u>						
Office on Aging:						
Salaries and Wages	\$ 149,000.00	\$ 149,000.00	\$ 135,242.32		\$ 13,757.68	
Other Expenses	16,000.00	16,000.00	11,716.65	\$ 1,164.66	3,118.69	
Environmental Commission (N.J.S.A. 56A-1 et seq.):						
Other Expenses	1,500.00	1,500.00			1,500.00	
Animal Control:						
Other Expenses	22,000.00	22,000.00	18,194.00	694.57	3,111.43	
Municipal Alliance:						
Other Expenses	1,900.00	1,900.00			1,900.00	
<u>PARK AND RECREATION FUNCTIONS</u>						
Board of Recreation Commissioners:						
Salaries and Wages	60,000.00	60,000.00	56,635.48		3,364.52	
Other Expenses	13,000.00	13,000.00	10,758.01	404.59	1,837.40	
Celebration of Public Events, Anniversary or Holiday:						
Fireworks	10,000.00	10,000.00	9,528.99		471.01	
Memorial Day Parade	750.00	750.00	750.00			
Senior Events	13,500.00	13,500.00	11,642.95	243.91	1,613.14	
Holiday Lighting	500.00	500.00	500.00			
Cultural Arts Heritage Commission (N.J.S.A. 40:33A-1 et seq.):						
Other Expenses	2,000.00	2,000.00	2,000.00			
Maintenance of Parks:						
Salaries and Wages	247,000.00	247,000.00	205,950.94		41,049.06	
Other Expenses	28,500.00	28,500.00	21,103.01	1,606.96	5,790.03	
<u>UTILITY EXPENSES AND BULK PURCHASES</u>						
Telephone	60,000.00	60,000.00	54,887.13	4,596.62	516.25	
Heat	45,000.00	45,000.00	35,833.17	6,311.08	2,855.75	
Gasoline, Lubricants and Oil	110,000.00	110,000.00	84,167.34	10,293.12	15,539.54	
Office Supplies	35,000.00	35,000.00	25,117.03	3,808.11	6,074.86	
Postage	31,500.00	31,500.00	28,276.85		3,223.15	
Sewer Department:						
Salaries and Wages	70,000.00	80,000.00	77,956.86		2,043.14	
Other Expenses	25,000.00	25,000.00	18,415.99	354.61	6,229.40	
Computer Maintenance Service Contract	26,000.00	26,000.00	20,973.99	187.50	4,838.51	
<u>LANDFILL/SOLID WASTE DISPOSAL COSTS</u>						
Sanitary Landfill - Contractual	515,000.00	515,000.00	430,376.65	42,916.58	41,706.77	

BOROUGH OF SOUTH RIVER
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
<u>UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET</u>						
<u>BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)</u>						
Salaries and Wages	\$ 148,000.00	\$ 148,000.00	\$ 141,142.52		\$ 6,857.48	
Other Expenses	7,500.00	7,500.00	6,464.58		1,035.42	
Accumulated Absences	<u>35,000.00</u>	<u>35,000.00</u>	<u>35,000.00</u>			
Total Operations within "CAPS"	<u>\$ 10,746,995.00</u>	<u>\$ 10,746,995.00</u>	<u>\$ 9,926,600.39</u>	<u>\$ 277,915.33</u>	<u>\$ 542,479.28</u>	
<u>CONTINGENT</u>						
Total Operations Including Contingent - within "CAPS"	<u>\$ 10,747,495.00</u>	<u>\$ 10,747,495.00</u>	<u>\$ 9,926,600.39</u>	<u>\$ 277,915.33</u>	<u>\$ 542,979.28</u>	
Detail:						
Salaries and Wages	\$ 6,524,255.00	\$ 6,528,755.00	\$ 6,252,720.88		\$ 276,034.12	
Other Expenses (Including Contingent)	4,223,240.00	4,218,740.00	3,673,879.51	\$ 277,915.33	266,945.16	
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"</u>						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	\$ 277,630.00	\$ 277,630.00	\$ 251,843.67		\$ 25,786.33	
Social Security System (O.A.S.I.)	290,000.00	290,000.00	271,486.61		18,513.39	
Police & Firemen's Retirement System	748,350.00	748,350.00	709,154.69		39,195.31	
Defined Contribution Retirement Plan	<u>250.00</u>	<u>250.00</u>			<u>250.00</u>	
Total Deferred Charges and Statutory Expenditures - Expenditures - Municipal within "CAPS"	<u>\$ 1,316,230.00</u>	<u>\$ 1,316,230.00</u>	<u>\$ 1,232,484.97</u>		<u>\$ 83,745.03</u>	
Total General Appropriations for Municipal Purposes within "CAPS"	<u>\$ 12,063,725.00</u>	<u>\$ 12,063,725.00</u>	<u>\$ 11,159,085.36</u>	<u>\$ 277,915.33</u>	<u>\$ 626,724.31</u>	
<u>OPERATIONS - EXCLUDED FROM "CAPS"</u>						
Other Operations - Excluded from "CAPS":						
Sanitation:						
County Sewerage Authority Contract						
Operating and Maintenance	\$ 484,588.00	\$ 484,588.00	\$ 484,587.44		0.56	
Debt Service	446,192.00	446,192.00	446,191.68		0.32	
Maintenance of Free Public Library	437,365.00	437,365.00	432,984.88	\$ 4,380.12		
Length of Service Award Program (LOSAP)	100,000.00	100,000.00		100,000.00		
Insurance:						
Group Health Benefits (P.L. 2007 c62)	<u>38,220.00</u>	<u>38,220.00</u>	<u>38,220.00</u>			
Total Other Operations - Excluded from "CAPS"	<u>\$ 1,506,365.00</u>	<u>\$ 1,506,365.00</u>	<u>\$ 1,401,984.00</u>	<u>\$ 104,380.12</u>	<u>0.88</u>	

BOROUGH OF SOUTH RIVER
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
Interlocal Municipal Service Agreements:						
Middlesex County Improvement Authority:						
Recycling:						
Other Expenses	\$ 190,000.00	\$ 190,000.00	\$ 134,220.68	\$ 27,132.19	\$ 28,647.13	
East Brunswick - Radio Safety Communications System	<u>42,000.00</u>	<u>42,000.00</u>	<u>41,156.50</u>	<u> </u>	<u>843.50</u>	<u> </u>
Total Interlocal Municipal Service Agreements	<u>\$ 232,000.00</u>	<u>\$ 232,000.00</u>	<u>\$ 175,377.18</u>	<u>\$ 27,132.19</u>	<u>\$ 29,490.63</u>	<u> </u>
Public and Private Programs Offset by Revenues:						
Municipal Alliance Program (P.L. 1989, C. 51):						
Alcoholism and Drug Abuse Program	\$ 7,568.50	\$ 7,568.50	\$ 7,568.50			
Municipal Alliance Program:						
Matching Funds	1,900.00	1,900.00	1,900.00			
N.J.D.E.P.E. - Office of Recycling:						
Clean Communities Act (N.J.S.A. 13:1E-99.2)		24,527.28	24,527.28			
Drunk Driving Enforcement Fund	4,572.92	7,972.92	7,972.92			
Click it or Ticket Grant		4,000.00	4,000.00			
Alcohol Education and Rehabilitation		177.24	177.24			
Body Armor Replacement Fund	3,924.95	3,924.95	3,924.95			
NJ Recycling Tonnage Grant	23,742.85	23,742.85	23,742.85			
County of Middlesex:						
Older Americans Act:						
Residential	4,000.00	4,000.00	4,000.00			
Physical Grant	3,700.00	3,700.00	3,700.00			
Bullet Proof Vest Grant		9,931.49	9,931.49			
CDBG - Post Sandy Assistant Planning Grant		<u>80,000.00</u>	<u>80,000.00</u>	<u> </u>	<u> </u>	<u> </u>
Total Public and Private Programs Offset by Revenues	<u>\$ 49,409.22</u>	<u>\$ 171,445.23</u>	<u>\$ 171,445.23</u>	<u> </u>	<u> </u>	<u> </u>
Total Operations - Excluded from "CAPS"	<u>\$ 1,787,774.22</u>	<u>\$ 1,909,810.23</u>	<u>\$ 1,748,806.41</u>	<u>\$ 131,512.31</u>	<u>\$ 29,491.51</u>	<u> </u>
Detail:						
Other Expenses	\$ 1,787,774.22	\$ 1,909,810.23	\$ 1,748,806.41	\$ 131,512.31	\$ 29,491.51	

BOROUGH OF SOUTH RIVER
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>						
Capital Improvement Fund	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00			
Total Capital Improvements Excluded from "CAPS"	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00			
<u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</u>						
Payment of Bond Principal	\$ 1,035,000.00	\$ 1,035,000.00	\$ 1,035,000.00			
Payment of Bond Anticipation Notes and Capital Notes	390,000.00	390,000.00	390,000.00			
Interest on Bonds	279,063.00	279,063.00	279,062.12			\$ 0.88
Interest on Notes	135,000.00	135,000.00	133,911.93			1,088.07
NJ DEP - Wastewater Trust - Principal - Federal	21,582.00	21,582.00	21,581.01			0.99
NJ DEP - Wastewater Trust - Interest - State	10,632.00	10,632.00	5,269.48			5,362.52
NJ DEP - Wastewater Trust - Principal - State	25,000.00	25,000.00	25,000.00			
Total Municipal Debt Service - Excluded from "CAPS"	\$ 1,896,277.00	\$ 1,896,277.00	\$ 1,889,824.54			\$ 6,452.46
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	\$ 3,759,051.22	\$ 3,881,087.23	\$ 3,713,630.95	\$ 131,512.31	\$ 29,491.51	\$ 6,452.46
Total General Appropriations - Excluded from "CAPS"	\$ 3,759,051.22	\$ 3,881,087.23	\$ 3,713,630.95	\$ 131,512.31	\$ 29,491.51	\$ 6,452.46
Subtotal General Appropriations	\$ 15,822,776.22	\$ 15,944,812.23	\$ 14,872,716.31	\$ 409,427.64	\$ 656,215.82	\$ 6,452.46
<u>RESERVE FOR UNCOLLECTED TAXES</u>	<u>790,000.00</u>	<u>790,000.00</u>	<u>790,000.00</u>			
Total General Appropriations	\$ <u>16,612,776.22</u>	\$ <u>16,734,812.23</u>	\$ <u>15,662,716.31</u>	\$ <u>409,427.64</u>	\$ <u>656,215.82</u>	\$ <u>6,452.46</u>

Detail:

Budget as Adopted	\$ 16,612,776.22
Added by NJSA 40A:4-87	<u>122,036.01</u>
	\$ <u>16,734,812.23</u>

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

<u>Year</u>	<u>Balance</u> <u>December 31,</u> <u>2013</u>	<u>2014 Levy</u>	<u>Added</u> <u>Taxes</u>	<u>Collection</u>		<u>Due From</u> <u>State of</u> <u>New Jersey</u> <u>Chap. 20,</u> <u>P.L. 1971</u>	<u>Transferred</u> <u>to Tax</u> <u>Title Liens</u> <u>Receivable</u>	<u>Remitted</u> <u>and</u> <u>Canceled</u>	<u>Balance</u> <u>December 31,</u> <u>2014</u>
				<u>2013</u>	<u>2014</u>				
2013	\$ <u>633,792.42</u>		\$ <u>9,735.67</u>		\$ <u>639,733.10</u>		\$ <u>3,791.94</u>	\$ <u>3.05</u>	
	\$ 633,792.42		\$ 9,735.67		\$ 639,733.10		\$ 3,791.94	\$ 3.05	
2014		\$ <u>29,524,806.74</u>		\$ <u>160,933.89</u>	<u>28,673,130.44</u>	\$ <u>142,250.00</u>		<u>16,696.49</u>	\$ <u>531,795.92</u>
	\$ <u>633,792.42</u>	\$ <u>29,524,806.74</u>	\$ <u>9,735.67</u>	\$ <u>160,933.89</u>	\$ <u>29,312,863.54</u>	\$ <u>142,250.00</u>	\$ <u>3,791.94</u>	\$ <u>16,699.54</u>	\$ <u>531,795.92</u>

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

ANALYSIS OF PROPERTY TAX LEVY

Tax Yield:		
General Purpose Tax		\$ 29,475,124.15
Added Taxes (54:63.1 et. seq.)		45,589.62
6% Penalty on Delinquent Tax		<u>4,092.97</u>
		<u>\$ 29,524,806.74</u>

TAX LEVY

Local District School Tax:		
Levy, School Year July 1, 2014 to June 30, 2015		\$ 15,971,549.00
County Taxes:		
County Tax	\$ 4,847,225.57	
County Open Space Preservation Tax	395,423.58	
County Added and Omitted Taxes (54:4-63.1 & 12 et. seq.)	<u>7,501.16</u>	
Total County Taxes		<u>5,250,150.31</u>
		\$ 21,221,699.31
Local Tax for Municipal Purpose		\$ 7,823,561.00
Local Tax for Municipal Library Purpose		437,365.00
Add: Additional Tax Levied		<u>42,181.43</u>
Total Tax for Municipal Purpose		<u>8,303,107.43</u>
		<u>\$ 29,524,806.74</u>

DETAIL OF PRIOR YEAR ADDED TAXES

Added and Omitted		\$ 1,995.26
Senior Citizens' Deductions Disallowed		<u>7,740.41</u>
		<u>\$ 9,735.67</u>

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

<u>BALANCE, DECEMBER 31, 2013</u>		\$ 297,573.52
<u>INCREASED BY</u>		
Interest and Costs Accrued to Liens	\$ 169.13	
Transferred from Taxes Receivable	<u>3,791.94</u>	<u>3,961.07</u>
		\$ 301,534.59
<u>DECREASED BY</u>		
Cash Receipts:		
Delinquent Taxes		<u>987.45</u>
<u>BALANCE, DECEMBER 31, 2014</u>		<u>\$ 300,547.14</u>

BOROUGH OF SOUTH RIVER
CURRENT FUND
STATEMENT OF 2013 APPROPRIATION RESERVES

	Balance December 31, 2013				
	<u>Appropriation Reserves</u>	<u>Reserve for Encumbrances</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Salaries and Wages:					
Operations - Within "CAPS":					
General Administration	\$ 2,560.90		\$ 2,560.90		\$ 2,560.90
Mayor and Council	13.92		13.92		13.92
Borough Clerk	271.79		271.79		271.79
Elections	345.98		345.98		345.98
Financial Administration	226.70		226.70		226.70
Collection of Taxes	264.22		264.22		264.22
Assessment of Taxes	57.16		57.16		57.16
Board of Adjustment	399.45		399.45		399.45
Police	7,723.27		7,723.27		7,723.27
Special Police	2,015.00		2,015.00		2,015.00
School Guards	6,751.99		6,751.99	\$ 1,835.73	4,916.26
Police Dispatch/911	9,523.47		9,523.47		9,523.47
Code Enforcement	2,367.13		2,367.13		2,367.13
Municipal Court	143.95		143.95		143.95
Public Defender (P.L. 1997, C. 256)	250.00		250.00		250.00
Road Repairs and Maintenance	463.16		463.16		463.16
Garbage and Trash Removal	7,499.51		7,499.51		7,499.51
Vehicle Maintenance	2,602.58		2,602.58		2,602.58
Board of Health	74.86		74.86		74.86
Office on Aging	3,924.88		3,924.88		3,924.88
Board of Recreation Commissioners	4,957.05		4,957.05		4,957.05
Maintenance of Parks	12,309.45		12,309.45		12,309.45
Sewer Department	577.42		577.42		577.42
Uniform Construction Code - Appropriations					
Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)	1,975.61		1,975.61		1,975.61
	<u>67,299.45</u>		<u>67,299.45</u>	<u>1,835.73</u>	<u>65,463.72</u>
Total Salaries and Wages	\$ 67,299.45		\$ 67,299.45	\$ 1,835.73	\$ 65,463.72

BOROUGH OF SOUTH RIVER
CURRENT FUND
STATEMENT OF 2013 APPROPRIATION RESERVES

	Balance December 31, 2013		Balance After Transfers	Paid or Charged	Balance Lapsed
	<u>Appropriation Reserves</u>	<u>Reserve for Encumbrances</u>			
Other Expenses:					
Operations - Within "CAPS":					
General Administration:					
Other Expenses	\$ 1,583.42	\$ 467.10	\$ 2,050.52	\$ 708.00	\$ 1,342.52
Cable Television	7.50		7.50		7.50
Human Resources	9,871.34	5,910.00	15,781.34	3,307.50	12,473.84
Mayor and Council	2,116.74	411.89	2,528.63	216.89	2,311.74
Borough Clerk:					
Other Expenses	4,785.37	703.22	5,488.59	1,380.72	4,107.87
Codification of Ordinances	2,486.44	1,796.60	4,283.04	1,796.60	2,486.44
Elections	276.28	1,412.50	1,688.78	1,412.50	276.28
Financial Administration	1,796.54	6,509.32	8,305.86	3,834.70	4,471.16
Audit Services		31,000.00	31,000.00	31,000.00	
Collection of Taxes	131.63	110.00	241.63	110.00	131.63
Assessment of Taxes	7,788.46		7,788.46	275.52	7,512.94
Legal Services	8,745.00	2,500.00	11,245.00	2,500.00	8,745.00
Engineering Services and Costs	6,549.25	927.50	7,476.75	110.00	7,366.75
Economic Development Commission	1,563.17		1,563.17		1,563.17
Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.)-					
Planning Board	1,954.22	700.00	2,654.22	700.00	1,954.22
Board of Adjustment	3,364.02	15.00	3,379.02		3,379.02
Insurance:					
Liability Insurance	994.75		994.75		994.75
Group Health Benefits	35,499.13	18,751.37	54,250.50	18,751.37	35,499.13
Police	986.83	17,997.58	18,984.41	16,229.58	2,754.83
Special Police	1,051.21	1,420.26	2,471.47	1,420.26	1,051.21
School Guards	748.50	126.50	875.00	126.50	748.50
Juvenile Conference Committee	361.87		361.87		361.87
Police Dispatch - 911	322.77		322.77		322.77
Office of Emergency Management	100.13	1,846.01	1,946.14	1,846.01	100.13
Aid to Volunteer Fire Companies					
Other Expenses	11.06	18,143.55	18,154.61	18,154.61	
Emergency Medical Services	134.58	1,076.50	1,211.08	1,076.50	134.58
Fire Protection Bureau (Uniform Fire Code P.L. 1983, C. 383)	656.68	1,644.49	2,301.17	1,594.51	706.66
Code Enforcement	800.13	488.89	1,289.02	488.89	800.13
Municipal Prosecutor	111.63		111.63		111.63

BOROUGH OF SOUTH RIVER
CURRENT FUND
STATEMENT OF 2013 APPROPRIATION RESERVES

	Balance		Balance	Paid or	Balance
	December 31, 2013				
	Appropriation	Reserve for	Transfers		
	<u>Reserves</u>	<u>Encumbrances</u>			
Other Expenses (Continued):					
Operations - Within "CAPS" (Continued):					
Municipal Court	\$ 2,352.97	\$ 102.00	\$ 2,454.97	\$ 102.00	\$ 2,352.97
Road Repairs and Maintenance	5,343.96	29,727.39	35,071.35	28,867.20	6,204.15
Garbage and Trash Removal	8,022.01	567.85	8,589.86	693.45	7,896.41
Public Buildings and Grounds	11,732.32	5,682.64	17,414.96	4,346.10	13,068.86
Vehicle Maintenance:					
Other Expenses	8,919.94	16,826.18	25,746.12	14,333.83	11,412.29
Board of Health					
Other Expenses	5,842.80	919.95	6,762.75	919.95	5,842.80
County Health Program (C.329, P.L.1975)	0.16		0.16		0.16
Office on Aging	3,749.29	952.68	4,701.97	1,382.02	3,319.95
Environmental Commission (N.J.S.A. 56A-1 et seq.)	1,755.00		1,755.00		1,755.00
Animal Control	640.00	450.00	1,090.00	550.00	540.00
Board of Recreation Commissioners	4,750.68	318.39	5,069.07	406.62	4,662.45
Celebration of Public Events, Anniversary or Holiday:					
Senior Events	1,224.55	552.20	1,776.75	552.20	1,224.55
Holiday Lighting	227.69	201.23	428.92	201.23	227.69
Maintenance of Parks	3,605.51	7,772.10	11,377.61	7,958.10	3,419.51
Telephone	12,229.57	3,706.05	15,935.62	3,706.05	12,229.57
Heat	7,365.16	6,873.15	14,238.31	6,873.15	7,365.16
Gasoline, Lubricants and Oil	10,430.08	9,851.77	20,281.85	11,838.77	8,443.08
Office Supplies	7,198.54	4,495.34	11,693.88	4,499.32	7,194.56
Postage	1,211.98		1,211.98		1,211.98
Sewer Department	9,603.22	1,551.49	11,154.71	1,551.49	9,603.22
Computer Maintenance Service Contract	6,250.70		6,250.70		6,250.70
Sanitary Landfill - Contractual	8,457.58	79,223.90	87,681.48	73,511.02	14,170.46
Uniform Construction Code - Appropriations Offset by					
Dedicated Revenues (N.J.A.C. 5:23-4.17)	4,055.05		4,055.05		4,055.05
Contingent	500.00		500.00		500.00

BOROUGH OF SOUTH RIVER
CURRENT FUND
STATEMENT OF 2013 APPROPRIATION RESERVES

	Balance		Balance	Paid or	Balance
	December 31, 2013				
	<u>Appropriation</u>	<u>Reserve for</u>	<u>Transfers</u>		
	<u>Reserves</u>	<u>Encumbrances</u>		<u>Charged</u>	<u>Lapsed</u>
Other Expenses (Continued):					
Operations - Within "CAPS" (Continued):					
Deferred Charges And Statutory Expenditures - Municipal Within "CAPS":					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	\$ 21,873.79		\$ 21,873.79		\$ 21,873.79
Social Security System (O.A.S.I.)	11,721.40		11,721.40		11,721.40
Defined Contribution Retirement Plan	250.00		250.00		250.00
Operations - Excluded from "CAPS":					
Other Operations - Excluded from "CAPS":					
Maintenance of Free Public Library		\$ 20,704.53	20,704.53	\$ 20,704.53	
Length of Service Award Program (LOSAP)		100,000.00	100,000.00	68,311.95	31,688.05
Interlocal Municipal Service Agreements:					
Middlesex County Improvement Authority:					
Recycling	23,513.52	29,145.47	52,658.99	25,787.14	26,871.85
East Brunswick - Radio Safety Communication System	7,180.04	1,485.00	8,665.04	3,429.71	5,235.33
	<u>284,806.16</u>	<u>435,067.59</u>	<u>719,873.75</u>	<u>387,566.49</u>	<u>332,307.26</u>
Total Other Expenses	\$	\$	\$	\$	\$
Grand Total	<u>352,105.61</u>	<u>435,067.59</u>	<u>787,173.20</u>	<u>389,402.22</u>	<u>397,770.98</u>

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

<u>BALANCE, DECEMBER 31, 2013</u>		
Payable	\$ 405,482.00	
Deferred School Taxes	<u>6,759,686.00</u>	\$ 7,165,168.00
 <u>INCREASED BY</u>		
Levy, School Year July 1, 2014 to June 30, 2015		<u>15,971,549.00</u>
		\$ 23,136,717.00
 <u>DECREASED BY</u>		
Cash Disbursed		<u>15,668,102.00</u>
 <u>BALANCE, DECEMBER 31, 2014</u>		
Payable	\$ 708,929.00	
Deferred School Taxes	<u>6,759,686.00</u>	<u>\$ 7,468,615.00</u>

BOROUGH OF SOUTH RIVER
GRANT FUND
STATEMENT OF GRANTS RECEIVABLE

	<u>Balance</u> <u>December 31,</u> <u>2013</u>	<u>2014</u> <u>Budget</u> <u>Revenue</u> <u>Realized</u>	<u>Cash</u> <u>Received</u>	<u>Decreased by</u> <u>Transfer</u> <u>from</u> <u>Unappropriated</u> <u>Reserve</u>	<u>Canceled</u>	<u>Balance</u> <u>December 31,</u> <u>2014</u>
Federal:						
County of Middlesex:						
Office on Aging Grant:						
Physical:						
2014		\$ 3,700.00	\$ 2,018.00			\$ 1,682.00
2013	\$ 1,814.00		1,814.00			
Residential Maintenance:						
2014		4,000.00				4,000.00
2013	703.00		696.00		\$ 7.00	
Senior Transportation						
2013	70,000.00		70,000.00			
CDBG - Post Sandy Planning Assistance Grant - Phase I		10,000.00	10,000.00			
CDBG - Post Sandy Planning Assistance Grant - Phase II		70,000.00				70,000.00
Bulletproof Vest Partnership	2,774.25	9,931.49			2,774.25	9,931.49
Violence Against Women Act Grant	<u>60,000.00</u>				<u>60,000.00</u>	
	<u>\$ 135,291.25</u>	<u>\$ 97,631.49</u>	<u>\$ 84,528.00</u>		<u>\$ 62,781.25</u>	<u>\$ 85,613.49</u>
State:						
Drunk Driving Enforcement Fund		\$ 7,972.92	\$ 3,400.00	\$ 4,572.92		
Alcohol Education and Rehabilitation Fund		177.24	177.24			
Municipal Alliance on Alcoholism and Drug Abuse:						
2014		7,568.50	7,568.50			
2013	\$ 1,926.26		1,926.26			
Clean Communities Program		24,527.28	24,527.28			
Body Armor Replacement Fund		3,924.95		3,924.95		
Recycling Tonnage Grant		23,742.85		23,742.85		
Click it or Ticket		<u>4,000.00</u>	<u>4,000.00</u>			
	<u>\$ 1,926.26</u>	<u>\$ 71,913.74</u>	<u>\$ 41,599.28</u>	<u>\$ 32,240.72</u>		
	<u>\$ 137,217.51</u>	<u>\$ 169,545.23</u>	<u>\$ 126,127.28</u>	<u>\$ 32,240.72</u>	<u>\$ 62,781.25</u>	<u>\$ 85,613.49</u>
Detail:						
Adopted Budget		\$ 47,509.22				
Added by NJSA 40A:4-87		<u>122,036.01</u>				
		<u>\$ 169,545.23</u>				

**BOROUGH OF SOUTH RIVER
GRANT FUND
STATEMENT OF APPROPRIATED RESERVES**

	Balance December 31, 2013	Transferred from 2014 Budget		Paid or Charged			Balance December 31, 2014
		Appropriations		Cash Disbursed	Reserve for Encumbrances/ (Canceled)	Canceled	
		Budget	Appropriation by 40A:4-87				
Federal:							
Passed Through County of Middlesex:							
Office on Aging:							
Physical:							
2013	\$ 556.00			\$ 556.00			
2014		\$ 3,700.00		2,018.00			\$ 1,682.00
Residential Maintenance:							
2013	6.48					\$ 6.48	
2014		4,000.00		3,309.59	\$ 684.25		6.16
CDBG - Post Sandy Planning Assistance Grant			\$ 80,000.00	10,000.00			70,000.00
Violence Against Women Act Grant	60,000.00					60,000.00	
	<u>\$ 60,562.48</u>	<u>\$ 7,700.00</u>	<u>\$ 80,000.00</u>	<u>\$ 15,883.59</u>	<u>\$ 684.25</u>	<u>\$ 60,006.48</u>	<u>\$ 71,688.16</u>
State:							
Municipal Alliance on Alcoholism and Drug Abuse:							
Grant Portion:							
2013	\$ 1,926.26			\$ 1,926.26			
2014		\$ 7,568.50		7,568.50			
Matching Portion:							
2014		1,900.00					\$ 1,900.00
Drunk Driving Enforcement Fund:							
2010	2,214.43			2,214.43			
2012	7,619.07			4,806.52	\$ 1,037.00		1,775.55
2013	3,739.89						3,739.89
2014		4,572.92	\$ 3,400.00	3,400.00			4,572.92
Clean Communities Program:							
2012	11,610.05			11,610.05			
2013	25,479.90			25,479.90			
2014			24,527.28	2,788.54	285.00		21,453.74
Clean Communities - Reserved	5,399.94						5,399.94

**BOROUGH OF SOUTH RIVER
GRANT FUND
STATEMENT OF APPROPRIATED RESERVES**

	Balance December 31, 2013	Transferred from 2014 Budget Appropriations		Paid or Charged			Balance December 31, 2014
		Budget	Appropriation by 40A:4-87	Cash Disbursed	Reserve for Encumbrances/ (Canceled)	Canceled	
State (Continued):							
Body Armor Replacement Fund	\$ 10,322.86	\$ 3,924.95		\$ 8,568.00	\$ 534.00		\$ 5,145.81
Port Authority First Responder Grant	244.60						244.60
Click it or Ticket			\$ 4,000.00	4,000.00			
Recycling Tonnage Grant:							
2011	5,470.72			5,470.72			
2012	24,879.03			21,182.00	2,652.50		1,044.53
2013	19,556.56						19,556.56
2014		23,742.85					23,742.85
Alcohol Education and Rehabilitation Program:							
2001	156.67						156.67
2002	57.03						57.03
2003	868.20						868.20
2006	567.83						567.83
2007	1,465.89						1,465.89
2008	1,392.18						1,392.18
2010	788.96						788.96
2011	1,055.73						1,055.73
2012	161.89						161.89
2013	738.85						738.85
2014			177.24				177.24
Bullet-Proof Vest Grant:							
2012	2,335.50					\$ 2,335.50	
2014			9,931.49	7,476.00	534.00		1,921.49
	\$ 128,052.04	\$ 41,709.22	\$ 42,036.01	\$ 106,490.92	\$ 5,042.50	\$ 2,335.50	\$ 97,928.35
	\$ 188,614.52	\$ 49,409.22	\$ 122,036.01	\$ 122,374.51	\$ 5,726.75	\$ 62,341.98	\$ 169,616.51

BOROUGH OF SOUTH RIVER
GRANT FUND
STATEMENT OF UNAPPROPRIATED RESERVES

	Balance December 31, <u>2013</u>	Transferred to 2014 Budget <u>Appropriations</u> Budget	<u>Received</u>	Balance December 31, <u>2014</u>
State:				
Recycling Tonnage Grant	\$ 23,742.85	\$ 23,742.85	\$ 23,869.92	\$ 23,869.92
Drunk Driving Enforcement Fund	4,572.92	4,572.92	3,106.72	3,106.72
Body Armor Replacement Fund	<u>3,924.95</u>	<u>3,924.95</u>	<u>3,199.24</u>	<u>3,199.24</u>
	<u>\$ 32,240.72</u>	<u>\$ 32,240.72</u>	<u>\$ 30,175.88</u>	<u>\$ 30,175.88</u>
	<u>\$ 32,240.72</u>	<u>\$ 32,240.72</u>	<u>\$ 30,175.88</u>	<u>\$ 30,175.88</u>

TRUST AND AGENCY FUNDS

**BOROUGH OF SOUTH RIVER
 TRUST AND AGENCY FUNDS
 COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE -
 REGULATORY BASIS
 AS OF DECEMBER 31, 2014 AND 2013**

	<u>Payroll Fund</u>		<u>Animal Control</u>		<u>Trust Other Fund #1</u>		<u>Trust Other Fund #2</u>		<u>Tax Title Lien Premium</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
ASSETS										
Cash and Cash Equivalents	\$ 24,825.57	\$ 10,912.57	\$ 20,560.00	\$ 20,573.40	\$ 597,279.86	\$ 594,877.84	\$ 485,691.77	\$ 518,064.53	\$ 197,080.99	\$ 302,539.60
Amount Held by Plan Administrator (Unaudited)										
Due from Municipal Court							1,226.00	74.00		
Due from Vendor							42,465.64	593.51		
Total Assets	\$ 24,825.57	\$ 10,912.57	\$ 20,560.00	\$ 20,573.40	\$ 597,279.86	\$ 594,877.84	\$ 529,383.41	\$ 518,732.04	\$ 197,080.99	\$ 302,539.60
LIABILITIES, RESERVES AND FUND BALANCE										
Due to Vendor							\$ 30,140.11	\$ 23,448.84		
Payroll Deductions Payable	\$ 24,825.57	\$ 10,912.57								
Due to State of New Jersey Reserves			\$ 9.60	\$ 20,573.40	\$ 595,704.02	\$ 593,307.61	474,961.45	431,001.35	\$ 197,080.99	\$ 302,539.60
	\$ 24,825.57	\$ 10,912.57	\$ 20,560.00	\$ 20,573.40	\$ 595,704.02	\$ 593,307.61	\$ 505,101.56	\$ 454,450.19	\$ 197,080.99	\$ 302,539.60
Fund Balance					1,575.84	1,570.23	24,281.85	64,281.85		
Total Liabilities, Reserves and Fund Balance	\$ 24,825.57	\$ 10,912.57	\$ 20,560.00	\$ 20,573.40	\$ 597,279.86	\$ 594,877.84	\$ 529,383.41	\$ 518,732.04	\$ 197,080.99	\$ 302,539.60

**BOROUGH OF SOUTH RIVER
TRUST AND AGENCY FUNDS
COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE -
REGULATORY BASIS
AS OF DECEMBER 31, 2014 AND 2013**

	Length of Service Awards (Unaudited)		Law Enforcement		Electric Consumer Deposits		Unemployment		Totals (Memorandum Only)	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
ASSETS										
Cash and Cash Equivalents			\$ 19,967.08	\$ 19,108.45	\$ 520,054.77	\$ 835,737.92	\$ 104,625.34	\$ 57,218.19	\$ 1,970,085.38	\$ 2,359,032.50
Amount Held by Plan Administrator (Unaudited)	\$ 896,766.84	\$ 799,335.99							896,766.84	799,335.99
Due from Municipal Court									1,226.00	74.00
Due from Vendor									42,465.64	593.51
Total Assets	\$ 896,766.84	\$ 799,335.99	\$ 19,967.08	\$ 19,108.45	\$ 520,054.77	\$ 835,737.92	\$ 104,625.34	\$ 57,218.19	\$ 2,910,543.86	\$ 3,159,036.00
LIABILITIES, RESERVES AND FUND BALANCE										
Due to Vendor									\$ 30,140.11	\$ 23,448.84
Payroll Deductions Payable									24,825.57	10,912.57
Due to State of New Jersey Reserves	\$ 896,766.84	\$ 799,335.99	\$ 19,967.08	\$ 19,108.45	\$ 520,054.77	\$ 835,737.92	\$ 104,625.34	\$ 57,218.19	9.60	3,058,822.51
	\$ 896,766.84	\$ 799,335.99	\$ 19,967.08	\$ 19,108.45	\$ 520,054.77	\$ 835,737.92	\$ 104,625.34	\$ 57,218.19	\$ 2,884,686.17	\$ 3,093,183.92
Fund Balance									25,857.69	65,852.08
Total Liabilities, Reserves and Fund Balance	\$ 896,766.84	\$ 799,335.99	\$ 19,967.08	\$ 19,108.45	\$ 520,054.77	\$ 835,737.92	\$ 104,625.34	\$ 57,218.19	\$ 2,910,543.86	\$ 3,159,036.00

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

	Balance December 31, <u>2013</u>	<u>Increased by</u>	<u>Decreased by</u>	Balance December 31, <u>2014</u>
Reserve for:				
Deposits and Performance Bonds	\$ 20,318.40	\$ 1,576.74	\$ 633.00	\$ 21,262.14
Engineering Inspection Fees	11,651.45	13.47		11,664.92
Street Opening Deposits	15,467.00	2,000.00	5,000.00	12,467.00
Developer's Escrow	135,254.47	85,458.44	82,051.05	138,661.86
Dumpster Permits	600.00	1,400.00	1,600.00	400.00
Affordable Housing	<u>410,016.29</u>	<u>1,231.81</u>	<u> </u>	<u>411,248.10</u>
	<u>\$ 593,307.61</u>	<u>\$ 91,680.46</u>	<u>\$ 89,284.05</u>	<u>\$ 595,704.02</u>

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

	Balance December 31, <u>2013</u>	<u>Increased by</u>	<u>Decreased by</u>	Balance December 31, <u>2014</u>
Reserve for:				
ABC License - Buy Back	\$ 100,607.00	\$ 4,000.00		\$ 104,607.00
Recreation Commission (Per N.J.S.A. 40A:4-39)	55,833.62	18,525.00	\$ 18,277.28	56,081.34
Recreation Commission - Recycling (Per N.J.S.A. 40A:4-39)	476.83			476.83
Water Front Development	3,000.00			3,000.00
Parking Offenses Adjudication Act (Per N.J.S.A. 40:4-39)	8,550.00	696.00		9,246.00
Shade Tree	1,193.85			1,193.85
Senior Program	11,248.58	3,368.50	4,564.23	10,052.85
Older Americans Act - Donations	2,742.59	1,492.29		4,234.88
Senior Program - Trips	30,878.07	24,360.00	21,173.78	34,064.29
Off Duty Police Services		98,048.00	98,048.00	
Fire Prevention - Code Deposit	56,258.34	32,722.30	32,267.28	56,713.36
Fire Prevention - Fire Lane Deposit	6,815.00	950.00	2,626.00	5,139.00
Fire Department - Code Deposit	1,584.09	12,242.50	2,478.95	11,347.64
Municipal Alliance Donations	21,843.81	19,777.71	14,283.21	27,338.31
Public Defender Fees	28,253.31	10,982.00	6,924.99	32,310.32
Cultural Arts Commission	7,549.80	1,819.16	42.08	9,326.88
Special Events	4,069.72	675.00	3,980.27	764.45
September 11, 2001 Memorial	5,640.72			5,640.72
Board of Health Donations	36,144.79	24,062.84	28,371.52	31,836.11
Accumulated Absences	47,788.43	115,000.00	91,391.79	71,396.64
Miscellaneous Reserves	522.80	23,000.00	23,331.82	190.98
	<u>\$ 431,001.35</u>	<u>\$ 391,721.30</u>	<u>\$ 347,761.20</u>	<u>\$ 474,961.45</u>

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

<u>BALANCE, DECEMBER 31, 2013</u>		\$ 20,573.40
 <u>INCREASED BY</u>		
Dog License Fees - Borough Share	\$ 10,714.60	
Cat License Fees - Borough Share	404.00	
Late Fees and Other Charges	<u>3,495.00</u>	<u>14,613.60</u>
		\$ 35,187.00
 <u>DECREASED BY</u>		
Expenditures	\$ 9,108.35	
Statutory Excess Due to Current Fund	<u>5,528.25</u>	<u>14,636.60</u>
 <u>BALANCE, DECEMBER 31, 2014</u>		 <u><u>\$ 20,550.40</u></u>

BOROUGH LICENSE FEES COLLECTED

<u>Year</u>	<u>Amount</u>
2012	\$ 10,319.40
2013	<u>10,231.00</u>
	 <u><u>\$ 20,550.40</u></u>

AUDITOR'S NOTE:

R.S. 4:19-15.11

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

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

	<u>Balance</u> December 31, 2013	<u>Increased by</u>		<u>Decreased by</u> <u>Disbursements</u>	<u>Balance</u> December 31, 2014
		<u>Borough's</u> <u>Share</u>	<u>Payroll</u> <u>Deductions</u>		
Federal Withholding Tax			\$ 1,114,782.99	\$ 1,114,782.99	
FICA and Medicare		\$ 447,294.07	447,294.14	894,588.21	
State of New Jersey Withholding Tax			292,095.88	292,095.88	
Public Employees Retirement System			313,910.04	313,621.06	\$ 288.98
PERS Back Deduction			2,079.46	2,079.46	
PERS Loan			78,756.21	78,756.21	
PERS Contributory Group Insurance			22,916.17	22,895.02	21.15
PERS Back Contributory Group Insurance			67.37	67.37	
PERS Arrears			2,351.28	2,351.28	
Police and Firemen's Retirement System	\$ (926.67)		292,598.56	291,671.89	
PFRS Back deduction			5,555.00	5,555.00	
PFRS Loan	(54.07)		177,026.10	176,972.03	
State Unemployment Tax			21,207.38	21,207.38	
Superior Officer Association Dues			5,320.00	5,320.00	
Police Benevolent Association Dues			16,080.00	16,080.00	
I.B.E.W.			6,522.88	6,522.88	
IUJUT Dues			11,690.00	11,550.00	140.00
Garnishment			57,047.44	57,047.44	
Employee Health Benefit Contribution	11,893.31		249,402.22	241,682.81	19,612.72
Disability			65,802.70	61,039.98	4,762.72
Dental			49,029.72	49,029.72	
Flexible Spending Account			8,310.46	8,310.46	
Deferred Compensation			37,707.00	37,707.00	
	<u>\$ 10,912.57</u>	<u>\$ 447,294.07</u>	<u>\$ 3,277,553.00</u>	<u>\$ 3,710,934.07</u>	<u>\$ 24,825.57</u>

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

<u>BALANCE, DECEMBER 31, 2013</u>		\$ 57,218.19
<u>INCREASED BY</u>		
Due from Current Fund	\$ 16,914.45	
Due from Electric Utility Operating Fund	18,148.68	
Due from Water Utility Operating Fund	13,765.79	
Interest Earned	<u>83.17</u>	<u>48,912.09</u>
		\$ 106,130.28
<u>DECREASED BY</u>		
Unemployment Compensation Paid		<u>1,504.94</u>
<u>BALANCE, DECEMBER 31, 2014</u>		<u>\$ 104,625.34</u>

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

<u>BALANCE, DECEMBER 31, 2013</u>		\$ 835,737.92
 <u>INCREASED BY</u>		
Deposits	\$ 78,425.00	
Interest Earned	1,846.64	
Cancelation of Outstanding Checks	<u>1,471.37</u>	<u>81,743.01</u>
		 \$ 917,480.93
 <u>DECREASED BY</u>		
Transferred to Electric Utility Operating Fund	\$ 300,000.00	
Refunded	<u>97,426.16</u>	<u>397,426.16</u>
 <u>BALANCE, DECEMBER 31, 2014</u>		 \$ <u><u>520,054.77</u></u>

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

<u>BALANCE, DECEMBER 31, 2013</u>		\$	19,108.45
<u>INCREASED BY</u>			
Funds Received	\$	856.70	
Interest Earned		<u>1.93</u>	<u>858.63</u>
<u>BALANCE, DECEMBER 31, 2014</u>		\$	<u><u>19,967.08</u></u>

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

<u>BALANCE, DECEMBER 31, 2013</u>	\$ 302,539.60
<u>INCREASED BY</u>	
Cash Received	<u>71,980.99</u>
	\$ 374,520.59
<u>DECREASED BY</u>	
Refunded	<u>177,439.60</u>
<u>BALANCE, DECEMBER 31, 2014</u>	<u>\$ 197,080.99</u>

GENERAL CAPITAL FUND

BOROUGH OF SOUTH RIVER
GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
AS OF DECEMBER 31, 2014 AND 2013

<u>ASSETS</u>	Balance December 31, <u>2014</u>	Balance December 31, <u>2013</u>
Cash and Cash Equivalents	\$ <u>1,831,925.13</u>	\$ <u>1,978,357.75</u>
Intergovernmental Accounts Receivable	\$ <u>715,361.61</u>	\$ <u>723,188.61</u>
Deferred Charges to Future Taxation:		
Funded	\$ 6,182,927.32	\$ 7,264,508.33
Unfunded	<u>16,809,947.28</u>	<u>15,239,891.38</u>
	\$ <u>22,992,874.60</u>	\$ <u>22,504,399.71</u>
Total Assets	\$ <u><u>25,540,161.34</u></u>	\$ <u><u>25,205,946.07</u></u>

BOROUGH OF SOUTH RIVER
GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
AS OF DECEMBER 31, 2014 AND 2013

<u>LIABILITIES, RESERVES AND</u> <u>FUND BALANCE</u>	Balance December 31, <u>2014</u>	Balance December 31, <u>2013</u>
Serial Bonds	\$ <u>5,900,000.00</u>	\$ <u>6,935,000.00</u>
Bond Anticipation Notes	\$ <u>12,236,000.00</u>	\$ <u>10,756,000.00</u>
Loans Payable	\$ <u>282,927.32</u>	\$ <u>329,508.33</u>
Other Liabilities and Reserves:		
Capital Improvement Fund	\$ 362,946.33	\$ 407,946.33
Reserve for Encumbrances	3,065,049.83	1,614,413.15
Reserve for Fire Hoses, Appropriated	<u>224.82</u>	<u>224.82</u>
	\$ <u>3,428,220.98</u>	\$ <u>2,022,584.30</u>
Reserve for Grants Receivable	\$ <u>64,430.19</u>	\$ <u>64,430.19</u>
Improvement Authorizations:		
Funded	\$ 181,288.40	\$ 403,533.09
Unfunded	<u>3,154,785.58</u>	<u>4,314,209.43</u>
	\$ <u>3,336,073.98</u>	\$ <u>4,717,742.52</u>
Fund Balance	\$ <u>292,508.87</u>	\$ <u>380,680.73</u>
Total Liabilities, Reserves and Fund Balance	\$ <u><u>25,540,161.34</u></u>	\$ <u><u>25,205,946.07</u></u>

There were Bonds and Notes Authorized but not Issued of \$4,573,947.28 at December 31, 2014.

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

	Balance December 31, 2013	Receipts		Disbursements			Balance December 31, 2014	
		Bond Anticipation Notes Issued	Miscellaneous	Improvement Authorizations	Miscellaneous	Transfer		
						From		To
Fund Balance	\$ 380,680.73		\$ 71,828.14		\$ 125,000.00	\$ 35,000.00	\$ 292,508.87	
Capital Improvement Fund	407,946.33		75,000.00			120,000.00	362,946.33	
Reserve for Encumbrances	1,614,413.15				2,353,034.23	48,649.68	3,065,049.83	
Due from County of Middlesex HCD	(131,391.48)		75,524.00			67,697.00	(123,564.48)	
Due from NJDOT	(527,366.94)						(527,366.94)	
Due to/(from) Current Fund			1,965.48		1,965.48			
Reserve for Fire Hoses, Appropriated	224.82						224.82	
Improvement Authorizations:								
<u>Ordinance Number</u>	<u>Description</u>							
07-23	Acquisition of Firefighting Equipment		6,241.73	\$ 1,217.22			5,024.51	
08-14	Improvements to Burton Avenue section II and Improvements to Cole and Philip St.		7,647.42	34.66			7,612.76	
08-19/11-20/ 13-14/14-08/14-13	Planning, Site acquisition and Construction of Municipal Facilities		16,952.83	\$ 760,000.00	9,496.89	811,446.63	45,417.84	1,427.15
08-25/08-46	Acquisition various Equipment Road and Drainage Improvements and various other Improvements - 2008		149,055.07		2,691.45		8,046.00	154,409.62
08-50/09-39/ 11-32	Acquisition of various Equipment, Road Improvements and various Other Improvements		16,802.20		1,218.56			15,583.64
10-09/11-26/ 13-09	Acquisition of Various Equipment, Road Improvements and Various Other Improvements		36,350.18		5,926.36	20,882.13	3,100.00	12,641.69
11-10	Improvements to Kamm Avenue Section I		101,535.61					101,535.61
12-02	Various Federal Housing and Community Development Grant Improvements	\$	31,200.00	\$	9,430.00			\$ 21,770.00

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

Ordinance Number	Description	Balance December 31, 2013	Receipts		Disbursements		Transfer		Balance December 31, 2014
			Bond Anticipation Notes Issued	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	
Improvement Authorizations (Continued):									
12-17	Acquisition of Various Capital Equipment and Improvements	\$ (36,407.73)	\$ 100,000.00		\$ 2,327.35		\$ 46,163.35	\$ 9.00	\$ 15,110.57
12-22	Improvements to Kamm Avenue Section II	22,085.40			2,368.13			29,576.84	49,294.11
12-27	Improvements to the Radio Communication System	24,205.00			1,081.02				23,123.98
12-30	Rehabilitation of the Jackson Street and William Street Pump Stations and Human Resource Building	(483,614.05)		\$ 319,944.10	38,348.06		1,669,722.60	43,894.00	(1,827,846.61)
13-06	Various Federal Housing and Community Development Grant Improvements	27,447.48							27,447.48
13-21	Various Federal Housing and Community Development Grant Improvements	72,744.00					41,394.00		31,350.00
13-22	Various Road, Curb, Sidewalk and Concrete Improvements	241,606.00			624.67		379,000.00		(138,018.67)
14-05	Various Computer Equipment and Network Upgrades				740.63		29,433.33	35,000.00	4,826.04
14-14/14-26	Various 2014 Road Improvements		510,000.00		1,629.75		859,894.70	45,000.00	(306,524.45)
14-30	Acquisition of Various Capital Equipment		500,000.00		3,559.88		11,077.85	35,000.00	520,362.27
14-33	Various Federal Housing and Community Development Grant Improvements						24,700.00	67,697.00	42,997.00
		<u>\$ 1,978,357.75</u>	<u>\$ 1,870,000.00</u>	<u>\$ 544,261.72</u>	<u>\$ 80,694.63</u>	<u>\$ 2,479,999.71</u>	<u>\$ 4,165,061.27</u>	<u>\$ 4,165,061.27</u>	<u>\$ 1,831,925.13</u>

Bracketed Amount Denotes Deficit.

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

<u>Ordinance Number</u>	<u>Description</u>	<u>Balance December 31, 2013</u>	<u>Granted/ Adjusted</u>	<u>Cash Receipts</u>	<u>Balance December 31, 2014</u>
County of Middlesex:					
HCD Funds:					
12-02	Various Improvements	\$ 31,200.00		\$ 9,430.00	\$ 21,770.00
13-06	Various Improvements	27,447.48			27,447.48
13-21	Various Improvements	72,744.00		41,394.00	31,350.00
14-33	Various Improvements	<u> </u>	\$ 67,697.00	<u>24,700.00</u>	<u>42,997.00</u>
	Total HCD Funds:	<u>\$ 131,391.48</u>	<u>\$ 67,697.00</u>	<u>\$ 75,524.00</u>	<u>\$ 123,564.48</u>
State of New Jersey - Department of Transportation:					
N/A	William Street Reserved	\$ 64,430.19			\$ 64,430.19
11-10	Improvements to Kamm Avenue Section I Unreserved	124,800.79			124,800.79
12-22	Improvements to Kamm Avenue Section II Unreserved	92,566.15			92,566.15
13-22	Improvements to Kamm Avenue Section III Unreserved	<u>310,000.00</u>			<u>310,000.00</u>
	Total NJDOT	<u>\$ 591,797.13</u>			<u>\$ 591,797.13</u>
		<u>\$ 723,188.61</u>	<u>\$ 67,697.00</u>	<u>\$ 75,524.00</u>	<u>\$ 715,361.61</u>
Detail:					
	Reserved:				
	NJ DOT	\$ 64,430.19			\$ 64,430.19
	Unreserved:				
	Middlesex County HCD	131,391.48	\$ 67,697.00	\$ 75,524.00	123,564.48
	NJ DOT	<u>527,366.94</u>			<u>527,366.94</u>
		<u>\$ 723,188.61</u>	<u>\$ 67,697.00</u>	<u>\$ 75,524.00</u>	<u>\$ 715,361.61</u>

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

Ordinance Number	Description	Balance December 31, 2013	Decreased By		Balance December 31, 2014	Analysis of Balance December 31, 2014			
			2014 Authorizations	2014 Budget Appropriation		Cash Received	Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
05-41/09-29	Road Improvements to Washington Street	\$ 33,750.00		\$ 3,000.00	\$ 30,750.00	\$ 30,750.00			
06-39/09-30	Reconstruction of Burton Ave Section I	95,250.00		6,000.00	89,250.00	89,250.00			
07-21/08-51	Streets and Roads Milling and Paving	219,000.00		14,000.00	205,000.00	205,000.00			
07-22/08-49	Drainage Improvements - Paul and Wilcox	256,000.00		16,000.00	240,000.00	240,000.00			
07-23	Acquisition of Firefighting Equipment	62,000.00		11,000.00	51,000.00	51,000.00			
08-14	Improvements to Burton Avenue section II and Improvements to Cole and Philip St.	46,000.00		2,000.00	44,000.00	17,000.00		\$ 27,000.00	
08-19/11-20/ 13-14/14-08/14-13	Planning, Site acquisition and Construction of Municipal Facilities	4,174,000.00	\$ 760,000.00	93,000.00	4,841,000.00	4,466,000.00		375,000.00	
08-25/08-46	Acquisition various Equipment Road and Drainage Improvements and various other Improvements - 2008	1,507,000.00		77,000.00	1,430,000.00	1,378,000.00		52,000.00	
08-50/09-39/ 11-32	Acquisition of various Equipment, Road Improvements and various other Improvements	806,500.00		64,000.00	742,500.00	609,000.00		133,500.00	
10-09/11-26/ 13-09	Acquisition of various Equipment, Road Improvements and various other Improvements	3,210,430.19		102,000.00	3,108,430.19	2,880,000.00		228,430.19	
11-10	Improvements to Kamm Avenue Section I	71,000.00		2,000.00	69,000.00	69,000.00			
12-17	Acquisition of Various Capital Equipment and Improvements	908,000.00			908,000.00	550,000.00		358,000.00	
12-22	Improvements to Kamm Avenue Section II	71,000.00			71,000.00	71,000.00			
12-27	Improvements to the Radio Communication System	570,000.00			570,000.00	570,000.00			
12-30	Rehabilitation of the Jackson Street and William Street Pump Stations and Human Resource Building	3,029,961.19			2,710,017.09		\$ 1,827,846.61	882,170.48	
13-22	Various Road, Curb, Sidewalk and Concrete Improvements	180,000.00			180,000.00		138,018.67	41,981.33	
14-14/14-26	Various 2014 Road Improvements		855,000.00		855,000.00	510,000.00	306,524.45	38,475.55	
14-30	Acquisition of Various Capital Equipment		665,000.00		665,000.00	500,000.00		165,000.00	
		<u>\$ 15,239,891.38</u>	<u>\$ 2,280,000.00</u>	<u>\$ 390,000.00</u>	<u>\$ 319,944.10</u>	<u>\$ 16,809,947.28</u>	<u>\$ 12,236,000.00</u>	<u>\$ 2,272,389.73</u>	<u>\$ 2,301,557.55</u>

Analysis of Balance:

Improvement Authorizations, Unfunded	\$ 3,154,285.58
Unexpended Balance of Bond Anticipation Note Proceeds	852,728.03
	<u>\$ 2,301,557.55</u>

BOROUGH OF SOUTH RIVER
GENERAL CAPITAL FUND
STATEMENT OF SERIAL BONDS

<u>Purpose</u>	<u>Date of Original Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2014</u>		<u>Interest Rate</u>	<u>Balance December 31, 2013</u>	<u>Decreased By</u>	<u>Balance December 31, 2014</u>
			<u>Date</u>	<u>Amount</u>				
General Obligation Bonds Series 2007	12/3/2007	\$ 8,405,000.00	12/1/2015	\$ 675,000.00	4.125%	\$ 6,425,000.00	\$ 525,000.00	\$ 5,900,000.00
			12/1/2016	725,000.00	4.125%			
			12/1/2017-18	750,000.00	4.125%			
			12/1/2019-22	750,000.00	4.250%			
Refunding Bonds - 2010	6/22/2010	2,625,000.00				<u>510,000.00</u>	<u>510,000.00</u>	
						<u>\$ 6,935,000.00</u>	<u>\$ 1,035,000.00</u>	<u>\$ 5,900,000.00</u>

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2013</u>	<u>Increased By Bond Anticipation Notes Issued</u>	<u>Decreased by Budget Appropriation</u>	<u>Balance December 31, 2014</u>
05-41/09-29	Road Improvements to Washington Street	12/22/2009	12/16/2014	12/15/2015	1.00%	\$ 33,750.00		\$ 3,000.00	\$ 30,750.00
06-39/09-30	Reconstruction of Burton Ave Section I	12/22/2009	12/16/2014	12/15/2015	1.00%	95,250.00		6,000.00	89,250.00
07-21/08-51	Streets and Roads - Milling and Paving	12/23/2008	12/16/2014	12/15/2015	1.00%	219,000.00		14,000.00	205,000.00
07-22/08-49	Drainage Improvements - Paul and Wilcox	12/23/2008	12/16/2014	12/15/2015	1.00%	256,000.00		16,000.00	240,000.00
07-23	Acquisition of Firefighting Equipment	12/23/2008	12/16/2014	12/15/2015	1.00%	62,000.00		11,000.00	51,000.00
08-14	Improvements to Burton Avenue Section II and Improvements to Cole and Philip St.	12/23/2008	12/16/2014	12/15/2015	1.00%	19,000.00		2,000.00	17,000.00
08-19/11-20/ 13-14/14-08/14-13	Planning, Site Acquisition and Construction of Municipal Facilities	12/22/2009	12/16/2014	12/15/2015	1.00%	284,000.00		8,000.00	276,000.00
08-19/11-20/ 13-14/14-08/14-13	Planning, Site Acquisition and Construction of Municipal Facilities	12/21/2010	12/16/2014	12/15/2015	1.00%	3,215,000.00		85,000.00	3,130,000.00
08-19/11-20/ 13-14/14-08/14-13	Planning, Site Acquisition and Construction of Municipal Facilities	12/18/2013	12/16/2014	12/15/2015	1.00%	300,000.00			300,000.00
08-19/11-20/ 13-14/14-08/14-13	Planning, Site Acquisition and Construction of Municipal Facilities	12/16/2014	12/16/2014	12/15/2015	1.00%		\$ 760,000.00		760,000.00
08-25/08-46	Acquisition of Various Equipment, Road Improvements and various other Improvements	12/23/2008	12/16/2014	12/15/2015	1.00%	1,455,000.00		77,000.00	1,378,000.00
08-50/09-39/ 11-32	Acquisition of Various Equipment, Road and Drainage Improvements and Various Other Improvements	12/22/2009	12/16/2014	12/15/2015	1.00%	332,000.00		34,000.00	298,000.00
08-50/09-39/ 11-32	Acquisition of Various Equipment, Road and Drainage Improvements and Various Other Improvements	12/21/2010	12/16/2014	12/15/2015	1.00%	91,000.00		9,000.00	82,000.00
08-50/09-39/ 11-32	Acquisition of Various Equipment, Road and Drainage Improvements and Various Other Improvements	12/20/2011	12/16/2014	12/15/2015	1.00%	250,000.00		21,000.00	229,000.00
10-09/11-26/ 13-09	Acquisition of Various Equipment, Road Improvements and Various Other Improvements	12/21/2010	12/16/2014	12/15/2015	1.00%	2,507,000.00		93,000.00	2,414,000.00

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2013</u>	<u>Increased By Bond Anticipation Notes Issued</u>	<u>Decreased by Budget Appropriation</u>	<u>Balance December 31, 2014</u>
10-09/11-26/13-09	Acquisition of Various Equipment, Road Improvements and Various Other Improvements	12/20/2011	12/16/2014	12/15/2015	1.00%	\$ 250,000.00		\$ 9,000.00	\$ 241,000.00
10-09/11-26/13-09	Acquisition of Various Equipment, Road Improvements and Various Other Improvements	12/19/2012	12/16/2014	12/15/2015	1.00%	100,000.00			100,000.00
10-09/11-26/13-09	Acquisition of Various Equipment, Road Improvements and Various Other Improvements	12/18/2013	12/16/2014	12/15/2015	1.00%	125,000.00			125,000.00
11-10	Improvements to Kamm Avenue Section I	12/20/2011	12/16/2014	12/15/2015	1.00%	71,000.00		2,000.00	69,000.00
12-17	Acquisition of Various Capital Equipment and Improvements	12/19/2012	12/16/2014	12/15/2015	1.00%	400,000.00			400,000.00
12-17	Acquisition of Various Capital Equipment and Improvements	12/18/2013	12/16/2014	12/15/2015	1.00%	50,000.00			50,000.00
12-17	Acquisition of Various Capital Equipment and Improvements	12/16/2014	12/16/2014	12/15/2015	1.00%		\$ 100,000.00		100,000.00
12-22	Improvements to Kamm Avenue Section II	12/18/2013	12/16/2014	12/15/2015	1.00%	71,000.00			71,000.00
12-27	Improvements to the Radio Communication System	12/18/2013	12/16/2014	12/15/2015	1.00%	570,000.00			570,000.00
14-14/14-26	Various 2014 Road Improvements	12/16/2014	12/16/2014	12/15/2015	1.00%		510,000.00		510,000.00
14-30	Acquisition of Various Capital Equipment	12/16/2014	12/16/2014	12/15/2015	1.00%		500,000.00		500,000.00
						<u>\$ 10,756,000.00</u>	<u>\$ 1,870,000.00</u>	<u>\$ 390,000.00</u>	<u>\$ 12,236,000.00</u>

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

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Loans Outstanding December 31, 2014</u>			<u>Interest Rate</u>	<u>Balance December 31, 2013</u>	<u>Decreased by</u>	<u>Balance December 31, 2014</u>
			<u>Date</u>	<u>Amount</u>					
Sewer System Improvements - State Portion	11/01/00	\$ 430,000.00	08/01/15	\$ 25,000.00		5.125%	\$ 205,000.00	\$ 25,000.00	\$ 180,000.00
			08/01/16	30,000.00		5.125%			
			08/01/17	30,000.00		5.250%			
			08/01/18	30,000.00		5.250%			
			08/01/19	30,000.00		5.250%			
			08/01/20	35,000.00		5.250%			
						<u>\$ 205,000.00</u>	<u>\$ 25,000.00</u>	<u>\$ 180,000.00</u>	
Sewer System Improvements - Federal Portion	11/01/00	\$ 425,000.00	02/01/15	\$ 2,841.00		-	\$ 124,508.33	\$ 21,581.01	\$ 102,927.32
			08/01/15	17,982.92		-			
			02/01/16	2,452.99		-			
			08/01/16	20,623.29		-			
			02/01/17	1,987.37		-			
			08/01/17	20,157.67		-			
			02/01/18	1,510.40		-			
			08/01/18	19,680.70		-			
			02/01/19	1,033.43		-			
			08/01/19	14,657.55		-			
						<u>\$ 124,508.33</u>	<u>\$ 21,581.01</u>	<u>\$ 102,927.32</u>	
						<u>\$ 329,508.33</u>	<u>\$ 46,581.01</u>	<u>\$ 282,927.32</u>	

BOROUGH OF SOUTH RIVER
GENERAL CAPITAL FUND
STATEMENT OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Description	Ordinance		Balance December 31, 2013		2014 Authorizations	Reserve for Encumbrances Canceled	Paid or Charged	Transfer	Balance December 31, 2014	
		Date	Amount	Funded	Unfunded					Funded	Unfunded
07-23	Acquisition of Firefighting Equipment	08/27/07	\$ 100,000.00	\$	6,241.73			\$ 1,217.22		\$	5,024.51
08-14	Improvements to Burton Avenue section II and Improvements to Cole and Philip St.	03/10/08	245,000.00		34,647.42			34.66			34,612.76
08-19/11-20/ 13-14/14-08/ 14-13	Planning, Site Acquisition and Construction of Municipal Facilities	04/28/08,06/13/11 8/12/13,03/24/14, 05/27/14	5,300,000.00		391,952.83	\$ 800,000.00	\$ 5,417.84	820,943.52			376,427.15
08-25/08-46	Acquisition of Various Equipment, Road Improvements and Various Other Improvements	07/14/08, 12/23/08	1,830,000.00		201,055.07		8,046.00	2,691.45			206,409.62
08-50/09-39/ 11-32	Acquisition of Various Equipment, Road Improvements and Various Other Improvements	12/23/08, 09/14/09, 10/11/11	1,180,000.00		150,302.20			1,218.56			149,083.64
10-09/11-26/ 13-09	Acquisition of Various Equipment, Road Improvements and Various Other Improvements	04/26/10, 08/08/11, 04/08/13	3,720,500.00		264,780.37		3,100.00	26,808.49			241,071.88
11-10	Improvements to Kamm Avenue Section I (NJDOT \$400,000)	04/11/11	475,000.00	\$ 30,535.61	71,000.00					\$ 32,535.61	69,000.00
12-02	Various Federal Housing and Community Development Grant Improvements	02/13/12	61,848.31	31,200.00				9,430.00		21,770.00	
12-17	Acquisition of Various Capital Equipment and Improvements	07/23/12	956,000.00		421,592.27		9.00	48,490.70			373,110.57
12-22	Improvements to Kamm Avenue Section II (NJDOT \$200,000)	08/27/12	275,000.00		22,085.40		29,576.84	2,368.13			49,294.11
12-27	Improvements to the Radio Communication System	10/22/12	600,000.00		24,205.00			1,081.02			23,123.98
12-30	Rehabilitation of the Jackson Street and William Street Pump Stations and Human Resource Building	12/17/12	3,500,000.00		2,546,347.14		2,500.00	1,708,070.66	\$ 41,394.00		882,170.48

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

Ordinance Number	Description	Ordinance		Balance December 31, 2013		2014 Authorizations	Reserve for Encumbrances Canceled	Paid or Charged	Transfer	Balance December 31, 2014	
		Date	Amount	Funded	Unfunded					Funded	Unfunded
13-06	Various Federal Housing and Community Development Grant Improvements	03/11/13	\$ 50,701.00	\$ 27,447.48						\$ 27,447.48	
13-21	Various Federal Housing and Community Development Grant Improvements	11/12/13	72,744.00	72,744.00					\$ (41,394.00)	31,350.00	
13-22	Various Road, Curb, Sidewalk and Concrete Improvements	11/12/13	500,000.00	241,606.00	\$ 180,000.00			\$ 379,624.67			\$ 41,981.33
14-05	Various Computer Equipment and Network Upgrades	03/10/14	35,000.00			\$ 35,000.00		30,173.96		4,826.04	
14-14/14-26	Various 2014 Road Improvements	5/27/2014, 08/11/14	900,000.00			900,000.00		861,524.45			38,475.55
14-30	Acquisition of Various Capital Equipment	09/22/14	700,000.00			700,000.00		14,637.73		20,362.27	665,000.00
14-33	Various Federal Housing and Community Development Grant Improvements	10/27/14	67,697.00			67,697.00		24,700.00		42,997.00	
				<u>\$ 403,533.09</u>	<u>\$ 4,314,209.43</u>	<u>\$ 2,502,697.00</u>	<u>\$ 48,649.68</u>	<u>\$ 3,933,015.22</u>		<u>\$ 181,288.40</u>	<u>\$ 3,154,785.58</u>

Detail of 2014 Authorizations:

Capital Improvement Fund	\$ 120,000.00
Middlesex County HCD	67,697.00
Capital Fund Balance	35,000.00
Deferred Charges to Future Taxation, Unfunded	<u>2,280,000.00</u>
	<u>\$ 2,502,697.00</u>

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

<u>BALANCE, DECEMBER 31, 2013</u>	\$	407,946.33
<u>INCREASED BY</u>		
2014 Budget Appropriation		75,000.00
	\$	482,946.33
<u>DECREASED BY</u>		
Appropriated to Finance Improvement Authorizations		120,000.00
<u>BALANCE, DECEMBER 31, 2014</u>	\$	362,946.33

<u>Detail:</u>		
Ord #14-30	\$	35,000.00
Ord #14-14/14-26		45,000.00
Ord #08-19/11-20/13-14/14-08/14-13		40,000.00
	\$	120,000.00

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance December 31, 2013</u>	<u>2014 Authorizations</u>	<u>Cash Received</u>	<u>Bond Anticipation Notes Issued</u>	<u>Balance December 31, 2014</u>
08-14	Improvements to Burton Avenue Section II and Improvements to Cole and Philip St.	\$ 27,000.00				\$ 27,000.00
08-19/11-20/ 13-14/14-08/14-13	Planning, Site Acquisition and Construction of Municipal Facilities	375,000.00	\$ 760,000.00		\$ 760,000.00	375,000.00
08-25/08-46	Acquisition of Various Equipment, Road Improvements and Various Other Improvements	52,000.00				52,000.00
08-50/09-39/ 11-32	Acquisition of Various Equipment, Road, Drainage and Various Other Improvements	133,500.00				133,500.00
10-09/11-26/ 13-09	Acquisition of Various Equipment, Road, Drainage and Various Other Improvements	228,430.19				228,430.19
12-17	Acquisition of Various Capital Equipment and Improvements	458,000.00			100,000.00	358,000.00
12-30	Rehabilitation of the Jackson Street and William Street Pump Stations and Human Resource Building	3,029,961.19		\$ 319,944.10		2,710,017.09
13-22	Various Road, Curb, Sidewalk and Concrete Improvements	180,000.00				180,000.00
14-14/14-26	Various 2014 Road Improvements		855,000.00		510,000.00	345,000.00
14-30	Acquisition of Various Capital Equipment		665,000.00		500,000.00	165,000.00
		<u>\$ 4,483,891.38</u>	<u>\$ 2,280,000.00</u>	<u>\$ 319,944.10</u>	<u>\$ 1,870,000.00</u>	<u>\$ 4,573,947.28</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, 2014 AND 2013

	Electric Utility		Parking Utility		Water Utility		Totals (Memorandum Only)	
	2014	2013	2014	2013	2014	2013	2014	2013
ASSETS								
Cash and Cash Equivalents	\$ 4,151,935.81	\$ 5,003,644.61	\$ 88,765.65	\$ 82,989.12	\$ 1,538,988.79	\$ 1,676,013.56	\$ 5,779,690.25	\$ 6,762,647.29
Due from Bond Registrar/Paying Agent					57,812.00	57,812.00	57,812.00	57,812.00
Consumer Accounts Receivable	1,318,272.74	1,240,714.23			381,092.01	456,277.91	1,699,364.75	1,696,992.14
Consumer Liens Receivable	36,325.94	33,130.65			8,336.06	5,832.56	44,662.00	38,963.21
Inventory	378,895.94	373,391.88			10,425.65	7,566.08	389,321.59	380,957.96
Total Assets	\$ 5,885,430.43	\$ 6,650,881.37	\$ 88,765.65	\$ 82,989.12	\$ 1,996,654.51	\$ 2,203,502.11	\$ 7,970,850.59	\$ 8,937,372.60
LIABILITIES, RESERVES AND FUND BALANCE								
Liabilities:								
Appropriation Reserves	\$ 336,123.34	\$ 437,667.43	\$ 8,687.82	\$ 6,510.26	\$ 120,347.24	\$ 371,184.64	\$ 465,158.40	\$ 815,362.33
Other Liabilities and Reserves:								
Reserve for Encumbrances	\$ 583,264.95	\$ 634,293.73	\$ 3,430.00	\$ 2,750.00	\$ 114,702.43	\$ 60,740.05	\$ 701,397.38	\$ 697,783.78
Accounts Payable	22,080.00						22,080.00	
Prepaid Parking Permits			150.00	375.00			150.00	375.00
Consumer Overpayments	154,827.21	165,695.06			79,023.47	82,743.29	233,850.68	248,438.35
Intergovernmental Accounts Payable:								
Due to State of New Jersey Lifeline	562.50	562.50					562.50	562.50
Accrued Interest on Bonds, Notes and Loans	13,515.37	14,811.52	71.92		25,310.89	28,422.69	38,898.18	43,234.21
Due to Vendor	1,861.98	1,566.80					1,861.98	1,566.80
Due to Bond Registrar/Paying Agent					81,840.00	81,840.00	81,840.00	81,840.00
	\$ 776,112.01	\$ 816,929.61	\$ 3,651.92	\$ 3,125.00	\$ 300,876.79	\$ 253,746.03	\$ 1,080,640.72	\$ 1,073,800.64
Reserve for Receivables and Other Assets	\$ 1,733,494.62	\$ 1,647,236.76			\$ 457,665.72	\$ 527,488.55	\$ 2,191,160.34	\$ 2,174,725.31
Fund Balance	\$ 3,039,700.46	\$ 3,749,047.57	\$ 76,425.91	\$ 73,353.86	\$ 1,117,764.76	\$ 1,051,082.89	\$ 4,233,891.13	\$ 4,873,484.32
Total Liabilities, Reserves and Fund Balance	\$ 5,885,430.43	\$ 6,650,881.37	\$ 88,765.65	\$ 82,989.12	\$ 1,996,654.51	\$ 2,203,502.11	\$ 7,970,850.59	\$ 8,937,372.60

ELECTRIC UTILITY OPERATING FUND

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

<u>REVENUE AND OTHER INCOME REALIZED</u>	<u>Year 2014</u>	<u>Year 2013</u>
Fund Balance Utilized	\$ 3,556,371.00	\$ 3,556,371.00
Electric Charges	13,667,419.79	13,124,979.95
Electric Capital Fund Balance	8,000.00	4,400.00
Other Credits to Income:		
Nonbudget Revenue	105,425.94	382,509.96
Current Appropriations Canceled	855.49	1,676.18
Unexpended Balance of Appropriation Reserves		
Lapsed and Reserve for Encumbrances Canceled	424,216.67	753,769.13
Prior Years Consumer Deposits Cancelled	<u>300,000.00</u>	<u> </u>
 Total Income	 <u>\$ 18,062,288.89</u>	 <u>\$ 17,823,706.22</u>
 <u>EXPENDITURES</u>		
Budget Appropriations:		
Operating	\$ 10,493,000.00	\$ 10,540,000.00
Capital Improvements	20,000.00	20,000.00
Debt Service	857,316.00	873,793.00
Deferred Charges and Statutory Expenditures	288,578.00	281,262.00
Surplus - General Budget	<u>3,556,371.00</u>	<u>3,556,371.00</u>
 Total Expenditures	 <u>\$ 15,215,265.00</u>	 <u>\$ 15,271,426.00</u>
 Statutory Excess to Fund Balance	 \$ 2,847,023.89	 \$ 2,552,280.22
 Fund Balance, January 1	 <u>3,749,047.57</u>	 <u>4,753,138.35</u>
	\$ 6,596,071.46	\$ 7,305,418.57
Decreased By:		
Utilization as Anticipated Revenue	<u>\$ 3,556,371.00</u>	<u>\$ 3,556,371.00</u>
	<u>\$ 3,556,371.00</u>	<u>\$ 3,556,371.00</u>
 Fund Balance, December 31	 <u><u>\$ 3,039,700.46</u></u>	 <u><u>\$ 3,749,047.57</u></u>

BOROUGH OF SOUTH RIVER
ELECTRIC UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014

	<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	\$ 1,375,000.00	\$ 1,375,000.00	\$ 1,310,850.95		\$ 64,149.05	
Purchase of Power	7,100,000.00	7,058,000.00	6,494,068.12	\$ 391,930.45	172,001.43	
Other Expenses - Operating	415,000.00	435,000.00	361,659.73	52,594.42	20,745.85	
Other Expenses - Office/Administrative	20,000.00	20,000.00	6,658.53		13,341.47	
Other Expenses - Insurance	1,160,000.00	1,110,000.00	1,086,758.34		23,241.66	
Other Expenses - Professional Services	375,000.00	445,000.00	280,765.51	138,740.08	25,494.41	
Other Expenses - Accumulated Absences	50,000.00	50,000.00	50,000.00			
Total Operating	\$ 10,495,000.00	\$ 10,493,000.00	\$ 9,590,761.18	\$ 583,264.95	\$ 318,973.87	
<u>CAPITAL IMPROVEMENTS</u>						
Capital Improvement Fund	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00			
Total Capital Improvements	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00			
<u>DEBT SERVICE</u>						
Payment of Bond Principal	\$ 375,000.00	\$ 375,000.00	\$ 375,000.00			
Payment of Bond Anticipation Notes and Capital Notes	297,000.00	297,000.00	297,000.00			
Interest on Bonds	170,316.00	170,316.00	170,313.95			\$ 2.05
Interest on Notes	15,000.00	15,000.00	14,146.56			853.44
Total Debt Service	\$ 857,316.00	\$ 857,316.00	\$ 856,460.51			\$ 855.49
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u>						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	\$ 166,578.00	\$ 166,578.00	\$ 151,106.60		\$ 15,471.40	
Social Security System (O.A.S.I.)	100,000.00	102,000.00	100,321.93		1,678.07	
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et. seq.)	20,000.00	20,000.00	20,000.00			
Total Deferred Charges and Statutory Expenditures	\$ 286,578.00	\$ 288,578.00	\$ 271,428.53		\$ 17,149.47	
Surplus (General Budget)	\$ 3,556,371.00	\$ 3,556,371.00	\$ 3,556,371.00			
Total Electric Utility Appropriations	\$ 15,215,265.00	\$ 15,215,265.00	\$ 14,295,021.22	\$ 583,264.95	\$ 336,123.34	\$ 855.49

Exhibit EE-4

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

<u>BALANCE, DECEMBER 31, 2013</u>		\$ 1,240,714.23
<u>INCREASED BY</u>		
Electric Charges Levied		<u>13,776,649.24</u>
		\$ 15,017,363.47
<u>DECREASED BY</u>		
Collections	\$ 13,487,549.73	
State of New Jersey Lifeline Credits	14,175.00	
Municipal Lifeline	28,466.01	
Cancelled	9.64	
Consumer Overpayments Applied	165,695.06	
Transferred to Consumer Liens Receivable	<u>3,195.29</u>	<u>13,699,090.73</u>
<u>BALANCE, DECEMBER 31, 2014</u>		<u>\$ 1,318,272.74</u>

Exhibit EE-5

STATEMENT OF CONSUMER LIENS RECEIVABLE

<u>BALANCE, DECEMBER 31, 2013</u>		\$ 33,130.65
<u>INCREASED BY</u>		
Transferred from Consumer Accounts Receivable		<u>3,195.29</u>
<u>BALANCE, DECEMBER 31, 2014</u>		<u>\$ 36,325.94</u>
Detail of Balance:		
Consumer Accounts Receivable	\$ 36,310.94	
Interest and Costs	<u>15.00</u>	
	<u>\$ 36,325.94</u>	

**BOROUGH OF SOUTH RIVER
ELECTRIC UTILITY OPERATING FUND
STATEMENT OF 2013 APPROPRIATION RESERVES**

	Balance December 31, 2013		Balance After Transfers	Paid or Charged	Balance Lapsed
	<u>Appropriation Reserves</u>	<u>Reserve for Encumbrances</u>			
<u>OPERATING</u>					
Salaries and Wages	\$ 65,163.24		\$ 65,163.24		\$ 65,163.24
Purchase of Power	226,232.22	\$ 442,841.69	669,073.91	\$ 442,661.34	226,412.57
Other Expenses:					
Operating	23,890.89	17,259.47	41,150.36	19,761.50	21,388.86
Office/Administrative	25,464.00	49.15	25,513.15	51.53	25,461.62
Insurance	68,601.05		68,601.05		68,601.05
Professional Services	<u>11,912.60</u>	<u>174,143.42</u>	<u>186,056.02</u>	<u>185,270.12</u>	<u>785.90</u>
Total Operating	<u>\$ 421,264.00</u>	<u>\$ 634,293.73</u>	<u>\$ 1,055,557.73</u>	<u>\$ 647,744.49</u>	<u>\$ 407,813.24</u>
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u>					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	\$ 13,595.00		\$ 13,595.00		\$ 13,595.00
Social Security System (O.A.S.I.)	<u>2,808.43</u>		<u>2,808.43</u>		<u>2,808.43</u>
Total Deferred Charges and Statutory Expenditures	<u>\$ 16,403.43</u>		<u>\$ 16,403.43</u>		<u>\$ 16,403.43</u>
Total Electric Utility Appropriations	<u><u>\$ 437,667.43</u></u>	<u><u>\$ 634,293.73</u></u>	<u><u>\$ 1,071,961.16</u></u>	<u><u>\$ 647,744.49</u></u>	<u><u>\$ 424,216.67</u></u>

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

<u>BALANCE, DECEMBER 31, 2013</u>		\$ 14,811.52
<u>INCREASED BY</u>		
Budget Appropriation:		
Interest on Bonds	\$ 170,313.95	
Interest on Notes	<u>14,146.56</u>	<u>184,460.51</u>
		\$ 199,272.03
<u>DECREASED BY</u>		
Cash Disbursed		<u>185,756.66</u>
<u>BALANCE, DECEMBER 31, 2014</u>		<u>\$ 13,515.37</u>

ANALYSIS OF ACCRUED INTEREST - DECEMBER 31, 2014

	<u>Outstanding December 31, 2014</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Serial Bonds, 2007	\$ 3,725,000.00	Var.	12/1/2014	12/31/2014	1 Months	\$ 13,007.84
Bond Anticipation Notes	1,235,000.00	1.00%	12/16/2014	12/31/2014	15 Days	<u>507.53</u>
						<u>\$ 13,515.37</u>

PARKING UTILITY OPERATING FUND

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

	<u>Year 2014</u>	<u>Year 2013</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>		
Fund Balance Utilized	\$ 12,500.00	\$ 12,500.00
Parking Fees	45,084.45	47,409.30
Other Credits to Income:		
Nonbudget Revenue	227.34	205.20
Unexpended Balance of Appropriation Reserves		
Lapsed and Encumbrances Payable Canceled	<u>5,260.26</u>	<u>3,236.02</u>
Total Income	<u>\$ 63,072.05</u>	<u>\$ 63,350.52</u>
<u>EXPENDITURES</u>		
Budget Appropriations:		
Operating	\$ 29,000.00	\$ 28,000.00
Capital Improvements	14,000.00	15,000.00
Deferred Charges and Statutory Expenditures	<u>4,500.00</u>	<u>4,500.00</u>
Total Expenditures	<u>\$ 47,500.00</u>	<u>\$ 47,500.00</u>
Statutory Excess to Fund Balance	\$ 15,572.05	\$ 15,850.52
Fund Balance, January 1	<u>73,353.86</u>	<u>70,003.34</u>
	\$ 88,925.91	\$ 85,853.86
Decreased By:		
Utilization as Anticipated Revenue	<u>12,500.00</u>	<u>12,500.00</u>
Fund Balance, December 31	<u>\$ 76,425.91</u>	<u>\$ 73,353.86</u>

BOROUGH OF SOUTH RIVER
PARKING UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Operating Fund Balance Anticipated	\$ 12,500.00	\$ 12,500.00	
Parking Fees	<u>35,000.00</u>	<u>45,084.45</u>	\$ <u>10,084.45</u>
	47,500.00	57,584.45	10,084.45
Nonbudget Revenue	<u> </u>	<u>227.34</u>	<u>227.34</u>
	<u>\$ 47,500.00</u>	<u>\$ 57,811.79</u>	<u>\$ 10,311.79</u>

ANALYSIS OF REALIZED REVENUE

	<u>Total</u>
Parking Fees:	
Parking Permits	\$ 19,092.50
Parking Meters	<u>25,991.95</u>
	<u>\$ 45,084.45</u>
Nonbudget Revenue:	
Interest on Investments	<u>\$ 227.34</u>

BOROUGH OF SOUTH RIVER
PARKING UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014

	<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	\$ 22,000.00	\$ 22,000.00	\$ 20,369.68		\$ 1,630.32	
Other Expenses - Operating	3,000.00	3,000.00	712.67	\$ 430.00	1,857.33	
Other Expenses - Professional Services	4,000.00	4,000.00	241.50	3,000.00	758.50	
Total Operating	<u>\$ 29,000.00</u>	<u>\$ 29,000.00</u>	<u>\$ 21,323.85</u>	<u>\$ 3,430.00</u>	<u>\$ 4,246.15</u>	
<u>CAPITAL IMPROVEMENTS</u>						
Capital Improvement Fund	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00			
Capital Outlay - Meter Upgrades	4,000.00	4,000.00			\$ 4,000.00	
Total Capital Improvements	<u>\$ 14,000.00</u>	<u>\$ 14,000.00</u>	<u>\$ 10,000.00</u>		<u>\$ 4,000.00</u>	
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u>						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00			
Social Security System (O.A.S.I.)	2,000.00	2,000.00	1,558.33		\$ 441.67	
Total Deferred Charges and Statutory Expenditures	<u>\$ 4,500.00</u>	<u>\$ 4,500.00</u>	<u>\$ 4,058.33</u>		<u>\$ 441.67</u>	
Total Parking Utility Appropriations	<u>\$ 47,500.00</u>	<u>\$ 47,500.00</u>	<u>\$ 35,382.18</u>	<u>\$ 3,430.00</u>	<u>\$ 8,687.82</u>	

BOROUGH OF SOUTH RIVER
PARKING UTILITY OPERATING FUND
STATEMENT OF 2013 APPROPRIATION RESERVES

	Balance December 31, 2013		Balance After Transfers	Paid or Charged	Balance Lapsed
	<u>Appropriation Reserves</u>	<u>Reserve for Encumbrances</u>			
<u>OPERATING</u>					
Salaries and Wages	\$ 1,281.82		\$ 1,281.82		\$ 1,281.82
Other Expenses:					
Operating	1,020.90		1,020.90		1,020.90
Professional Services		\$ 2,750.00	4,750.00	\$ 4,000.00	750.00
Total Operating	\$ 2,302.72	\$ 2,750.00	\$ 7,052.72	\$ 4,000.00	\$ 3,052.72
<u>CAPITAL IMPROVEMENTS</u>					
Capital Outlay - Meter Upgrades	\$ 3,465.50		\$ 1,465.50		1,465.50
Total Capital Improvements	\$ 3,465.50		\$ 1,465.50		\$ 1,465.50
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u>					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	\$ 327.00		\$ 327.00		\$ 327.00
Social Security System (O.A.S.I.)	415.04		415.04		415.04
Total Deferred Charges and Statutory Expenditures	\$ 742.04		\$ 742.04		\$ 742.04
Grand Total	\$ 6,510.26	\$ 2,750.00	\$ 9,260.26	\$ 4,000.00	\$ 5,260.26

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

INCREASED BY
 Budget Appropriation \$ 71.92

BALANCE, DECEMBER 31, 2014 \$ 71.92

ANALYSIS OF ACCRUED INTEREST - DECEMBER 31, 2014

	<u>Outstanding December 31, 2014</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Bond Anticipation Notes	\$ 175,000.00	1.00%	12/16/2014	12/31/2014	15 Days	\$ <u>71.92</u>
						\$ <u><u>71.92</u></u>

WATER UTILITY OPERATING FUND

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

<u>REVENUE AND OTHER INCOME REALIZED</u>	<u>Year 2014</u>	<u>Year 2013</u>
Fund Balance Utilized	\$ 549,678.00	\$ 489,886.00
Water Rents	3,309,077.21	3,446,430.81
Water Capital Fund Balance	27,000.00	11,120.00
Other Credits to Income:		
Nonbudget Revenue	36,704.97	24,747.34
Current Appropriations Canceled	90,820.84	86,473.63
Unexpended Balance of Appropriation Reserves		
Lapsed and Encumbrances Payable Canceled	<u>369,756.85</u>	<u>150,376.02</u>
Total Income	<u>\$ 4,383,037.87</u>	<u>\$ 4,209,033.80</u>
<u>EXPENDITURES</u>		
Budget Appropriations:		
Operating	\$ 2,745,000.00	\$ 2,745,000.00
Capital Improvements	285,000.00	190,000.00
Debt Service	554,626.00	540,498.00
Deferred Charges and Statutory Expenditures	<u>182,052.00</u>	<u>175,508.00</u>
Total Expenditures	<u>\$ 3,766,678.00</u>	<u>\$ 3,651,006.00</u>
Statutory Excess to Fund Balance	\$ 616,359.87	\$ 558,027.80
Fund Balance, January 1	<u>1,051,082.89</u>	<u>982,941.09</u>
	\$ 1,667,442.76	\$ 1,540,968.89
Decreased By:		
Utilization as Anticipated Revenue	<u>549,678.00</u>	<u>489,886.00</u>
Fund Balance, December 31	<u>\$ 1,117,764.76</u>	<u>\$ 1,051,082.89</u>

BOROUGH OF SOUTH RIVER
WATER UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Operating Fund Balance Anticipated	\$ 549,678.00	\$ 549,678.00	
Water Rents	3,190,000.00	3,309,077.21	\$ 119,077.21
Water Capital Fund Balance	<u>27,000.00</u>	<u>27,000.00</u>	
	\$ 3,766,678.00	\$ 3,885,755.21	\$ 119,077.21
Nonbudget Revenue	<u> </u>	<u>36,704.97</u>	<u>36,704.97</u>
	<u>\$ 3,766,678.00</u>	<u>\$ 3,922,460.18</u>	<u>\$ 155,782.18</u>

ANALYSIS OF REALIZED REVENUE

	<u>Total</u>
Water Rents:	
Consumer Accounts Receivable	\$ <u>3,309,077.21</u>
Nonbudget Revenue:	
Interest on Investments	\$ 1,993.96
Reconnection Fees	4,107.05
Meter Installation	8,166.00
Turn Off Fees	11,225.00
Bounced Check Fees	840.00
Tap Fee	52.90
Portal Convenience Fee	210.50
Refund of Prior Years Expenditures	6,479.77
Miscellaneous	<u>3,629.79</u>
	\$ <u>36,704.97</u>

BOROUGH OF SOUTH RIVER
WATER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014

	<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	\$ 725,000.00	\$ 700,000.00	\$ 673,308.21		\$ 26,691.79	
Purchase of Water	1,000,000.00	905,000.00	891,361.68		13,638.32	
Other Expenses - Operating	210,000.00	245,000.00	209,392.22	\$ 25,306.00	10,301.78	
Other Expenses - Office/Administrative	15,000.00	15,000.00	4,439.04		10,560.96	
Other Expenses - Insurance	775,000.00	750,000.00	724,505.75		25,494.25	
Other Expenses - Professional Services	110,000.00	100,000.00	69,547.96	24,716.26	5,735.78	
Other Expenses - Accumulated Absences	30,000.00	30,000.00	30,000.00			
Total Operating	\$ 2,865,000.00	\$ 2,745,000.00	\$ 2,602,554.86	\$ 50,022.26	\$ 92,422.88	
<u>CAPITAL IMPROVEMENTS</u>						
Capital Improvement Fund	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00			
Capital Outlay	125,000.00	245,000.00	167,148.61	\$ 64,680.17	\$ 13,171.22	
Total Capital Improvements	\$ 165,000.00	\$ 285,000.00	\$ 207,148.61	\$ 64,680.17	\$ 13,171.22	
<u>DEBT SERVICE</u>						
Payment of Bond Anticipation Notes and Capital Notes	\$ 152,000.00	\$ 152,000.00	\$ 152,000.00			
Interest on Notes	50,000.00	50,000.00	45,217.38			\$ 4,782.62
Wastewater - Year 2000 - State - Principal	155,000.00	155,000.00	106,930.16			48,069.84
Wastewater - Year 2000 - State - Interest	61,859.00	61,859.00	23,890.62			37,968.38
Wastewater - Year 2000 - Federal - Principal	135,767.00	135,767.00	135,767.00			
Total Debt Service	\$ 554,626.00	\$ 554,626.00	\$ 463,805.16			\$ 90,820.84
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u>						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	\$ 111,052.00	\$ 111,052.00	\$ 100,738.07		\$ 10,313.93	
Social Security System (O.A.S.I.)	56,000.00	56,000.00	51,560.79		4,439.21	
Unemployment Compensation Insurance (NJSA 43:21 et seq)	15,000.00	15,000.00	15,000.00			
Total Deferred Charges and Statutory Expenditures	\$ 182,052.00	\$ 182,052.00	\$ 167,298.86		\$ 14,753.14	
Total Water Utility Appropriations	\$ 3,766,678.00	\$ 3,766,678.00	\$ 3,440,807.49	\$ 114,702.43	\$ 120,347.24	\$ 90,820.84

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

<u>BALANCE, DECEMBER 31, 2013</u>		\$ 456,277.91
 <u>INCREASED BY</u>		
Water Charges Levied		3,237,084.44
		\$ 3,693,362.35
 <u>DECREASED BY</u>		
Collections	\$ 3,226,333.92	
Consumer Overpayments Applied	82,743.29	
Cancelled	689.63	
Transfer to Consumer Lien Receivable	2,503.50	3,312,270.34
 <u>BALANCE, DECEMBER 31, 2014</u>		 \$ 381,092.01

STATEMENT OF CONSUMER LIENS RECEIVABLE

<u>BALANCE, DECEMBER 31, 2013</u>		\$ 5,832.56
 <u>INCREASED BY</u>		
Transfer from Consumer Accounts Receivable		2,503.50
 <u>BALANCE, DECEMBER 31, 2014</u>		 \$ 8,336.06
 Detail of Balance:		
Consumer Accounts Receivable	\$ 8,207.32	
Interest and Costs	128.74	
	\$ 8,336.06	

BOROUGH OF SOUTH RIVER
WATER UTILITY OPERATING FUND
STATEMENT OF 2013 APPROPRIATION RESERVES

	Balance December 31, 2013		Balance After Transfers	Paid or Charged	Balance Lapsed
	<u>Appropriation Reserves</u>	<u>Reserve for Encumbrances</u>			
<u>OPERATING</u>					
Salaries and Wages	\$ 77,151.98		\$ 77,151.98		\$ 77,151.98
Purchase of Water	31,252.55		31,252.55		31,252.55
Other Expenses:					
Operating	18,453.79	\$ 16,167.29	34,621.08	\$ 18,518.49	16,102.59
Office/Administrative	10,365.91	32.77	10,398.68	34.36	10,364.32
Insurance	52,401.08		52,401.08		52,401.08
Professional Services	25,962.61	19,412.68	45,375.29	18,487.68	26,887.61
Sayreville Interlocal Services	16,240.64		16,240.64		16,240.64
Total Operating	<u>\$ 231,828.56</u>	<u>\$ 35,612.74</u>	<u>\$ 267,441.30</u>	<u>\$ 37,040.53</u>	<u>\$ 230,400.77</u>
<u>CAPITAL IMPROVEMENTS</u>					
Capital Outlay	\$ 124,872.69	\$ 25,127.31	\$ 150,000.00	\$ 25,127.31	\$ 124,872.69
Total Capital Improvements	<u>\$ 124,872.69</u>	<u>\$ 25,127.31</u>	<u>\$ 150,000.00</u>	<u>\$ 25,127.31</u>	<u>\$ 124,872.69</u>
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u>					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	\$ 9,063.00		\$ 9,063.00		\$ 9,063.00
Social Security System (O.A.S.I.)	5,420.39		5,420.39		5,420.39
Total Deferred Charges and Statutory Expenditures	<u>\$ 14,483.39</u>		<u>\$ 14,483.39</u>		<u>\$ 14,483.39</u>
Grand Total	<u>\$ 371,184.64</u>	<u>\$ 60,740.05</u>	<u>\$ 431,924.69</u>	<u>\$ 62,167.84</u>	<u>\$ 369,756.85</u>

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

<u>BALANCE, DECEMBER 31, 2013</u>		\$ 28,422.69
<u>INCREASED BY</u>		
Budget Appropriation:		
Interest on Notes	\$ 45,217.38	
Interest on Loan	<u>23,890.62</u>	<u>69,108.00</u>
		\$ 97,530.69
<u>DECREASED BY</u>		
Cash Disbursed		<u>72,219.80</u>
<u>BALANCE, DECEMBER 31, 2014</u>		<u>\$ 25,310.89</u>

ANALYSIS OF ACCRUED INTEREST - DECEMBER 31, 2014

	<u>Outstanding December 31, 2014</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
NJ Environmental Infrastructure Trust - 2000	\$ 1,100,000.00	Var.	8/1/2014	12/31/2014	5 Months	\$ 23,890.62
Bond Anticipation Notes	3,456,000.00	1.00%	12/16/2014	12/31/2014	15 Days	<u>1,420.27</u>
						<u>\$ 25,310.89</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, 2014 AND 2013

	<u>Electric Utility</u>		<u>Parking Utility</u>		<u>Water Utility</u>		<u>Total (Memorandum Only)</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>								
Cash and Cash Equivalents	\$ 2,062,870.39	\$ 1,777,161.59	\$ 241,551.19	\$ 77,529.99	\$ 753,503.86	\$ 758,333.03	\$ 3,057,925.44	\$ 2,613,024.61
Fixed Capital	\$ 14,565,502.00	\$ 14,545,528.42	\$ 76,705.40	\$ 76,705.40	\$ 15,605,222.71	\$ 15,374,829.06	\$ 30,247,430.11	\$ 29,997,062.88
Fixed Capital Authorized and Uncompleted	2,860,443.34	1,359,416.92	250,000.00	50,000.00	2,397,048.60	2,421,166.33	5,507,491.94	3,830,583.25
	\$ 17,425,945.34	\$ 15,904,945.34	\$ 326,705.40	\$ 126,705.40	\$ 18,002,271.31	\$ 17,795,995.39	\$ 35,754,922.05	\$ 33,827,646.13
Total Assets	\$ 19,488,815.73	\$ 17,682,106.93	\$ 568,256.59	\$ 204,235.39	\$ 18,755,775.17	\$ 18,554,328.42	\$ 38,812,847.49	\$ 36,440,670.74
<u>LIABILITIES AND RESERVES</u>								
Serial Bonds	\$ 3,725,000.00	\$ 4,100,000.00					\$ 3,725,000.00	\$ 4,100,000.00
Bond Anticipation Notes	\$ 1,235,000.00	\$ 1,132,000.00	\$ 175,000.00		\$ 3,456,000.00	\$ 3,608,000.00	\$ 4,866,000.00	\$ 4,740,000.00
Loans Payable					\$ 1,401,451.97	\$ 1,692,218.97	\$ 1,401,451.97	\$ 1,692,218.97

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, 2014 AND 2013

	<u>Electric Utility</u>		<u>Parking Utility</u>		<u>Water Utility</u>		<u>Total</u> <u>(Memorandum Only)</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
LIABILITIES AND RESERVES								
(CONTINUED)								
Improvement Authorizations:								
Funded	\$ 63,763.63	\$ 107,148.00	\$ 27,015.20	\$ 49,350.00	\$ 126,889.62	\$ 124,959.15	\$ 217,668.45	\$ 281,457.15
Unfunded	1,304,636.77	695,062.36	17,194.28		2,259,861.16	2,285,909.36	3,581,692.21	2,980,971.72
	<u>\$ 1,368,400.40</u>	<u>\$ 802,210.36</u>	<u>\$ 44,209.48</u>	<u>\$ 49,350.00</u>	<u>\$ 2,386,750.78</u>	<u>\$ 2,410,868.51</u>	<u>\$ 3,799,360.66</u>	<u>\$ 3,262,428.87</u>
Capital Improvement Fund	\$ 118,903.15	\$ 98,903.15	\$ 14,000.00	\$ 14,000.00	\$ 231,450.63	\$ 191,450.63	\$ 364,353.78	\$ 304,353.78
Reserve for Encumbrances	1,378,477.25	557,206.56	183,137.75		2,256.97	2,256.97	1,563,871.97	559,463.53
	<u>\$ 1,497,380.40</u>	<u>\$ 656,109.71</u>	<u>\$ 197,137.75</u>	<u>\$ 14,000.00</u>	<u>\$ 233,707.60</u>	<u>\$ 193,707.60</u>	<u>\$ 1,928,225.75</u>	<u>\$ 863,817.31</u>
Reserve for Amortization	<u>\$ 10,965,945.34</u>	<u>\$ 10,041,955.34</u>	<u>\$ 76,705.40</u>	<u>\$ 76,705.40</u>	<u>\$ 10,995,819.34</u>	<u>\$ 10,032,176.42</u>	<u>\$ 22,038,470.08</u>	<u>\$ 20,150,837.16</u>
Deferred Reserve for Amortization	<u>\$ 600,000.00</u>	<u>\$ 230,990.00</u>	<u>\$ 60,000.00</u>	<u>\$ 50,000.00</u>	<u>\$ 108,000.00</u>	<u>\$ 422,600.00</u>	<u>\$ 768,000.00</u>	<u>\$ 703,590.00</u>
Fund Balance	<u>\$ 97,089.59</u>	<u>\$ 718,841.52</u>	<u>\$ 15,203.96</u>	<u>\$ 14,179.99</u>	<u>\$ 174,045.48</u>	<u>\$ 194,756.92</u>	<u>\$ 286,339.03</u>	<u>\$ 927,778.43</u>
Total Liabilities and Reserves	<u>\$ 19,488,815.73</u>	<u>\$ 17,682,106.93</u>	<u>\$ 568,256.59</u>	<u>\$ 204,235.39</u>	<u>\$ 18,755,775.17</u>	<u>\$ 18,554,328.42</u>	<u>\$ 38,812,847.49</u>	<u>\$ 36,440,670.74</u>

There were Bonds and Notes Authorized but not Issued of \$900,000.00 in the Electric Utility Capital Fund, \$2,041,000.00 in the Water Utility Capital Fund and \$15,000.00 in the Parking Utility Capital Fund at December 31, 2014.

ELECTRIC UTILITY CAPITAL FUND

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

	Balance December 31, 2013	Receipts		Disbursements		Transfers		Balance December 31, 2014	
		Bond Anticipation Notes	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To		
Fund Balance	\$ 718,841.52		\$ 7,248.07		\$ 8,000.00	\$ 621,000.00		\$ 97,089.59	
Capital Improvement Fund	98,903.15		20,000.00					118,903.15	
Reserve for Encumbrances	557,206.56				124,538.75	191,406.56	\$ 1,137,216.00	1,378,477.25	
Due to Electric Utility Operating Fund			1,412.49		1,412.49				
<u>Ordinance Number</u>		<u>Improvement Authorizations</u>							
03-35/06-42	Acquisition and Installation of Electric Meters	(1,233.15)		\$ 1,185.06			174,836.56	172,418.35	
08-27/08-47	Acquisition of and Improvements to various Capital Equipment	389,148.00				159,850.00	16,570.00	245,868.00	
12-28	Improvements to the Radio Communication System	14,295.51		684.15				13,611.36	
14-05	Various Computer Equipment and Network Upgrades			444.37		17,660.00	21,000.00	2,895.63	
14-16	Acquisition and Installation of a Standby Generator(s)		\$ 400,000.00	6,686.94		959,706.00	600,000.00	33,607.06	
		<u>\$ 1,777,161.59</u>	<u>\$ 400,000.00</u>	<u>\$ 28,660.56</u>	<u>\$ 9,000.52</u>	<u>\$ 133,951.24</u>	<u>\$ 1,949,622.56</u>	<u>\$ 1,949,622.56</u>	<u>\$ 2,062,870.39</u>

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

<u>BALANCE, DECEMBER 31, 2013</u>	\$ 14,545,528.42
<u>INCREASED BY</u>	
Transferred from Fixed Capital Authorized and Uncompleted	19,973.58
<u>BALANCE, DECEMBER 31, 2014</u>	<u>\$ 14,565,502.00</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	1,377,581.65
Acquisition and Installation of Various Equipment	428,482.00
Improvements to the Radio Communication System	346,388.64
Various Computer Equipment and Network Upgrades	18,104.37
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
	<u>\$ 14,565,502.00</u>

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

<u>Ordinance Number</u>	<u>Improvement Authorizations</u>	<u>Ordinance</u>		<u>Balance December 31, 2013</u>	<u>Fixed Capital Authorized</u>	<u>Transferred to Fixed Capital</u>	<u>Balance December 31, 2014</u>
		<u>Date</u>	<u>Amount</u>				
03-35/ 06-42	Acquisition and Installation of Electric Meters	09/29/03, 12/18/06	\$ 1,950,000.00	\$ 573,603.41		\$ 1,185.06	\$ 572,418.35
08-27/ 08-47	Acquisition and Installation of Various Equipment	07/14/08 02/23/08	1,200,000.00	771,518.00			771,518.00
12-28	Improvements to the Radio Communication System	10/22/12	360,000.00	14,295.51		684.15	13,611.36
14-05	Various Computer Equipment and Network Upgrades	03/10/14	21,000.00		\$ 21,000.00	18,104.37	2,895.63
14-16	Acquisition and Installation of a Standby Generator(s)	06/09/14	1,500,000.00		<u>1,500,000.00</u>		<u>1,500,000.00</u>
				<u>\$ 1,359,416.92</u>	<u>\$ 1,521,000.00</u>	<u>\$ 19,973.58</u>	<u>\$ 2,860,443.34</u>

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

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2014</u>		<u>Interest Rate</u>	<u>Balance December 31, 2013</u>	<u>Decrease</u>	<u>Balance December 31, 2014</u>
			<u>Date</u>	<u>Amount</u>				
Electric System Improvements	12/1/2007	5,990,000.00	12/1/2015	\$ 400,000.00	4.125%			
			12/1/2016	400,000.00	4.125%			
			12/1/2017	425,000.00	4.125%			
			12/1/2018	450,000.00	4.125%			
			12/1/2019	475,000.00	4.250%			
			12/1/2020	500,000.00	4.250%			
			12/1/2021	525,000.00	4.250%			
			12/1/2022	550,000.00	4.250%			
						\$ 4,100,000.00	\$ 375,000.00	\$ 3,725,000.00
						\$ 4,100,000.00	\$ 375,000.00	\$ 3,725,000.00

**BOROUGH OF SOUTH RIVER
ELECTRIC UTILITY CAPITAL FUND
STATEMENT OF BOND ANTICIPATION NOTES**

<u>Ordinance Number</u>	<u>Description</u>	<u>Original Issue Date</u>	<u>Date of Issuance</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance December 31, 2013</u>	<u>Increased by</u>	<u>Decreased by Budget Appropriation</u>	<u>Balance December 31, 2014</u>
03-35/06-42	Acquisition and Installation of Electric Meters	12/23/08	12/16/14	12/15/15	1.00%	\$ 490,000.00		\$ 200,000.00	\$ 290,000.00
08-27/08-47	Acquisition and Improvements to various Capital Equipment	12/22/09	12/16/14	12/15/15	1.00%	282,000.00		97,000.00	185,000.00
12-28	Improvements to the Radio Communication System	12/19/12	12/16/14	12/15/15	1.00%	360,000.00			360,000.00
14-16	Acquisition and Installation of a Standby Generator	12/16/14	12/16/14	12/15/15	1.00%		\$ 400,000.00		400,000.00
						<u>\$ 1,132,000.00</u>	<u>\$ 400,000.00</u>	<u>\$ 297,000.00</u>	<u>\$ 1,235,000.00</u>

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

Ordinance Number	Description	Ordinance		Balance December 31, 2013		2014 Authorizations	Reserve for Encumbrances Canceled	Paid or Charged	Balance December 31, 2014	
		Date	Amount	Funded	Unfunded				Funded	Unfunded
03-35/06-42	Acquisition and Installation of Electric Meters	09/29/03, 12/18/06	\$ 1,950,000.00		\$ 398,766.85		\$ 174,836.56	\$ 1,185.06		\$ 572,418.35
08-27/08-47	Acquisition of and Improvements to Various Capital Equipment	07/14/08, 12/23/08	1,200,000.00	\$ 107,148.00	282,000.00		16,570.00	159,850.00	\$ 60,868.00	185,000.00
12-28	Improvements to the Radio Communications System	10/22/12	360,000.00		14,295.51			684.15		13,611.36
14-05	Various Computer Equipment and Network Upgrades	03/10/14	21,000.00			\$ 21,000.00		18,104.37	2,895.63	
14-16	Acquisition and Installation of a Standby Generator(s)	06/09/14	1,500,000.00			1,500,000.00		966,392.94		533,607.06
				\$ 107,148.00	\$ 695,062.36	1,521,000.00	\$ 191,406.56	\$ 1,146,216.52	\$ 63,763.63	\$ 1,304,636.77

Detail:

Electric Utility Capital Fund Balance	\$ 621,000.00
Bonds & Notes Authorized	<u>900,000.00</u>
	<u>\$ 1,521,000.00</u>

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

<u>BALANCE, DECEMBER 31, 2013</u>	\$ 98,903.15
<u>INCREASED BY</u>	
2014 Budget Appropriation	<u>20,000.00</u>
<u>BALANCE, DECEMBER 31, 2014</u>	\$ <u>118,903.15</u>

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

<u>Ordinance Number</u>	<u>Improvement Authorizations</u>	Balance December 31, <u>2013</u>	2014 <u>Authorization</u>	Bond Anticipation Notes <u>Issued</u>	Balance December 31, <u>2014</u>
03-35/06-42	Acquisition and Installation of Electric Meters	\$ 400,000.00			\$ 400,000.00
14-16	Acquisition and Installation of a Standby Generator(s)	<u> </u>	\$ <u>900,000.00</u>	\$ <u>400,000.00</u>	<u>500,000.00</u>
		<u>\$ 400,000.00</u>	<u>\$ 900,000.00</u>	<u>\$ 400,000.00</u>	<u>\$ 900,000.00</u>

PARKING UTILITY CAPITAL FUND

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

	<u>Balance</u> December 31, 2013	<u>Bond</u> Anticipation Notes	<u>Receipts</u> Miscellaneous	<u>Disbursements</u> Improvement Authorizations	<u>Miscellaneous</u>	<u>Transfers</u> From	<u>To</u>	<u>Balance</u> December 31, 2014
Fund Balance	\$ 14,179.99		\$ 1,023.97					\$ 15,203.96
Capital Improvement Fund	14,000.00		10,000.00			\$ 10,000.00		14,000.00
Reserve for Encumbrances					\$ 21,437.05		\$ 204,574.80	183,137.75
Due to/(from) Parking Utility Operating Fund			118.08		118.08			
<u>Ordinance</u>								
<u>Number</u>								
<u>Description</u>								
12-20 Parking Lot Improvements and Parking Meters	49,350.00					22,334.80		27,015.20
14-25 Obert Street Parking Lot Improvements		\$ 175,000.00		\$ 565.72		182,240.00	\$ 10,000.00	2,194.28
	<u>\$ 77,529.99</u>	<u>\$ 175,000.00</u>	<u>\$ 11,142.05</u>	<u>\$ 565.72</u>	<u>\$ 21,555.13</u>	<u>\$ 214,574.80</u>	<u>\$ 214,574.80</u>	<u>\$ 241,551.19</u>

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

BALANCE, DECEMBER 31, 2013

and

BALANCE, DECEMBER 31, 2014

\$ 76,705.40

(There was no change during the year.)

Detail:

Land, Off-Street Parking Facilities	\$	68,975.46	
Meters and Machine		2,200.00	
2012 Capital Outlay - Appropriation Reserves		3,995.44	
2013 Capital Outlay - Appropriation		<u>1,534.50</u>	<u>76,705.40</u>
			\$ <u>76,705.40</u>

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance</u>		<u>Balance</u>	<u>Increased by Fixed Capital Authorized</u>	<u>Balance</u>
		<u>Date</u>	<u>Amount</u>	<u>December 31, 2013</u>		<u>December 31, 2014</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		\$ 200,000.00	200,000.00
				\$ 50,000.00	\$ 200,000.00	\$ 250,000.00

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

<u>Ordinance Number</u>	<u>Description</u>	<u>Original Issue Date</u>	<u>Date of Issuance</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Increased by</u>	<u>Balance December 31, 2014</u>
14-25	Obert Street Parking Lot Improvements	12/16/14	12/16/14	12/15/15	1.00%	\$ <u>175,000.00</u>	\$ <u>175,000.00</u>
						\$ <u>175,000.00</u>	\$ <u>175,000.00</u>

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

<u>BALANCE, DECEMBER 31, 2013</u>	\$	14,000.00
<u>INCREASED BY</u>		
2014 Budget Appropriation		<u>10,000.00</u>
	\$	24,000.00
<u>DECREASED BY</u>		
Appropriated to Finance Improvement Authorizations		<u>10,000.00</u>
<u>BALANCE, DECEMBER 31, 2014</u>	\$	<u><u>14,000.00</u></u>

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

<u>Ordinance Number</u>	<u>Improvement Authorizations</u>	<u>2014 Authorization</u>	<u>Bond Anticipation Notes Issued</u>	<u>Balance December 31, 2014</u>
14-25	Obert Street Parking Lot Improvements	\$ <u>190,000.00</u>	\$ <u>175,000.00</u>	\$ <u>15,000.00</u>
		\$ <u><u>190,000.00</u></u>	\$ <u><u>175,000.00</u></u>	\$ <u><u>15,000.00</u></u>

WATER UTILITY CAPITAL FUND

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

	Balance December 31, 2013	Receipts		Disbursements		Transfers		Balance December 31, 2014
		Miscellaneous		Improvement Authorizations	Miscellaneous	From	To	
Fund Balance	\$ 194,756.92	\$ 20,288.56		\$ 27,000.00	\$ 14,000.00			\$ 174,045.48
Capital Improvement Fund	191,450.63	40,000.00						231,450.63
Reserve for Encumbrances	2,256.97			48,733.00		\$ 48,733.00		2,256.97
Due to/(from) Water Utility Operating Fund		594.70		594.70				
<u>Ordinance</u>								
<u>Number</u>	<u>Description</u>							
03-18/08-26 08-48/ 10-18	Resurfacing and Upgrading of the Appleby Water Storage Tower	59,043.77		\$ 2,884.42				56,159.35
03-36/ 06-43	Acquisition and Installation of Water Meters	124,959.15						124,959.15
08-28	Improvements to the Water Treatment Plant	93,454.41		2,564.02				90,890.39
10-10	Water System Improvements	46,803.69		522.00				46,281.69
12-23	Various Water System Improvements	36,077.23	17,622.11	285.07		36,959.71		16,454.56
12-28	Improvements to the Radio Communication System	9,530.26		455.09				9,075.17
14-05	Various Computer Equipment and Network Upgrades			296.24		11,773.29	14,000.00	1,930.47
		<u>\$ 758,333.03</u>	<u>\$ 78,505.37</u>	<u>\$ 7,006.84</u>	<u>\$ 76,327.70</u>	<u>\$ 62,733.00</u>	<u>\$ 62,733.00</u>	<u>\$ 753,503.86</u>

Bracketed amounts denote deficit.

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

BALANCE, DECEMBER 31, 2013 \$ 15,374,829.06

INCREASED BY

Transferred from Fixed Capital Authorized and Uncompleted	\$	38,117.73	
Adjustment for Budget Expenditure Capital Outlay:			
2013 Appropriation Reserves		25,127.31	
2014 Appropriation		167,148.61	
		230,393.65	230,393.65

BALANCE, DECEMBER 31, 2014 \$ 15,605,222.71

Detail:

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

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

Detail: (Continued)

Renovations to the Gordon Street Administration Building	\$ 246,581.66
Replacement of the Lime Feed System	108,015.09
Extension of Water Main - Hillside Avenue Section II	72,446.65
Resurfacing and Upgrading of Appleby Storage Tank	1,789,840.65
Improvements to the Water Treatment Plant	1,409,109.61
Water System Improvements	251,461.34
Various Water System Improvements	183,545.44
Improvements to the Radio Communication System	230,924.83
Various Computer Equipment and Network Upgrades	12,069.53
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
	<u>\$ 15,605,222.71</u>

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

Ordinance Number	Improvement Description	Ordinance		Balance December 31, 2013	Increased by Fixed Capital Authorized	Decreased by Transferred to Fixed Capital	Balance December 31, 2014
		Date	Amount				
03-18/08-26/ 08-48/10-18	Resurfacing and Upgrading of the Appleby Water Storage Tower and the Public Works Ground Water Storage Tank	07/21/03, 07/04/08, 12/23/08, 07/12/10	\$ 1,870,000.00	\$ 83,043.77		\$ 2,884.42	\$ 80,159.35
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
08-28	Improvements to the Water Treatment Plant	07/14/08	1,500,000.00	93,454.41		2,564.02	90,890.39
10-10	Water System Improvements	04/26/10	300,000.00	49,060.66		522.00	48,538.66
12-23	Various Water System Improvements	08/27/12	200,000.00	36,077.23		19,622.67	16,454.56
12-28	Improvements to the Radio Communication System	10/22/12	240,000.00	9,530.26		455.09	9,075.17
14-05	Various Computer Equipment and Network Upgrades	03/10/14	14,000.00		\$ 14,000.00	12,069.53	1,930.47
				\$ 2,421,166.33	\$ 14,000.00	\$ 38,117.73	\$ 2,397,048.60

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

<u>Ordinance Number</u>	<u>Description</u>	<u>Original Issue Date</u>	<u>Date of Issuance</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance December 31, 2013</u>	<u>Decreased by Budget Appropriation</u>	<u>Balance December 31, 2014</u>
03-18/08-26/ 08-48	Resurfacing and Upgrading of the Appleby Water Storage Tower	12/23/08	12/16/14	12/15/15	1.00%	\$ 63,000.00	\$ 4,000.00	\$ 59,000.00
03-18/08-26/ 08-48	Resurfacing and Upgrading of the Appleby Water Storage Tower	12/22/09	12/16/14	12/15/15	1.00%	1,146,000.00	68,000.00	1,078,000.00
03-18/08-26/ 08-48	Resurfacing and Upgrading of the Appleby Water Storage Tower	12/21/10	12/16/14	12/15/15	1.00%	355,000.00	20,000.00	335,000.00
08-28	Improvements to the Water Treatment Plant	12/23/08	12/16/14	12/15/15	1.00%	446,000.00	18,000.00	428,000.00
08-28	Improvements to the Water Treatment Plant	12/22/09	12/16/14	12/15/15	1.00%	930,000.00	35,000.00	895,000.00
10-10	Water System Improvements	12/21/10	12/16/14	12/15/15	1.00%	193,000.00	7,000.00	186,000.00
10-10	Water System Improvements	12/19/12	12/16/14	12/15/15	1.00%	85,000.00		85,000.00
12-23	Water System Improvements	12/18/13	12/16/14	12/15/15	1.00%	150,000.00		150,000.00
12-28	Improvements to the Radio Communication System	12/19/12	12/16/14	12/15/15	1.00%	240,000.00		240,000.00
						<u>\$ 3,608,000.00</u>	<u>\$ 152,000.00</u>	<u>\$ 3,456,000.00</u>

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

Purpose	Date of Issue	Amount of Original Issue	Maturities of Loans Outstanding December 31, 2014		Interest Rate	Balance December 31, 2013	Decreased by	Balance December 31, 2014
			Date	Amount				
Water System Improvements - State Portion	11/01/00	\$ 2,620,000.00	08/01/15	\$ 160,000.00	5.125%	\$ 1,255,000.00	\$ 155,000.00	\$ 1,100,000.00
			08/01/16	170,000.00	5.125%			
			08/01/17	180,000.00	5.250%			
			08/01/18	190,000.00	5.250%			
			08/01/19	195,000.00	5.250%			
			08/01/20	205,000.00	5.250%			
						\$ 1,255,000.00	\$ 155,000.00	\$ 1,100,000.00
Water System Improvements - Federal Portion	11/01/00	\$ 2,637,500.00	02/01/15	17,685.10	-	\$ 437,218.97	\$ 135,767.00	\$ 301,451.97
			08/01/15	116,385.49	-			
			02/01/16	15,155.90	-			
			08/01/16	120,025.07	-			
			02/01/17	12,468.63	-			
			08/01/17	19,731.78	-			
						\$ 437,218.97	\$ 135,767.00	\$ 301,451.97
						\$ 1,692,218.97	\$ 290,767.00	\$ 1,401,451.97

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

Ordinance Number	Description	Ordinance Date	Ordinance Amount	Balance December 31, 2013		2014 Authorizations	Reimbursement	Paid or Charged	Balance December 31, 2014	
				Funded	Unfunded				Funded	Unfunded
03-18/ 08-26/ 08-48/ 10-18	Resurfacing and Upgrading of the Appleby Water Storage Tower and the Public Works Ground Water Storage Tank	07/21/03, 07/4/08, 12/23/08, 07/12/10	\$ 1,870,000.00		\$ 83,043.77			\$ 2,884.42		\$ 80,159.35
03-36/ 06-43	Acquisition and Installation of Water Meters	09/29/03, 12/18/06	2,150,000.00	\$ 124,959.15	2,017,000.00				\$ 124,959.15	2,017,000.00
08-28	Improvements to the Water Treatment Plant	07/14/08	1,500,000.00		93,454.41			2,564.02		90,890.39
10-10	Water System Improvements	04/26/10	300,000.00		46,803.69			522.00		46,281.69
12-23	Various Water System Improvements	08/27/12	200,000.00		36,077.23		\$ 17,622.11	37,244.78		16,454.56
12-28	Improvements to the Radio Communication System	10/22/12	240,000.00		9,530.26			455.09		9,075.17
14-05	Various Computer Equipment and Network Upgrades	03/10/14	14,000.00			\$ 14,000.00		12,069.53	1,930.47	
				\$ 124,959.15	\$ 2,285,909.36	\$ 14,000.00	\$ 17,622.11	\$ 55,739.84	\$ 126,889.62	\$ 2,259,861.16

Detail:

Water Utility Capital Fund Balance \$ 14,000.00

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

<u>BALANCE, DECEMBER 31, 2013</u>	\$	191,450.63
<u>INCREASED BY</u>		
2014 Budget Appropriation		<u>40,000.00</u>
<u>BALANCE, DECEMBER 31, 2014</u>	\$	<u>231,450.63</u>

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

<u>Ordinance Number</u>	<u>Improvement Authorizations</u>	<u>Balance December 31, 2013</u>	<u>Balance December 31, 2014</u>
03-18/08-26/ 08-48/10-18	Resurfacing and Upgrading of the Appleby Water Storage Tower	\$ 24,000.00	\$ 24,000.00
03-36/06-43	Acquisition and Installation of Water Meters	<u>2,017,000.00</u>	<u>2,017,000.00</u>
		<u>\$ 2,041,000.00</u>	<u>\$ 2,041,000.00</u>

CAPITAL ASSETS ACCOUNT

BOROUGH OF SOUTH RIVER
GOVERNMENTAL FIXED ASSETS ACCOUNT
COMPARATIVE STATEMENT OF GOVERNMENTAL FIXED ASSETS

	Balance December 31, 2014	Balance December 31, 2013
Governmental Fixed Assets:		
Land	\$ 4,910,116.00	\$ 4,910,116.00
Buildings	9,365,935.00	9,365,935.00
Vehicles	7,054,504.90	7,349,374.40
Equipment	<u>1,867,852.71</u>	<u>1,861,867.71</u>
	<u>\$ 23,198,408.61</u>	<u>\$ 23,487,293.11</u>
 Investment in Governmental Fixed Assets	 <u>\$ 23,198,408.61</u>	 <u>\$ 23,487,293.11</u>

STATISTICAL SECTION
(UNAUDITED)

**BOROUGH OF SOUTH RIVER
CURRENT FUND EXPENDITURES BY FUNCTION
FOR THE LAST TEN (10) FISCAL YEARS
(UNAUDITED)**

Function	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Government	\$ 737,300.00	\$ 756,100.00	\$ 754,800.00	\$ 750,800.00	\$ 753,100.00	\$ 735,037.00	\$ 813,750.00	\$ 723,678.00	\$ 917,694.00	\$ 1,020,149.77
Public Safety	4,625,700.00	4,596,500.00	4,446,570.00	4,372,710.00	4,281,460.00	4,407,420.00	4,172,145.00	4,023,760.00	3,635,575.00	3,553,027.50
Public Works	2,190,500.00	2,095,500.00	2,217,800.00	2,086,650.00	2,096,150.00	1,933,245.00	1,962,389.77	1,890,463.00	1,842,763.00	1,878,552.50
Utility Expense and										
Bulk Purchases	412,500.00	411,000.00	791,500.00	445,000.00	385,000.00	380,600.00	394,900.00	298,500.00	347,100.00	331,165.00
Land Use	62,205.00	42,205.00	45,705.00	63,705.00	48,105.00	78,700.00	34,507.00	35,430.00	55,200.00	47,400.00
Sanitary Landfill	515,000.00	515,000.00	545,000.00	530,000.00	515,000.00	500,000.00	490,000.00	475,304.00	460,000.00	460,000.00
Insurance	1,928,000.00	1,825,052.00	1,677,500.00	1,559,000.00	1,585,000.00	1,459,000.00	1,348,500.00	1,436,000.00	1,339,018.00	1,210,785.00
Health and Human Services	270,760.00	243,036.00	261,036.00	259,407.00	259,301.00	225,058.00	198,721.00	169,325.00	161,750.00	151,090.00
Parks and Recreation	375,250.00	375,750.00	430,800.00	442,300.00	509,650.00	479,362.00	390,940.00	386,265.00	395,900.00	321,513.00
Education	437,365.00	449,822.36	480,577.70	561,000.00	561,000.00	558,283.00	570,178.00	530,962.00	460,855.00	402,800.00
Deferred Charges and Statutory										
Expenditures	1,316,230.00	1,395,338.00	1,258,433.00	1,353,321.00	1,131,592.49	1,019,963.91	1,005,515.57	885,052.00	686,300.00	566,753.00
Grants	171,445.23	222,040.92	166,967.22	178,552.82	172,577.56	218,999.51	50,715.21	621,203.90	120,822.85	134,386.74
Capital Improvements	75,000.00	150,000.00	75,000.00	75,000.00	150,000.00	187,000.00	224,787.68	327,000.00	125,000.00	87,000.00
Debt Service	1,896,277.00	1,836,126.00	1,684,043.00	1,637,035.00	1,446,398.00	1,461,686.00	1,412,797.00	1,438,283.00	1,661,408.00	1,471,375.59
Sewer	930,780.00	1,096,715.92	1,157,862.00	1,186,630.00	1,101,163.00	992,126.00	914,074.00	770,000.00	860,000.00	841,000.00
Contingent	500.00	500.00	500.00	1,500.00	2,500.00	2,500.00	2,500.00	2,500.00		1,000.00
Judgements										71,000.00
Reserve for Uncollected Taxes	790,000.00	787,235.29	767,592.62	750,790.97	738,942.47	739,433.37	665,571.82	621,797.20	589,231.30	544,486.42
	<u>\$ 16,734,812.23</u>	<u>\$ 16,797,921.49</u>	<u>\$ 16,761,686.54</u>	<u>\$ 16,253,401.79</u>	<u>\$ 15,736,939.52</u>	<u>\$ 15,378,413.79</u>	<u>\$ 14,651,992.05</u>	<u>\$ 14,635,523.10</u>	<u>\$ 13,658,617.15</u>	<u>\$ 13,093,484.52</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
(UNAUDITED)

Function	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Operating	\$ 10,493,000.00	\$ 10,540,000.00	\$ 10,035,000.00	\$ 11,615,000.00	\$ 11,544,800.00	\$ 11,347,300.00	\$ 11,218,000.00	\$ 7,142,000.00	\$ 7,010,000.00	\$ 6,948,415.00
Capital Improvements	20,000.00	20,000.00	205,000.00	300,000.00	125,000.00	100,000.00	239,500.00	125,000.00	125,000.00	150,000.00
Debt Service	857,316.00	873,793.00	843,414.00	964,538.00	967,691.00	942,402.00	644,503.00	516,000.00	419,788.00	265,585.00
Deferred Charges and Statutory Expenditures	288,578.00	281,262.00	259,605.00	244,578.00	212,150.00	195,951.00	169,615.00	122,100.00	110,000.00	90,000.00
Surplus - General Budget	3,556,371.00	3,556,371.00	3,556,371.00	443,000.00	443,000.00	443,000.00	689,000.00	689,000.00	689,000.00	609,000.00
Other						4,362.97				
	<u>\$ 15,215,265.00</u>	<u>\$ 15,271,426.00</u>	<u>\$ 14,899,390.00</u>	<u>\$ 13,567,116.00</u>	<u>\$ 13,292,641.00</u>	<u>\$ 13,033,015.97</u>	<u>\$ 12,271,618.00</u>	<u>\$ 8,594,100.00</u>	<u>\$ 8,353,788.00</u>	<u>\$ 8,063,000.00</u>

BOROUGH OF SOUTH RIVER
PARKING UTILITY OPERATING FUND
EXPENDITURES BY FUNCTION
FOR THE LAST FOUR (4) FISCAL YEAR
(UNAUDITED)

<u>Function</u>	<u>Fiscal Year</u>			
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Operating	\$ 29,000.00	\$ 28,000.00	\$ 27,000.00	\$ 12,650.00
Capital Improvements	14,000.00	15,000.00	8,000.00	
Deferred Charges and Statutory Expenditures	4,500.00	4,500.00	17,000.00	350.00
	<u>\$ 47,500.00</u>	<u>\$ 47,500.00</u>	<u>\$ 52,000.00</u>	<u>\$ 13,000.00</u>

* GASB requires that ten years of statistical data be presented. Beginning in FY 2011 only statistical data for one (1) year was presented since the Parking Utility was established in 2011. Each year thereafter, an additional year's data will be included until ten

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

Function	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Operating	\$ 2,745,000.00	\$ 2,745,000.00	\$ 2,599,000.00	\$ 2,535,500.00	\$ 2,577,000.00	\$ 2,328,500.00	\$ 2,408,509.00	\$ 2,125,000.00	\$ 1,982,000.00	\$ 1,862,000.00
Capital Improvements	285,000.00	190,000.00	165,000.00	200,000.00	190,000.00	115,000.00	116,000.00	100,000.00	100,000.00	65,000.00
Debt Service	554,626.00	540,498.00	665,199.00	626,079.00	604,101.00	615,473.00	560,330.00	537,714.00	575,055.00	574,068.00
Deferred Charges and Statutory Expenditures	182,052.00	175,508.00	155,431.00	223,051.00	125,261.00	137,384.00	107,723.00	77,286.00	67,000.00	93,000.00
Other			0.50			4,312.00				
	<u>\$ 3,766,678.00</u>	<u>\$ 3,651,006.00</u>	<u>\$ 3,584,630.50</u>	<u>\$ 3,584,630.00</u>	<u>\$ 3,496,362.00</u>	<u>\$ 3,200,669.00</u>	<u>\$ 3,192,562.00</u>	<u>\$ 2,840,000.00</u>	<u>\$ 2,724,055.00</u>	<u>\$ 2,594,068.00</u>

BOROUGH OF SOUTH RIVER
CURRENT FUND REVENUES BY SOURCE
FOR THE LAST TEN (10) FISCAL YEARS
(UNAUDITED)

Source	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Surplus Anticipated	\$ 1,339,848.00	\$ 1,482,773.56	\$ 1,126,612.64	\$ 1,126,612.23	\$ 905,858.14	\$ 646,000.00	\$ 1,225,000.00	\$ 1,425,000.00	\$ 1,700,000.00	\$ 1,300,000.00
Taxes (1)	8,544,615.02	8,215,900.89	8,369,973.55	8,489,749.20	8,495,894.89	8,352,502.40	8,282,108.87	7,108,245.61	6,688,853.32	6,613,132.86
Delinquent Taxes	640,720.55	633,863.95	569,445.37	672,115.20	517,149.45	693,199.29	481,303.10	471,025.09	306,920.92	285,576.04
Miscellaneous	5,656,664.79	5,583,430.41	5,317,543.61	5,177,658.01	4,814,507.97	4,768,692.39	3,313,396.98	4,074,231.05	3,941,729.05	3,787,868.92
State Aid	825,291.00	825,290.68	825,291.00	825,291.00	825,291.00	1,037,449.00	1,334,050.00	1,210,798.00	1,409,136.00	1,459,136.00
Grants	169,545.23	218,240.92	161,967.22	173,552.82	167,577.56	213,999.51	45,715.21	611,903.90	127,272.85	130,086.74
Nonbudget Revenues and Other Items	942,134.16	1,052,050.46	1,027,197.00	1,054,637.96	972,529.47	1,035,619.94	735,076.11	705,608.24	570,722.10	627,446.04
	<u>\$ 18,118,818.75</u>	<u>\$ 18,011,550.87</u>	<u>\$ 17,398,030.39</u>	<u>\$ 17,519,616.42</u>	<u>\$ 16,698,808.48</u>	<u>\$ 16,747,462.53</u>	<u>\$ 15,416,650.27</u>	<u>\$ 15,606,811.89</u>	<u>\$ 14,744,634.24</u>	<u>\$ 14,203,246.60</u>

(1) Excludes tax allocated to county and school.

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

<u>Year</u>	<u>Borough</u>		<u>School</u>	<u>County</u>		<u>Total</u>	<u>Collection Rates Current</u>	<u>Delinquent Taxes as Percent of Levy</u>
	<u>Regular</u>	<u>Library</u>		<u>Regular</u>	<u>Open Space</u>			
2014	\$ 1.889	\$ 0.105	\$ 3.857	\$ 1.171	\$ 0.096	\$ 7.118	98.14%	2.82%
2013	1.854	0.108	3.717	1.134	0.097	6.910	97.48%	3.26%
2012	1.864	0.114	3.517	1.118	0.103	6.716	97.40%	3.10%
2011	1.863	0.123	3.439	1.130	0.111	6.666	97.59%	2.71%
2010	1.987		3.281	1.057	0.076	6.401	97.37%	2.94%
2009	1.938		3.145	1.047	0.119	6.249	97.92%	2.33%
2008	1.945		3.137	1.034	0.121	6.237	97.41%	2.74%
2007	1.626		3.144	0.965	0.115	5.850	98.10%	2.11%
2006	1.548		3.015	0.868	0.099	5.530	97.82%	2.22%
2005	1.477		2.787	0.819	0.087	5.170	98.56%	1.64%

Source: Tax Collector.

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>
2014	\$ 29,524,806.74	\$ 28,976,314.33	98.14%
2013	28,611,548.77	27,893,367.80	97.49%
2012	28,288,691.60	27,553,240.39	97.40%
2011	28,202,908.07	27,522,627.54	97.59%
2010	27,258,681.92	26,541,537.70	97.37%
2009	26,694,630.46	26,140,465.75	97.92%
2008	26,615,158.87	25,925,228.93	97.41%
2007	24,964,954.51	24,490,127.33	98.10%
2006	23,581,041.91	23,066,888.76	97.82%
2005	22,161,429.88	21,842,889.76	98.56%

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>
2014	\$ 300,547.14	\$ 531,795.92	\$ 832,343.06	2.82%
2013	297,573.52	633,792.42	931,365.94	3.26%
2012	274,332.41	603,257.04	877,589.45	3.10%
2011	149,613.83	613,734.94	763,348.77	2.71%
2010	132,592.22	669,440.05	802,032.27	2.94%
2009	106,975.25	515,816.70	622,791.95	2.33%
2008	50,301.80	680,019.42	730,321.22	2.74%
2007	55,090.92	469,438.26	524,529.18	2.11%
2006	45,259.86	477,204.08	522,463.94	2.22%
2005	50,099.98	314,175.07	364,275.05	1.64%

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

<u>Year Ended</u> <u>December 31,</u>	<u>Aggregate</u> <u>Assessed</u> <u>Valuations</u> <u>of Real</u> <u>Property</u>	<u>Estimated</u> <u>Full Cash</u> <u>Valuations</u>	<u>Percentage of</u> <u>Net Assessed</u> <u>to Estimated</u> <u>Full Cash</u> <u>Valuations</u>
2014	\$ 413,942,900	\$ 1,292,763,585	32.02%
2013	413,350,800	1,311,808,315	31.51%
2012	420,807,700	1,349,175,056	31.19%
2011	422,492,500	1,441,461,958	29.31%
2010	425,276,000	1,562,365,907	27.22%
2009	426,503,200	1,616,767,248	26.38%
2008	426,344,400	1,674,565,593	25.46%
2007	426,021,600	1,710,243,276	24.91%
2006	425,531,400	1,592,557,635	26.72%
2005	426,946,300	1,382,150,534	30.89%

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

BOROUGH OF SOUTH RIVER
SCHEDULE OF TEN LARGEST TAXPAYERS
(UNAUDITED)

<u>Taxpayer</u>	<u>Assessed Value - 2014</u>	<u>As a Percent of Net Assessed Valuation Taxable</u>
LIT Industrial, LP	\$ 7,266,200	1.76%
LIT Northend, LLC	4,942,500	1.19%
Lighthouse South River LG LLC	2,350,000	0.57%
Emess Apts., Ltd.	1,571,400	0.38%
East Coast Village Green Apartments	1,200,000	0.29%
425 Whitehead, LLC	980,000	0.24%
Zifovski, Zlatan & Lube	801,700	0.19%
Felmore Associates	700,000	0.17%
Sherwood Court	633,100	0.15%
Patrick and Barbara DiNicola	<u>622,500</u>	<u>0.15%</u>
	<u>\$ 21,067,400</u>	<u>5.10%</u>

Source: Municipal Tax Collector.

**BOROUGH OF SOUTH RIVER
COMPUTATION OF LEGAL DEBT MARGIN
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014
(UNAUDITED)**

Average Equalized Valuation	\$ <u>1,317,915,652.00</u>
Borrowing Margin - 3½% of Average Equalized Valuation Basis	\$ 46,127,047.82
Net Debt	<u>22,992,874.60</u>
Remaining Borrowing Power	\$ <u>23,134,173.22</u>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt - Borough of South River	\$ <u>47,641,499.38</u>	\$ <u>24,648,624.78</u>	\$ 22,992,874.60
Overlapping Debt Apportioned to the Municipality: County of Middlesex (\$578,120,091 at 1.3759%) (1)			<u>7,954,354.33</u>
			\$ <u>30,947,228.93</u>

Source: (1) County of Middlesex Director of Finance.

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

<u>Year Ended</u> <u>December 31,</u>	<u>Borough</u> <u>Population</u>		<u>Equalized</u> <u>Valuation</u> (3)	<u>Net</u> <u>Debt</u> (4)	<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>
2014	16,008	(1)	\$ 1,292,763,585.00	\$ 35,941,326.57	2.78%	\$ 2,245.21
2013	16,008	(1)	1,311,808,315.00	35,477,618.68	2.70%	2,216.24
2012	16,008	(1)	1,349,175,056.00	38,286,066.19	2.84%	2,391.68
2011	16,008	(1)	1,441,461,958.00	34,923,696.77	2.42%	2,181.64
2010	16,008	(1)	1,562,365,907.00	37,658,753.15	2.41%	2,352.50
2009	15,322	(2)	1,616,767,248.00	35,540,324.17	2.20%	2,319.56
2008	15,322	(2)	1,674,565,593.00	37,492,645.49	2.23%	2,446.98
2007	15,322	(2)	1,710,536,658.00	27,524,134.73	1.61%	1,796.38
2006	15,322	(2)	1,592,887,531.00	23,033,485.11	1.45%	1,503.29
2005	15,322	(2)	1,382,565,462.00	24,905,131.28	1.80%	1,625.45

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

(2) Based on the 2000 U.S. Census.

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

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

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

<u>Year Ended</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Debt</u> <u>Service</u>	<u>Total</u> <u>Current Fund</u> <u>Governmental</u> <u>Fund Expenditures</u>	<u>Ratio of</u> <u>Debt Service to</u> <u>Current Fund</u> <u>Expenditures</u>
2014	\$ 1,471,581.01	\$ 418,243.53	\$ 1,889,824.54	\$ 16,734,812.23	11.29%
2013	1,415,338.11	414,865.33	1,830,203.44	16,797,921.49	10.90%
2012	1,189,095.20	491,936.04	1,681,031.24	16,761,686.54	10.03%
2011	1,120,672.50	512,991.33	1,633,663.83	16,253,401.79	10.05%
2010	951,278.17	475,765.21	1,427,043.38	15,736,939.52	9.07%
2009	891,883.85	566,313.91	1,458,197.76	15,378,413.79	9.48%
2008	852,489.53	549,373.93	1,401,863.46	14,651,992.05	9.57%
2007	856,095.21	581,187.60	1,437,282.81	14,635,523.10	9.82%
2006	1,128,211.07	528,175.61	1,656,386.68	13,658,617.15	12.14%
2005	1,008,796.33	447,890.66	1,456,686.99	13,093,484.52	11.14%

(1) Excludes Electric, Parking and Water Utilities.

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

Cash Receipts from Fees, Rents and Other Charges		\$ 17,332,407.27
Deductions:		
Operating and Maintenance Cost	\$ 10,781,578.00	
Debt Service	<u>856,460.51</u>	
Total Deductions		<u>11,638,038.51</u>
Excess in Revenues		<u>\$ 5,694,368.76</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.

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	\$ 57,811.79
Deductions:	
Operating and Maintenance Cost	<u>33,500.00</u>
Excess in Revenues	<u><u>\$ 24,311.79</u></u>

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

BOROUGH OF SOUTH RIVER
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		\$ 3,911,510.62
Deductions:		
Operating and Maintenance Cost	\$ 2,927,052.00	
Debt Service	<u>463,805.16</u>	
Total Deductions		<u>3,390,857.16</u>
Excess in Revenues		<u><u>\$ 520,653.46</u></u>

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

BOROUGH OF SOUTH RIVER
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 (3)</u>	<u>Housing</u> <u>Unit</u> <u>Counts (4)</u>	<u>Per Capita</u> <u>Income</u>
2014	16,008 (1)	8.2%	4,428	\$ 28,178
2013	16,008 (1)	9.5%	4,422	28,178
2012	16,008 (1)	11.7%	4,426	28,178
2011	16,008 (1)	11.6%	4,425	28,178
2010	16,008 (1)	11.9%	4,426	23,684
2009	15,322 (2)	11.9%	4,418	23,684
2008	15,322 (2)	7.7%	4,409	23,684
2007	15,322 (2)	5.8%	4,410	23,684
2006	15,322 (2)	6.6%	4,405	23,684
2005	15,322 (2)	6.5%	4,406	23,684

(1) 2010 U.S. Census.

(2) 2000 U.S. Census

(3) NJ Department of Labor

(4) Borough Tax Collector's Office

BOROUGH OF SOUTH RIVER
MISCELLANEOUS STATISTICS
DECEMBER 31, 2014
(UNAUDITED)

Date of Incorporation	1898		
Form of Government	Borough		
Area	2.87 square miles		
		<u>Full Time</u>	<u>Part Time</u>
Employees:			
Administrative	21		9
Police	42		5
Crossing Guards			14
Public Works	35		2
Parks and Recreation	5		26
Volunteer Firemen			90
Emergency Medical Service - Volunteers			15
Other (part time employees)			13
		_____	_____
Total Employees		<u>103</u>	<u>174</u>

Source: Borough Records.

SINGLE AUDIT SECTION

SAMUEL KLEIN AND COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

36 WEST MAIN STREET, SUITE 303
FREEHOLD, N.J. 07728-2291
PHONE (732) 780-2600
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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

We have audited the Borough of South River ("Borough"), County of Middlesex, New Jersey compliance with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 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, 2014. 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.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Borough's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and OMB Circular A-133, "Audits of State, Local Governments, and Non-Profit Organizations". Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Borough's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the Borough's compliance.

Opinion on Each Major Federal Program

In our opinion, the Borough complied in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133
(CONTINUED)**

Report on Internal Control Over Compliance

Management of the Borough is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Borough's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control over compliance.

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

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

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purposes.



Gerard Stankiewicz
Certified Public Accountant
Registered Municipal Accountant #431



SAMUEL KLEIN AND COMPANY

Freehold, New Jersey
June 26, 2015

BOROUGH OF SOUTH RIVER
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

Federal Grantor/Program Title	Grant Period	Federal CFDA Number	Program or Award Amount	Current Year		Cumulative Expenditures at December 31, 2014
				Program Receipts	Federal Expenditures	
Federal Emergency Management Agency	Ongoing	97.036	\$ 2,073,570.81	\$ 128,162.73	\$ 1,218,186.11	\$ 2,073,570.81
Total Federal Emergency Management Agency				\$ 128,162.73	\$ 1,218,186.11	\$ 2,073,570.81
General Capital Fund:						
Passed Through County of Middlesex:						
Housing and Community Development:						
Purchase of a Senior Citizen Bus	10/01/11 - 09/30/12	14.228	\$ 20,000.00	\$ 9,430.00	\$ 9,430.00	\$ 9,430.00
Senior Center Improvements	10/01/13 - 09/30/14	14.228	41,394.00	41,394.00	41,394.00	41,394.00
School Improvements	10/01/14 - 09/30/15	14.228	24,700.00	24,700.00	24,700.00	24,700.00
Total General Capital Fund				\$ 75,524.00	\$ 75,524.00	\$ 75,524.00
Grant Fund:						
Passed Through County of Middlesex:						
Residential Maintenance	01/01/14 - 12/31/14	14.228	\$ 4,000.00		\$ 3,993.84	\$ 3,993.84
Physical	01/13/13 - 12/31/13	14.228	3,700.00	\$ 1,814.00	1,814.00	3,700.00
Physical	01/01/14 - 12/31/14	14.228	3,700.00	2,018.00	2,018.00	2,018.00
Senior Transportation	01/01/13 - 12/31/13	14.228	70,000.00	70,000.00	70,000.00	70,000.00
Post Sandy Planning Assistance Grant	01/01/14 - 05/31/15	14.228	80,000.00	10,000.00	10,000.00	10,000.00
Total Grant Fund				\$ 83,832.00	\$ 87,825.84	\$ 89,711.84
Total Federal Awards				\$ 287,518.73	\$ 1,381,535.95	\$ 2,238,806.65

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

BOROUGH OF SOUTH RIVER
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2014

Note 1. **GENERAL**

The accompanying schedule of expenditures of federal awards presents the activity of the federal awards of the Borough of South River, County of Middlesex. The Borough is defined in Note 1 (A) to the Borough's general-purpose financial statements. All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies are included on the schedule of expenditures of federal awards.

Note 2. **BASIS OF ACCOUNTING**

The accompanying schedule of expenditures of federal awards is presented using the basis of accounting as described in Note 1 to the Borough's financial statements.

Note 3. **RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS**

Amounts reported in the accompanying schedule agree with amounts reported in the Borough's financial statements.

Note 4. **RELATIONSHIP TO FINANCIAL REPORTS**

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports, where required.

BOROUGH OF SOUTH RIVER
COUNTY OF MIDDLESEX
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2014

MAJOR FEDERAL AWARD PROGRAMS

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified - Dated
June 26, 2015

Internal control over financial reporting:

1. Material weakness(es) identified? ___ yes no
2. Significant deficiencies identified that are not considered to be material weaknesses? ___ yes none reported

Noncompliance material to general-purpose financial statements noted? ___ yes no

Federal Awards

Internal control over major programs:

1. Material weakness(es) identified? ___ yes no
2. Significant deficiencies identified that are not considered to be material weaknesses? ___ yes none reported

Type of auditor's report issued on compliance for major programs: Unmodified - Dated
June 26, 2015

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? ___ yes no

BOROUGH OF SOUTH RIVER
COUNTY OF MIDDLESEX
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2014

MAJOR FEDERAL AWARD PROGRAMS

Section I - Summary of Auditor's Results

Federal Awards (Continued)

Identification of major programs:

<u>Federal Grant/Account Number</u>	<u>Name of Program or Cluster</u>
97.036	Federal Emergency Management Agency

Dollar threshold used to distinguish between type A and type B programs: \$300,000.00

Auditee qualified as low-risk auditee? _____ yes _____ no

BOROUGH OF SOUTH RIVER
COUNTY OF MIDDLESEX
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2014

MAJOR FEDERAL AWARD PROGRAMS

Section II - Schedule of Financial Statement Findings

FOR THE YEAR ENDED DECEMBER 31, 2014:

There were no findings for the year ended December 31, 2014.

**Section III – Schedule of State Financial Assistance
Findings and Questioned Costs**

N/A

BOROUGH OF SOUTH RIVER
COUNTY OF MIDDLESEX
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2014

FOR THE YEAR ENDED DECEMBER 31, 2013:

None.

AUDITOR'S COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS
DECEMBER 31, 2014

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.

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

Jackson Street Sewerage Pumping Station Modifications	Standby Generator
Willet Ave Electrical (Substation Improvements)	Improvements to Obert Street Parking Lot
Demolition and Site Remediation of New Firehouse Location	2014 Roadway Improvements
	Improvements to Kamm Ave
	Senior Luxury Shuttle Bus

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

Library Furniture and Equipment	Various Firefighter Equipment & Supplies
Emergency Lights for New Police Cars	Automotive Gasoline
Automotive Gasoline	Police Protective Clothing & Equipment
Fuel Oil	Vehicle Maintenance
Tires	Computer Hardware & Software and
Police Vehicle	Network Upgrades
Firefighter Equipment & Supplies	Wireless Service
Fire Protection Vehicle	

GENERAL COMMENTS (CONTINUED)
DECEMBER 31, 2014

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

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.

Collection of Interest on Delinquent Taxes and Assessments

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

The Borough, on January 1, 2014, 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. 40A:54-5-67, 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 2014, 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.

GENERAL COMMENTS (CONTINUED)
DECEMBER 31, 2014

Collection of Interest on Delinquent Taxes and Assessments (Continued)

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

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

Delinquent Taxes and Tax Title Liens

The detail of all unpaid taxes for 2014 is being properly carried in the Tax Collector's records. An abstract taken from these records as at December 31, 2014, 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 23, 2014 and was complete with respect to taxes.

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

<u>Year</u>	<u>Number of Liens</u>		
	<u>Tax</u>	<u>Water</u>	<u>Electric</u>
2014	19	6	5
2013	15	3	5
2012	16	4	4

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.

GENERAL COMMENTS (CONTINUED)
DECEMBER 31, 2014

Delinquent Electric and Water Utility Rents

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

Outside Service – Internal Procedures

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

Water Utility Receivables

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

Electric Utility Receivables

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

Parking Utility

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

OTHER COMMENTS
DECEMBER 31, 2014

Cash Balances

The cash balances in all funds were verified by independent certifications obtained from the depositories as of December 31, 2014 and May 31, 2015 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. Our examination of the Municipal Court revealed several instances of deposits not being made within forty eight (48) hours of receipt. This matter has been discussed with the Municipal Court Administrator who should take corrective action immediately.

The planning and zoning cash receipts records need to be improved in order to enhance the reconciliation to the Treasurer's records. This was commented on in a prior year's audit. Although the revenue is immaterial, the condition should be addressed. A new employee through turnover has taken over this position and it is expected improve the recordkeeping for 2015.

Expenditures

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

Payroll

An examination was made of the employees' compensation records for the year 2014 to determine that salaries were paid in conformity with the amounts of salaries and wages authorized by ordinance.

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

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

OTHER COMMENTS (CONTINUED)
DECEMBER 31, 2014

Miscellaneous Comments

Interfunds Receivable/Payable

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

Reserves

Reserves, unexpended appropriations and improvements authorization in all funds should be reviewed annually for utilization 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.

Grants

Grants receivable and appropriated reserves should be reviewed on an ongoing basis for utilization or refund to the grant source. Grants, especially the FEMA reimbursements relative to Hurricane Sandy damage should be reviewed on an ongoing basis.

General Ledger

The general ledger for 2014 was presented in accordance with acceptable accounting control standards and in accordance with the State of New Jersey technical directives related to general ledgers.

Construction Code Official

Our examination of the Uniform Construction Code Annual Report revealed the revenues for 2014 in accordance with the report were \$228,568.48 and expenditures were \$233,582.00. The excess of expenditures over revenues needs to be reviewed for corrective action.

Local School District Taxes

The payment made and amount due to the Local School District as of December 31, 2014 was verified by the School Board Secretary.

OTHER COMMENTS (CONTINUED)
DECEMBER 31, 2014

Miscellaneous Comments (Continued)

Free Public Library

The Borough collects the annual municipal tax levy and appropriates the maintenance of the Free Public Library. The Borough charges the library appropriations for expenditures such as payroll and benefits on behalf of the Library and remits the balance periodically to the Library Board of Trustees. The audit report for the Borough of South River Free Public Library as of December 31, 2014 was also prepared.

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, 2014.

Financial Procedure Review

It is suggested that for all financial processes within each department and for every borough function related to finance that a review, updating and documentation of all procedures be done in order to be in compliance with recent accounting and auditing requirements related to internal control. It is essential to the operation of an entity the size of the Borough that compliance with the procedures be emphasized and adhered in order to avoid errors, misunderstandings, assist in periods of employee turnovers provide an early warning system for defalcation and also to keep pace with the ongoing technology change in the business environment.

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 2013 audit since there were no recommendations and no plan of action is required for 2014 as a similar condition exists.

RECOMMENDATIONS
DECEMBER 31, 2014

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 cursive script, appearing to read "Gerard Stankiewicz".

Gerard Stankiewicz
Certified Public Accountant
Registered Municipal Accountant #431

For the Firm
SAMUEL KLEIN AND COMPANY