

**RIVERSIDE SEWERAGE AUTHORITY  
INDEPENDENT AUDITOR'S REPORT  
AND FINANCIAL STATEMENTS  
FOR THE YEARS ENDED  
DECEMBER 31, 2022 AND 2021**

# RIVERSIDE WATER RECLAMATION AUTHORITY

## CONTENTS

| Roster of Officials                                                                                                                                                                                         |                 | PAGE |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|------|
| Independent Auditor's Report                                                                                                                                                                                |                 | 1    |
| Report on Internal Control Over Financial Reporting and on Compliance<br>And Other Matters Based on an audit of Financial Statements Performed<br>in Accordance with <i>Governmental Auditing Standards</i> |                 | 5    |
| <b>Required Supplementary Information – Part I</b>                                                                                                                                                          |                 |      |
| Management's Discussion and Analysis                                                                                                                                                                        |                 | 7    |
| <b>Basic Financial Statements</b>                                                                                                                                                                           | <b>Exhibit</b>  |      |
| Comparative Statement of Net Position                                                                                                                                                                       | A               | 11   |
| Comparative Statement of Revenues, Expenses & Changes<br>In Net Position                                                                                                                                    | B               | 13   |
| Comparative Statement of Cash Flows                                                                                                                                                                         | C               | 14   |
| Notes to Financial Statements                                                                                                                                                                               |                 | 15   |
| <b>Required Supplementary Information – Part II</b>                                                                                                                                                         |                 |      |
|                                                                                                                                                                                                             | <b>Schedule</b> |      |
| Schedule of Revenues & Expenses – Budget & Actual                                                                                                                                                           |                 |      |
| Non-GAAP Budgetary Basis                                                                                                                                                                                    | 1               | 33   |
| Analysis of Service Fees Receivable                                                                                                                                                                         | 2               | 35   |
| Analysis of Penalties on Delinquent Accounts Receivable                                                                                                                                                     | 3               | 35   |
| Analysis of Liens Receivable                                                                                                                                                                                | 4               | 36   |
| Analysis of Accrued Interest Receivable                                                                                                                                                                     | 5               | 36   |
| Analysis of Property, Plant & Equipment – Completed                                                                                                                                                         | 6               | 37   |
| Analysis of Accrued Interest Payable                                                                                                                                                                        | 7               | 37   |
| Analysis of Loans Payable                                                                                                                                                                                   | 8               | 38   |
| Analysis of Bond Anticipation Notes                                                                                                                                                                         | 9               | 39   |
| <b>Required Supplementary Information – Part III</b>                                                                                                                                                        |                 |      |
| Schedule of the Proportionate Share of Net Pension<br>Liability – PERS                                                                                                                                      | 10              | 41   |
| Schedule of Contributions - PERS                                                                                                                                                                            | 11              | 41   |
| Notes to the Required Supplementary Information                                                                                                                                                             |                 | 43   |
| <b>General Comments and Recommendation</b>                                                                                                                                                                  |                 |      |
| General Comments:                                                                                                                                                                                           |                 |      |
| Contracts and Agreements Required to be Advertised                                                                                                                                                          |                 | 45   |
| Contracts and Agreements Requiring Solicitation of Quotations                                                                                                                                               |                 | 45   |
| Collection of Service Revenue                                                                                                                                                                               |                 | 46   |

# **RIVERSIDE WATER RECLAMATION AUTHORITY**

## **CONTENTS**

### General Comments (continued):

|                                                   |    |
|---------------------------------------------------|----|
| Collection of Interest on Delinquent Service Fees | 46 |
| Examination of Bills                              | 46 |
| Payroll Fund                                      | 46 |
| Property, Plant & Equipment                       | 46 |
| Follow-Up of Prior Year Findings                  | 46 |
| Acknowledgement                                   | 46 |

**RIVERSIDE SEWERAGE AUTHORITY**

**ROSTER OF OFFICIALS**

**AT DECEMBER 31, 2022**

**MEMBERS**

**POSITION**

Richard Horton

Chairman

George Conard, Sr.

Vice Chairman

Robert Van Meter

Member

Robert Giovanetti

Member

Ronald Mingin

Member

**OFFICERS**

Susan Dydek

Secretary

Meghan Jack

Treasurer

**CONSULTANTS**

Pennoni Associates

Engineer

Marmero Law, LLC

Solicitor

Brent W. Lee & Co., LLC

Auditor

**RIVERSIDE SEWERAGE AUTHORITY**  
**(A Component Unit of the Township of Riverside)**

**INDEPENDENT AUDITOR'S REPORTS**  
**AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2022**



**BRENT W. LEE & CO., LLC**  
Certified Public Accounting Firm

## **INDEPENDENT AUDITOR'S REPORT**

To the Chairman and Members of the  
Riverside Sewerage Authority  
County of Burlington  
Camden, New Jersey 08075

### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Riverside Sewerage Authority ( the "Authority"), a component unit of Riverside Township, in the County of Burlington, State of New Jersey, as of and for the fiscal years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Authority as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles 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 for 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.

**609-456-8804**  
**39 Paddock Lane, Cinnaminson, NJ 08077**

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

## **Report on Summarized Comparative Information**

We have previously audited the Authority's 2021 basic financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 26, 2022, in accordance with the financial reporting provisions described in Note 1. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

## **Required Supplemental Information**

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis and Budgetary Comparison Information, as listed on the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standard generally accepted in the United States of America. In our opinion the combining and individual non-major fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## **Other Information**

Management is responsible for the other information included in the financial statements. The other information comprises the supplementary information and statistical section, as listed in the table of contents, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued a report dated August 11, 2023 on our consideration of the Authority'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 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 Authority's internal control over financial reporting and compliance.

Respectfully submitted,



Brent W. Lee  
Certified Public Accountant

Cinnaminson, New Jersey  
August 11, 2023



BRENT W. LEE & CO., LLC  
Certified Public Accounting Firm

**INDEPENDENT AUDITOR'S 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**

To the Chairman and Members of the  
Riverside Sewerage Authority  
County of Burlington  
Riverside, New Jersey 08075

We have audited, in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the business-type activities of the Riverside Sewerage Authority, County of Burlington, State of New Jersey (the "Authority"), as of and for the year ended December 31, 2022, and related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued my report thereon dated August 11, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Authority'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 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.

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 deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards* or audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the 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.

Respectfully submitted,



Brent W. Lee  
Certified Public Accountant

Cinnaminson, New Jersey  
August 11, 2023

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

**Management's Discussion and Analysis**

**RIVERSIDE SEWERAGE AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ending December 31, 2022  
(Unaudited)**

The Riverside Sewerage Authority (the Authority) was established by the Township of Riverside for the collection and disposal of Township sewage. The Authority's service area includes the Township and an estimated 500 residences/commercial in Delran Township. This section of the Authority's annual financial report provides a discussion and analysis of the financial performance for fiscal year ending December 31, 2022. The entire annual financial report consists of four parts; Independent Auditor's Reports, the management's discussion and analysis, the basic financial statements and supplemental schedules.

**FINANCIAL HIGHLIGHTS**

**Sewer Rates** – Sewer rates remained stable for 2022.

**Total Assets** - Total assets and deferred outflow of resources at the end of FY 2022 were \$6,432,835.29 after deducting liabilities and deferred inflows of resources net position equals \$5,051,624.73.

**Total Operating Revenue-** FY 2022 operating revenues totaling \$ 2,219,632.89 were increased from last year's amount of \$2,210,563.25, which was mainly due to Service Charges Revenue higher in 2022.

**Total Operating Expenses** – FY 2022 operating expenses of \$1,659,320.51 were decreased from last year's amount of \$1,883,401.72, which is due to a decrease in the cost of providing service expenses.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The basic financial statements report information about the Authority as a whole using accounting methods similar to those used by private-sector companies. The comparative statement of net position includes all of the Authority's assets, liabilities and deferred inflows and outflows. As the Authority follows the accrual method of accounting, the current year's revenues and expenses are accounted for in the statement of changes in net position regardless of when cash is received or paid. Net Position – the residual of all other elements presented in a statement of financial position.

The comparative statement of revenues, expenses and changes in net position provides a breakdown of the various areas of revenues and expenses encountered during the current year.

The comparative statement of cash flows provides a breakdown of the sources of cash flow, categorized into four areas: Cash flows from operating activities, capital and related financing activities and investing activities.

**FINANCIAL ANALYSIS OF THE AUTHORITY**

The Authority's total assets and deferred outflows of resources were \$6,432,835.29 on December 31, 2022. Total assets, deferred outflows of resources, total liabilities, deferred inflows of resources and total net position are detailed below.

A significant portion of the Authority's net position 52.42% represents its investment in capital assets (i.e. sewer lines, treatment plant, buildings, improvements and equipment); less the related debt outstanding used to acquire those capital assets. Although the Authority's investment in its capital assets is reported net of related debt, it is noted that the resources required to repay this debt must be provided annually from operations, since the capital assets themselves cannot be used to liquidate liabilities.

An additional portion of the Authority's net position 0.20% represents resources that are subject to external restrictions on how they can be used under restricted covenants. The remaining unrestricted net position 47.38% may be used to meet the Authority's capital and ongoing obligations.

Operating Revenues of the Authority increased .14% due mainly to Service Charges Revenue increased slightly in 2022 and operating expenses decreased 11.90% mainly due to cost of providing service expenses being slightly lower in 2022.

Comparative Statement of Net Position  
As of December 31, 2022 and 2021

|                                                                     | 2022                   | 2021                   |
|---------------------------------------------------------------------|------------------------|------------------------|
| <u>ASSETS</u>                                                       |                        |                        |
| Unrestricted Assets                                                 | \$ 3,488,714.19        | \$ 2,914,542.09        |
| Restricted Assets                                                   | 13,179.55              | 8,775.11               |
| Net Property, Plant & Equipment                                     | <u>2,733,652.55</u>    | <u>2,953,480.00</u>    |
| Total Assets                                                        | <u>\$ 6,235,546.29</u> | <u>\$ 5,876,797.20</u> |
| <u>DEFERRED OUTFLOWS OF RESOURCES</u>                               |                        |                        |
| Pension Deferred Outflows                                           | <u>\$ 197,289.00</u>   | <u>280,066.00</u>      |
| Total Assets and Deferred Outflow of Resources                      | <u>\$ 6,432,835.29</u> | <u>\$6,025,514.01</u>  |
| <u>LIABILITIES</u>                                                  |                        |                        |
| Current Liabilities Payable from Unrestricted Assets                | \$ 131,755.72          | \$ 203,435.93          |
| Current Liabilities Payable from Restricted Assets                  | 30,956.84              | 67,160.59              |
| Long-Term Liabilities Payable from Unrestricted Assets              | 961,781.00             | 770,891.37             |
| Long-Term Liabilities Payable from Restricted Assets                | <u>57,000.00</u>       | <u>85,222.89</u>       |
| Total Liabilities                                                   | <u>\$ 1,181,493.56</u> | <u>\$ 1,126,710.78</u> |
| <u>DEFERRED INFLOWS OF RESOURCES</u>                                |                        |                        |
| Pension Deferred Inflows                                            | <u>\$ 199,717.00</u>   | <u>\$ 537,449.00</u>   |
| <u>NET POSITION</u>                                                 |                        |                        |
| Net Investment in Capital Assets                                    | \$ 2,648,152.55        | \$ 2,803,553.36        |
| Restricted Net Position                                             | 10,034.66              | 8,846.31               |
| Unrestricted Net Position                                           | <u>2,393,437.52</u>    | <u>1,680,303.75</u>    |
| Total Net Position                                                  | <u>\$ 5,051,624.73</u> | <u>\$ 4,492,703.42</u> |
| Total Liabilities, Deferred Inflow of Resources<br>and Net Position | <u>\$ 6,432,835.29</u> | <u>\$6,156,863.20</u>  |

Comparative Statement of Revenues, Expenses and Changes in Net Position  
For the Years Ended December 31, 2022 and 2021

|                                       | 2022            | 2021            |
|---------------------------------------|-----------------|-----------------|
| Operating Revenues:                   |                 |                 |
| Service Fees                          | \$ 1,898,893.68 | \$ 1,877,725.58 |
| Connection Fee Revenues               | 239,315.48      | 254,219.54      |
| Penalties on Delinquent Accounts      | 50,570.62       | 35,089.61       |
| Other Operating Revenues              | 30,853.11       | 43,528.52       |
|                                       | <hr/>           | <hr/>           |
| Total Operating Revenues              | 2,219,632.89    | 2,210,563.25    |
|                                       | <hr/>           | <hr/>           |
| Operating Expenses:                   |                 |                 |
| Administration                        | 417,155.88      | 428,341.43      |
| Cost of Providing Service:            | 1,022,337.18    | 1,123,646.40    |
| Depreciation                          | 219,827.45      | 331,413.89      |
|                                       | <hr/>           | <hr/>           |
| Total Operating Expenses              | 1,659,320.51    | 1,883,401.72    |
|                                       | <hr/>           | <hr/>           |
| Total Nonoperating Revenue/(Expenses) | (1,391.07)      | (2,867.48)      |
|                                       | <hr/>           | <hr/>           |
| Change in Net Position                | 558,921.31      | 324,294.05      |
|                                       | <hr/>           | <hr/>           |
| Net Position January 1                | 4,492,703.42    | 4,168,409.37    |
|                                       | <hr/>           | <hr/>           |
| Net Position December 31,             | \$ 5,051,624.73 | \$ 4,492,703.42 |
|                                       | <hr/>           | <hr/>           |

### **OVERALL ANALYSIS**

Overall the Authority is in a sound financial position. Liabilities increased slightly by \$54,782.78 mainly due to an increase in Net Pension liability. Unrestricted Net Position increased \$713,133.77 due to the Authority making a profit.

Riverside current has one (1) of the five (5) proposed redevelopment project under construction, which will yield 190 units. In addition, three (3) two-family residential structures were completed in 2022/2023 and currently have nineteen (19) and eight (8) single-family homes under construction.

The Authority treats connection fee payments as liabilities until issuing the developer an Authority release form to acquire a Certificate of Occupancy (CO) from the Township. The release of a CO triggers the Authority's recognition of connection fee revenue.

In the first quarter 2022 we billed approximately 2600 residential units, 90 commercial units, and 10 industrial units. The minimum rate for residential users is \$100.00 per quarter and the minimum rate for commercial users is \$172.00. The number of users will continue to increase. There are currently new homes under construction and the Township is currently involved in redevelopment plans to develop 60 acres of property which would consist of an additional estimated 600 units made up of residential and commercial/industrial properties. 28 townhomes and 64 apartments are now online and Delran Township has completed a redevelopment project that added an additional 256 residential units to their Township. Half of those units are serviced by the Riverside Sewerage Authority under the existing shared services agreement, which have generated connection fees due to the Riverside Sewerage Authority.

### **BUDGET VARIANCES**

The original budget was formulated in November 2021 for the Authority's 2022 budget.

### **CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY**

The proposed five-year Capital Programs total \$700,000.00. The major line items making up a portion of the Capital Budget are:

Line/Manhole Replacement  
Plant Improvements

The Authority has not experienced any change in its credit rating, nor does it anticipate any. The Authority does not operate under any debt limitations; it is required to receive approval from the Township and the Local Finance Board prior to issuing of debt.

### **CONTACTING THE AUTHORITY'S MANAGEMENT**

This financial report is designed to provide Riverside Township residents, investors, clients and creditors, with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the public funds it receives. If you have any questions about this report or need additional financial information, contact the Treasurer, Riverside Sewerage Authority, 237 S. Pavilion Avenue, Riverside, NJ 08075.

## **FINANCIAL SECTION**

## **BASIC FINANCIAL STATEMENTS**

**RIVERSIDE SEWERAGE AUTHORITY**  
**(A Component Unit of the Township of Riverside)**  
**COMPARATIVE STATEMENT OF NET POSITION**  
**DECEMBER 31, 2022 AND 2021**

**ASSETS**

| Current Assets:                             | 2022            | 2021            |
|---------------------------------------------|-----------------|-----------------|
| Unrestricted Assets:                        |                 |                 |
| Cash & Cash Equivalents                     | \$ 3,143,595.61 | \$ 2,599,458.46 |
| Accounts Receivable                         | 151,127.91      | 154,150.42      |
| Lien Accounts Receivable                    | 183,739.88      | 158,651.70      |
| Penalties on Delinquent Accounts Receivable | 10,250.79       | 2,281.51        |
|                                             | <hr/>           | <hr/>           |
| Total Unrestricted Current Assets           | 3,488,714.19    | 2,914,542.09    |
|                                             | <hr/>           | <hr/>           |
| Restricted Assets:                          |                 |                 |
| Due From Riverside Township                 | 6,857.07        | 1,845.33        |
| Accrued Investment Income Receivable        |                 | 607.30          |
| Due from Developer                          | 6,322.48        | 6,322.48        |
|                                             | <hr/>           | <hr/>           |
| Total Restricted Assets                     | 13,179.55       | 8,775.11        |
|                                             | <hr/>           | <hr/>           |
| Property, Plant & Equipment (Note 6):       |                 |                 |
| Completed                                   | 16,404,695.47   | 16,404,695.47   |
| Accumulated Depreciation                    | (13,671,042.92) | (13,451,215.47) |
|                                             | <hr/>           | <hr/>           |
| Net Property, Plant & Equipment             | 2,733,652.55    | 2,953,480.00    |
|                                             | <hr/>           | <hr/>           |
| Total Assets                                | 6,235,546.29    | 5,876,797.20    |
|                                             | <hr/>           | <hr/>           |

**DEFERRED OUTFLOWS OF RESOURCES**

|                                                 |                 |                 |
|-------------------------------------------------|-----------------|-----------------|
| Pension Deferred Outflows                       | 197,289.00      | 280,066.00      |
|                                                 | <hr/>           | <hr/>           |
| Total Deferred Outflows of Resources            | 197,289.00      | 280,066.00      |
|                                                 | <hr/>           | <hr/>           |
| Total Assets and Deferred Outflows of Resources | \$ 6,432,835.29 | \$ 6,156,863.20 |
|                                                 | <hr/>           | <hr/>           |

The accompanying Notes to the Financial Statements are an integral part of this Statement.

**RIVERSIDE SEWERAGE AUTHORITY**  
**(A Component Unit of the Township of Riverside)**  
**COMPARATIVE STATEMENT OF NET POSITION**  
**DECEMBER 31, 2022 AND 2021**

**LIABILITIES**

|                                                              | 2022          | 2021         |
|--------------------------------------------------------------|---------------|--------------|
| Current Liabilities Payable From Unrestricted Assets:        |               |              |
| Accounts Payable                                             | \$ 108,228.83 | \$ 74,402.61 |
| Payroll Deductions Payable                                   |               | 221.24       |
| Accrued Interest Payable                                     | 932.30        | 2,750.89     |
| Sewer Overpayments                                           | 5,670.17      | 5,774.80     |
| Compensated Absences Payable                                 | 10,412.42     | 8,587.39     |
| Pension Payable                                              | 6,512.00      | 111,699.00   |
|                                                              | <hr/>         | <hr/>        |
| Total Current Liabilities Payable From Unrestricted Assets   | 131,755.72    | 203,435.93   |
|                                                              | <hr/>         | <hr/>        |
| Current Liabilities Payable From Restricted Assets:          |               |              |
| Cash Deficit                                                 | 2,406.22      | 2,406.22     |
| Developer's Deposits                                         | 50.62         | 50.62        |
| Bond Anticipation Notes Payable - Current Portion            | 28,500.00     | 51,500.00    |
| New Jersey EIT Loans Payable - Current Portion               |               | 13,203.75    |
|                                                              | <hr/>         | <hr/>        |
| Total Current Liabilities Payable From Restricted Assets     | 30,956.84     | 67,160.59    |
|                                                              | <hr/>         | <hr/>        |
| Long-Term Liabilities Payable From Unrestricted Assets:      |               |              |
| Compensated Absences Payable                                 | 18,672.00     | 17,626.37    |
| Net Pension Liability                                        | 943,109.00    | 753,265.00   |
|                                                              | <hr/>         | <hr/>        |
| Total Long-Term Liabilities Payable From Unrestricted Assets | 961,781.00    | 770,891.37   |
|                                                              | <hr/>         | <hr/>        |
| Long-Term Liabilities Payable From Restricted Assets:        |               |              |
| Bond Anticipation Notes Payable                              | 57,000.00     | 83,826.86    |
| New Jersey EIT Loans Payable (Net of Unamortized Premium)    |               | 1,396.03     |
|                                                              | <hr/>         | <hr/>        |
| Total Long-Term Liabilities Payable From Restricted Assets   | 57,000.00     | 85,222.89    |
|                                                              | <hr/>         | <hr/>        |
| Total Liabilities                                            | 1,181,493.56  | 1,126,710.78 |
|                                                              | <hr/>         | <hr/>        |

**DEFERRED INFLOWS OF RESOURCES**

|                                     |            |            |
|-------------------------------------|------------|------------|
| Pension Deferred Inflows            | 199,717.00 | 537,449.00 |
|                                     | <hr/>      | <hr/>      |
| Total Deferred Inflows of Resources | 199,717.00 | 537,449.00 |
|                                     | <hr/>      | <hr/>      |

**NET POSITION**

|                                                                   |                 |                 |
|-------------------------------------------------------------------|-----------------|-----------------|
| Net Investment in Capital Assets                                  | 2,648,152.55    | 2,803,553.36    |
| Restricted:                                                       |                 |                 |
| State Unemployment Compensation                                   | 10,034.66       | 8,846.31        |
| Unrestricted:                                                     |                 |                 |
| Unrestricted                                                      | 2,393,437.52    | 1,680,303.75    |
|                                                                   | <hr/>           | <hr/>           |
| Total Net Position                                                | 5,051,624.73    | 4,492,703.42    |
|                                                                   | <hr/>           | <hr/>           |
| Total Liabilities, Deferred Inflows of Resources and Net Position | \$ 6,432,835.29 | \$ 6,156,863.20 |
|                                                                   | <hr/>           | <hr/>           |

The accompanying Notes to the Financial Statements are an integral part of this Statement.

**RIVERSIDE SEWERAGE AUTHORITY**  
**(A Component Unit of the Township of Riverside)**  
**COMPARATIVE STATEMENT OF REVENUE, EXPENSES AND**  
**CHANGES IN NET POSITION**  
**DECEMBER 31, 2022 AND 2021**

|                                                         | 2022            | 2021            |
|---------------------------------------------------------|-----------------|-----------------|
| Operating Revenues:                                     |                 |                 |
| Service Fees                                            | \$ 1,898,893.68 | \$ 1,877,725.58 |
| Connection Fee Revenues                                 | 239,315.48      | 254,219.54      |
| Penalties on Delinquent Accounts                        | 50,570.62       | 35,089.61       |
| Other Operating Revenues                                | 30,853.11       | 43,528.52       |
|                                                         | <hr/>           | <hr/>           |
| Total Operating Revenues                                | 2,219,632.89    | 2,210,563.25    |
|                                                         | <hr/>           | <hr/>           |
| Operating Expenses:                                     |                 |                 |
| Administrative Expenses:                                |                 |                 |
| Salaries and Wages                                      | 187,637.30      | 183,556.60      |
| Employee Benefits                                       | 54,401.85       | 62,310.81       |
| Other Expenses                                          | 175,116.73      | 182,474.02      |
| Cost of Providing Service:                              |                 |                 |
| Salaries and Wages                                      | 411,133.33      | 447,093.44      |
| Employee Benefits                                       | 143,075.70      | 185,699.02      |
| Other Expenses                                          | 468,128.15      | 490,853.94      |
| Depreciation                                            | 219,827.45      | 331,413.89      |
|                                                         | <hr/>           | <hr/>           |
| Total Operating Expenses                                | 1,659,320.51    | 1,883,401.72    |
|                                                         | <hr/>           | <hr/>           |
| Operating Income Before Non-Operating Income/(Expenses) | 560,312.38      | 327,161.53      |
| Non-Operating Income/(Expenses):                        |                 |                 |
| Interest on Investments                                 | 2,261.95        | 4,310.11        |
| Interest Expense                                        | (4,841.37)      | (8,349.80)      |
| Net Change in Unemployment Compensation Reserve         | 1,188.35        | 1,172.21        |
|                                                         | <hr/>           | <hr/>           |
| Total Nonoperating Revenue/(Expenses)                   | (1,391.07)      | (2,867.48)      |
|                                                         | <hr/>           | <hr/>           |
| Change in Net Position                                  | 558,921.31      | 324,294.05      |
| Net Position - Beginning of Year                        | 4,492,703.42    | 4,168,409.37    |
|                                                         | <hr/>           | <hr/>           |
| Net Position December 31,                               | \$ 5,051,624.73 | \$ 4,492,703.42 |
|                                                         | <hr/>           | <hr/>           |

The accompanying Notes to the Financial Statements are an integral part of this Statement.

**RIVERSIDE SEWERAGE AUTHORITY**  
**(A Component Unit of the Township of Riverside)**  
**COMPARATIVE STATEMENT OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

|                                                             | 2022                         | 2021                       |
|-------------------------------------------------------------|------------------------------|----------------------------|
| Cash Flows From Operating Activities:                       |                              |                            |
| Receipts from Customers & Users                             | \$2,184,586.20               | 2,223,918.67               |
| Payments to Employees                                       | (598,770.63)                 | (630,650.04)               |
| Payments to Suppliers                                       | (974,649.42)                 | (1,037,396.66)             |
| Net Cash Provided by Operating Activities                   | <u>611,166.15</u>            | <u>555,871.97</u>          |
| Cash Flows From Noncapital Financing Activities:            |                              |                            |
| Developers' Escrow Deposit/Disbursement Activity            | -                            | (10,170.93)                |
| State Unemployment Compensation Reserve Payments            | 1,188.35                     |                            |
| Net Cash Provided/(Used) by Noncapital Financing Activities | <u>1,188.35</u>              | <u>(10,170.93)</u>         |
| Cash Flows Capital & Related Financing Activities:          |                              |                            |
| Interest on Debt Service                                    | (5,186.74)                   | (4,329.95)                 |
| Bond Anticipation Note Payment                              | (49,826.86)                  | (51,500.00)                |
| NJEIT Loans Principal                                       | (13,203.75)                  | (10,249.76)                |
| Acquisition of Property, Plant & Equipment                  |                              | (52,755.77)                |
| Net Cash Used by Capital & Related Financing Activities     | <u>(68,217.35)</u>           | <u>(118,835.48)</u>        |
| Net Increase/(Decrease) in Cash & Cash Equivalents          | 544,137.15                   | 426,865.56                 |
| Cash & Cash Equivalents at January 1,                       | 2,597,052.24                 | 2,170,186.68               |
| Cash & Cash Equivalents at December 31,                     | <u><u>\$3,141,189.39</u></u> | <u><u>2,597,052.24</u></u> |

**Reconciliation on Net Income to Cash Provided/(Used) by Operating Activities:**

|                                                              |                            |                          |
|--------------------------------------------------------------|----------------------------|--------------------------|
| Operating Income/(Loss)                                      | \$560,312.38               | 327,161.53               |
| Adjustments to Reconcile Operating Income/(Loss) to Net Cash |                            |                          |
| Provided by/(Used For) Operating Activities:                 |                            |                          |
| Depreciation Expense                                         | 219,827.45                 | 331,413.89               |
| Changes in Operating Assets & Liabilities:                   |                            |                          |
| Service Fees Receivable                                      | 3,022.51                   | 257.54                   |
| Penalties on Delinquent Accounts Receivable                  | (7,969.28)                 | 7,340.06                 |
| Liens Receivable                                             | (25,088.18)                | (16,361.53)              |
| Other Accounts Receivable                                    |                            | 9,221.38                 |
| Accounts Payable                                             | 33,826.22                  | 4,154.39                 |
| Payroll Deductions Payable                                   | (221.24)                   | (3,742.37)               |
| Pension Payable                                              | (170,298.00)               | (119,390.00)             |
| Due from Developer                                           |                            | (3,483.49)               |
| Due to Riverside Township                                    | (5,011.74)                 | 16,381.46                |
| Overpaid Consumer Accounts Receivable                        | (104.63)                   | 1,103.91                 |
| Compensated Absences Payable                                 | 2,870.66                   | 1,815.20                 |
| Net Cash Provided by Operating Activities                    | <u><u>\$611,166.15</u></u> | <u><u>555,871.97</u></u> |

The accompanying Notes to the Financial Statements are an integral part of this Statement.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**RIVERSIDE SEWERAGE AUTHORITY**  
**(A Component Unit of the Township of Riverside)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**Note 1. Summary of Significant Accounting Policies**

The financial statements of the Authority have been prepared on the accrual basis of accounting and in accordance with generally accepted accounting principles ("GAAP") applicable to enterprise funds of state and local governments.

**A. Reporting Entity:**

The Riverside Sewerage Authority was established by the Township of Riverside for the collection and disposal of Township sewerage. The Authority's service area includes the Township and an estimated 450 residences in Delran Township. The Authority and the Township have a service agreement that requires the Authority to set its service rates to support its daily operations and make debt service payments to the Township. The Authority Board consists of five members, who are appointed by Township resolution for five-year staggered terms.

**Component Unit**

The Riverside Sewerage Authority is a component unit of the Township of Riverside as described in Government Accounting Standards Board Statement No. 14. These financial statements would either be blended or discreetly presented as part of the Township's financial statements if the Township reported using generally accepted accounting principles applicable to governmental entities.

**B. Basis of Presentation - Fund Accounting:**

The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. Each fund is a separate accounting entity with a self-balancing set of accounts. The financial statements of the Authority are maintained in accordance with the principles of fund accounting applicable to Proprietary Funds. A proprietary fund is used to account for governmental activities that are similar to activities that may be performed by a commercial enterprise. There are two types of proprietary funds: an Internal Service Fund and an Enterprise Fund. The Authority accounts for its operations in an Enterprise Fund.

**Enterprise Funds** – are used to account for operations, the measurement of which is a determination of net profit from operations, which includes an accounting for all cost allocations, including depreciation, associated with the fund. The costs of services rendered by the fund are financed primarily through user charges. The accrual method as used by business enterprises is the basis of accounting for proprietary funds.

**Proprietary Funds** - are reported in accordance with Governmental Accounting Standards Board (GASB) Statement No. 20. "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting". This standard requires that all applicable GASB pronouncements, Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions and Accounting Research Bulletins (ARB's) issued on or before November 30, 1989, be applied to proprietary activities unless they (FASB Statements and Interpretations, APB Opinions, and ARB's) conflict with or contradict GASB pronouncements.

**RIVERSIDE SEWERAGE AUTHORITY**  
**(A Component Unit of the Township of Riverside)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**Note 1. Summary of Significant Accounting Policies (continued):**

**B. Basis of Presentation - Fund Accounting: (continued):**

GASB Statement No. 20 also states that proprietary activities may elect to apply all FASB Statements and Interpretations issued after December 31, 1989, except for those that conflict with or contradict GASB pronouncements. The Authority has not elected to apply FASB Statements and Interpretations issued after December 31, 1989, unless they are adopted by GASB.

All activities of the Authority are accounted for within a single proprietary (enterprise) fund. Proprietary funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprise where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The accounting and financial reporting treatment applied to the Authority is determined by its measurement focus. The transactions of the Authority are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the balance sheet. Net position (i.e., total assets net of total liabilities) are segregated into invested capital assets, net of related debt; restricted for capital activity; restricted for debt service; and unrestricted components.

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements:

The following GASB Statements became effective for the year ended December 31, 2022:

Statement No. 87, *Leases*. This Standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. Management does not expect this Statement to have a material impact on the Authority's financial statements.

Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objective of this Statement is to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period. It also simplifies accounting for interest cost incurred before the end of a construction period. The adoption of this statement had no impact on the Authority's financial statements.

**RIVERSIDE SEWERAGE AUTHORITY**  
**(A Component Unit of the Township of Riverside)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**Note 1. Summary of Significant Accounting Policies (continued):**

**B. Basis of Presentation - Fund Accounting: (continued):**

Recently Issued Accounting Pronouncements

The GASB has issued the following statements which will become effective in future fiscal years:

Statement No. 96, *Subscription-Based Information Technology Arrangements*. Statement No. 96 establishes a single approach to accounting to accounting and financial reporting for subscription-based information technology arrangements for government end users. Statement No. 96 is effective for reporting periods beginning after June 15, 2022. Management has not yet determined the potential impact on the Authority's financial statements.

Statement No. 101, *Compensated Absences*. Statement No. 101 aligns the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Statement No. 101 is effective for reporting periods beginning after December 15, 2023. Management has not yet determined the potential impact on the Authority's financial statements.

**C. Basis of Accounting:**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Enterprise funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflow of resources, all liabilities and deferred inflow of resources associated with the operation of these funds are included on the statement of net position. Net position is segregated into net investment in capital assets, restricted and unrestricted net position components. Operating statements for enterprise funds present increases (revenues) and decreases (expenses) in net position. Enterprise funds are maintained on the accrual basis of accounting wherein revenues are recognized in the accounting period in which they are earned and become measurable and expenses are recognized in the period incurred, if measurable.

**D. Budgetary and Budgetary Accounting:**

The Riverside Sewerage Authority must adopt an annual budget in accordance with *N.J.A.C.5:31-2*. *N.J.A.C.5:31-2* requires the governing body to introduce the annual Authority budget at least 60 days prior to the end of the current fiscal year and to adopt not later than the beginning of the Authority's fiscal year. The governing body may amend the budget at any point during the year. The Budget is adopted on the accrual basis of accounting with provisions for cash payments for bond principal and capital outlays. Depreciation expense and amortization of bond issue costs and deferred amount on defeasance are not included in the budget appropriations.

The legal level of budgetary control is established at the detail shown on the statement of Revenues, Expenses and Changes in Net Position. All budget transfers and amendments to those accounts must be approved by resolution of the Authority as required by the Local Finance Board. Management may transfer among supplementary line items as long as the legal level line items are not affected. There are no statutory requirements that budgetary line items not be over-expended.

**RIVERSIDE SEWERAGE AUTHORITY**  
**(A Component Unit of the Township of Riverside)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**Note 1. Summary of Significant Accounting Policies (continued):**

**E. Cash, Cash Equivalents and Investments:**

Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at market value.

Local units are required by *N.J.S.A.40A:5-14* to annually adopt a cash management plan and must deposit its funds pursuant to that plan. The cash management plan includes a designation of a depository or depositories as defined in Section 1 of P.L. 1970, c.236 (C. 17.9-41). In lieu of designating a depository, the cash management plan may provide that the local units make deposits with the State of New Jersey Cash Management Fund.

*N.J.S.A.17:9-41 et seq.*, establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in the State of New Jersey or state or federally chartered banks, savings banks or associations located in another state with a branch office in the State of New Jersey, the deposits of equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount to their deposits to the governmental units. The cash management plan adopted by the Riverside Sewerage Authority requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

**F. Income Taxes:**

The Authority operates as defined by Internal Revenue Code Section 115 and appropriately is exempt from income taxes under Section 115.

**G. Inventory of Supplies:**

The costs of inventories of supplies are recorded as expenditures at the time the individual items are purchased. The Authority has determined that inventories were immaterial as of year-end, and consequently, are not reflected on the statement of net position.

**H. Property, Plant and Equipment:**

Property, Plant and equipment owned by the Authority are recorded at cost or, if contributed property, at their fair market value at the time of contribution and includes certain infrastructure assets such as the sanitary sewerage lines. Repairs and maintenance are recorded as expenses. The Authority capitalized interest on significant capital projects that are expected to be under construction for more than one year.

**RIVERSIDE SEWERAGE AUTHORITY**  
**(A Component Unit of the Township of Riverside)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**Note 1. Summary of Significant Accounting Policies (continued):**

**H. Property, Plant and Equipment (continued):**

Expenditures are capitalized when they meet the following requirements:

- 1) Cost of \$5,000 or more
- 2) Useful life of more than one-year
- 3) Asset is not affected by consumption

Interest costs incurred during construction are not capitalized into the cost of the asset.

Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

|                                 |             |
|---------------------------------|-------------|
| Sewer Plant & Collection System | 50-60 years |
| Major Equipment                 | 5-10 years  |
| Vehicles                        | 5-10 years  |

**I. Net Position:**

Net Position comprises the various earnings from operating income, nonoperating revenues, expenses and capital contributions. Net position is classified in the following three categories:

1. **Investment in Capital Assets** – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.
2. **Restricted** – This component of net position consists of external constraints imposed by creditors (such as debt covenants), grantors, contributors, laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation, that restricts the use of net position.
3. **Unrestricted** – This component of net position consists of net assets that do not meet the definition of “restricted” or “investment in capital assets.” This component includes net position that may be allocated for specific purposes by the Board.

**Note 2. Stewardship, Compliance and Accountability**

**Compliance with Finance Related Legal and Contractual Provisions** - The Authority has no material violations of finance related legal and contractual provisions.

**RIVERSIDE SEWERAGE AUTHORITY**  
**(A Component Unit of the Township of Riverside)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**Note 3. Cash and Cash Equivalents and Investments**

The Authority is governed by the deposit and investment limitations of New Jersey state law. The Deposits and investments held at December 31, 2022 and 2021 and reported at fair value are as follows:

| Type             | 2022<br>Carrying<br>Value | 2021<br>Carrying<br>Value |
|------------------|---------------------------|---------------------------|
| <b>Deposits:</b> |                           |                           |
| Demand Deposits  | <u>\$ 3,141,189.39</u>    | <u>\$ 2,597,052.24</u>    |
| Total Deposits   | <u>\$ 3,141,189.39</u>    | <u>\$ 2,597,052.24</u>    |

**Reconciliation of Statement of Comparative Statement of Net Position:**

|                                                                  | 2022<br>Carrying<br>Value | 2021<br>Carrying<br>Value |
|------------------------------------------------------------------|---------------------------|---------------------------|
| Current:                                                         |                           |                           |
| Unrestricted Assets – Cash & Cash Equivalents                    | \$ 3,143,595.61           | \$ 2,599,458.46           |
| Restricted Assets – Cash & Cash Equivalents                      | <u>(2,406.22)</u>         | <u>(2,406.22)</u>         |
| Total Reconciliation of Comparative Statement of<br>Net Position | <u>\$ 3,141,189.39</u>    | <u>\$ 2,170,186.69</u>    |

**Custodial Credit Risk** – Deposits in financial institutions, reported as components of cash, cash equivalents and investments had a bank balance of \$3,146,290.27 and \$2,597,763.84 at December 31, 2022 and 2021 respectively.

As of December 31, 2022 and 2021, the Authority's bank balances were exposed to custodial credit risk as follows:

|                  | <u>2022</u>            | <u>2021</u>            |
|------------------|------------------------|------------------------|
| Insured by FDIC  | \$ 250,000.00          | \$ 250,000.00          |
| Insured by GUDPA | <u>2,896,290.27</u>    | <u>2,347,052.24</u>    |
| Total            | <u>\$ 3,146,290.27</u> | <u>\$ 2,597,052.24</u> |

**Investment Interest Rate Risk** – The Authority has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Maturities of investment held at December 31, 2022, are provided in the above schedule.

**RIVERSIDE SEWERAGE AUTHORITY**  
**(A Component Unit of the Township of Riverside)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**Note 3. Cash and Cash Equivalents and Investments (continued):**

**Investment Credit Risk** – The Authority has no investment policy that limits its investment choices other than the limitation of state law as follows:

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- Government money market mutual funds;
- Any obligation that a federal agency or federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor;
- Bonds or other obligations of the Authority or bonds or other obligations of the local unit or units within which the Authority is located;
- Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, approved by the Division of Investment in the Department of Treasury for investment by the Authority;
- Local Governments investment pools;
- Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281; or
- Agreements for the repurchase of fully collateralized securities with certain limitations.

**Concentration of Investment Credit Risk** – The Authority places no limit on the amount it may invest in any one issuer.

**Note 4. Governmental Unit Deposit Protection Act (GUDPA)**

The Authority has deposited cash with an approved public fund depository qualified under the provisions of the Government Unit Deposit Protection Act. In addition to savings and checking accounts the Authority invests monies in certificates of deposits.

The Governmental Unit Deposit Protection Act P.L. 1970, Chapter 236, was passed to afford protection against bankruptcy or default by a depository. C.17:9-42 provides that no governmental unit shall deposit funds in a public depository unless such funds are secured in accordance with this act. C.17:9-42 provides that every public depository having public funds on deposit shall, as security for such deposits, maintain eligible collateral having a market value at least equal to either (1) 5% of the average daily balance of collected public funds on deposit during the 6 month period ending on the next preceding valuation date (June 30 or December 31) or (2) at the election of the depository, at least equal to 5% of the average balance of collected public funds on deposit on the first, eighth, fifteenth, and twenty-second days of each month in the 6 month period ending on the next preceding valuation date (June 30 or December 31). No public depository shall be required to maintain any eligible collateral pursuant to this

**RIVERSIDE SEWERAGE AUTHORITY**  
**(A Component Unit of the Township of Riverside)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**Note 4. Governmental Unit Deposit Protection Act (GUDPA) (continued):**

act as security for any deposit or deposits of any governmental unit to the extent such deposits are insured by F.D.I.C. or any other U.S. agency which insures public depository funds.

No public depository shall at any time receive and hold on deposit for any period in excess of 15 days public funds of a governmental unit(s) which, in the aggregate, exceed 75% of the capital funds of the depository, unless such depository shall, in addition to the security required to be maintained under the paragraph above; secure such excess by eligible collateral with a market value at least equal to 100% of such excess.

In the event of a default, the Commissioner of Banking within 20 days after the default occurrence shall ascertain the amount of public funds on deposit in the defaulting depository and the amounts covered by federal deposit insurance and certify the amounts to each affected governmental unit. Within 10 days after receipt of this certification, each unit shall furnish to the Commissioner verified statements of its public deposits. The Commissioner shall ascertain the amount derived or to be derived from the liquidation of the collateral maintained by the defaulting depository and shall distribute such proceeds pro rata among the governmental units to satisfy the net deposit liabilities to such units.

If the proceeds of the sale of the collateral are insufficient to pay in full the liability to all affected governmental units, the Commissioner shall assess the deficiency against all other public depositories having public funds on deposit determined by a formula determined by law. All sums collected by the Commissioner shall be paid to the governmental units having deposits in the defaulting depository in the proportion that the net deposit liability to each such governmental unit bears to the aggregate of the net deposit liabilities to all such governmental units.

All public depositories are required to furnish information and reports dealing with public funds on deposit every six months, June 30th and December 31st, with the Commissioner of Banking. Any public depository which refuses or neglects to give any information so requested may be excluded by the Commissioner from the right to receive public funds for deposit until such time as the Commissioner shall acknowledge that such depository has furnished the information requested.

Upon review and approval of the Certification Statement that the public depository complies with statutory requirements, the Commissioner issues forms approving the bank as a municipal depository. The Authority should request copies of these approval forms semiannually to assure that all depositories are complying with requirements.

**Note 5. Sewer Utility Service Charges**

The following is a three-year comparison of sewer utility service charges/rents for the current and previous two years:

| <b>Fiscal Year</b> | <b>Beginning Balance</b> | <b>Billings</b> | <b>Total Collections</b> | <b>Percentage of Collections</b> |
|--------------------|--------------------------|-----------------|--------------------------|----------------------------------|
| 2022               | \$154,150.42             | \$1,898,893.68  | \$1,878,801.26           | 91.51%                           |
| 2021               | 154,407.96               | 1,877,725.58    | 1,858,859.12             | 91.47%                           |
| 2020               | 177,285.18               | 1,899,748.53    | 1,899,581.34             | 91.46%                           |

**RIVERSIDE SEWERAGE AUTHORITY**  
**(A Component Unit of the Township of Riverside)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**Note 6. Property, Plant and Equipment**

The following is a summary of changes in the Authority's property, plant and equipment for the years ended December 31, 2022 and 2021:

| <u>Description</u>                       | <u>Balance<br/>December 31,<br/>2021</u> | <u>Additions</u> | <u>Adjust/<br/>Deletions</u> | <u>Balance<br/>December 31,<br/>2022</u> |
|------------------------------------------|------------------------------------------|------------------|------------------------------|------------------------------------------|
| Land                                     | \$ 35,000.00                             |                  |                              | \$ 35,000.00                             |
| Construction In Progress                 | -                                        |                  |                              | -                                        |
| <u>Capital Assets Being Depreciated:</u> |                                          |                  |                              |                                          |
| Plant:                                   |                                          |                  |                              |                                          |
| Treatment Plant                          | 12,424,389.95                            |                  |                              | 12,424,389.95                            |
| Collection System                        | 3,249,027.48                             |                  |                              | 3,249,027.48                             |
| Major Moveable Equipment                 | 57,764.00                                |                  |                              | 57,764.00                                |
| Vehicles                                 | 638,514.04                               |                  |                              | 638,514.04                               |
| Total Assets Being Depreciated           | \$ 16,369,695.47                         | -                | -                            | \$16,369,695.47                          |
| <u>Less: Accumulated Depreciation:</u>   |                                          |                  |                              |                                          |
| Plant:                                   |                                          |                  |                              |                                          |
| Treatment Plant                          | (10,346,998.01)                          | (92,351.15)      |                              | (10,439,349.16)                          |
| Collection System                        | (2,720,341.16)                           | (66,741.80)      |                              | (2,787,082.96)                           |
| Major Moveable Equipment                 | (53,032.00)                              | (1,352.00)       |                              | (54,384.00)                              |
| Vehicles                                 | (330,844.30)                             | (59,382.50)      |                              | (390,226.80)                             |
| Total Accumulated Depreciation           | \$(13,451,215.47)                        | (219,827.45)     | -                            | \$(13,671,042.92)                        |
| Net Capital Assets Being Depreciated     | \$ 2,918,480.00                          | (219,827.45)     | -                            | 2,698,652.55                             |
| Total Capital Assets                     | \$ 2,953,480.00                          | (219,827.45)     | -                            | \$ 2,733,652.55                          |

| <u>Description</u>                       | <u>Balance<br/>December 31,<br/>2020</u> | <u>Additions</u> | <u>Adjust/<br/>Deletions</u> | <u>Balance<br/>December 31,<br/>2021</u> |
|------------------------------------------|------------------------------------------|------------------|------------------------------|------------------------------------------|
| Land                                     | \$ 35,000.00                             |                  |                              | \$ 35,000.00                             |
| Construction In Progress                 | 2,196.11                                 | 52,755.77        | (54,951.88)                  | -                                        |
| <u>Capital Assets Being Depreciated:</u> |                                          |                  |                              |                                          |
| Plant:                                   |                                          |                  |                              |                                          |
| Treatment Plant                          | 12,424,389.95                            |                  |                              | 12,424,389.95                            |
| Collection System                        | 3,194,075.60                             |                  | 54,951.88                    | 3,249,027.48                             |
| Major Moveable Equipment                 | 57,764.00                                |                  |                              | 57,764.00                                |
| Vehicles                                 | 638,514.04                               |                  |                              | 638,514.04                               |
| Total Assets Being Depreciated           | \$ 16,136,776.55                         | -                | 54,951.88                    | \$16,369,695.47                          |

**RIVERSIDE SEWERAGE AUTHORITY**  
**(A Component Unit of the Township of Riverside)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**Note 6. Property, Plant and Equipment (continued):**

| <u>Description</u>                     | <u>Balance<br/>December 31,<br/>2020</u> | <u>Additions</u>    | <u>Adjust/<br/>Deletions</u> | <u>Balance<br/>December 31,<br/>2021</u> |
|----------------------------------------|------------------------------------------|---------------------|------------------------------|------------------------------------------|
| <u>Less: Accumulated Depreciation:</u> |                                          |                     |                              |                                          |
| Plant:                                 |                                          |                     |                              |                                          |
| Treatment Plant                        | (10,115,558.75)                          | (231,439.26)        |                              | (10,346,998.01)                          |
| Collection System                      | (2,681,101.03)                           | (39,240.13)         |                              | (2,720,341.16)                           |
| Major Moveable Equipment               | (51,680.00)                              | (1,352.00)          |                              | (53,032.00)                              |
| Vehicles                               | (271,461.80)                             | (59,382.50)         |                              | (330,844.80)                             |
| Total Accumulated Depreciation         | <u>\$(13,119,801.58)</u>                 | <u>(331,413.89)</u> | -                            | <u>\$(13,451,215.47)</u>                 |
| Net Capital Assets Being Depreciated   | <u>\$ 3,194,942.01</u>                   | <u>(331,413.89)</u> | -                            | <u>2,918,480.00</u>                      |
| Total Capital Assets                   | <u>\$ 3,232,138.12</u>                   | <u>(278,658.12)</u> | -                            | <u>\$ 2,953,480.00</u>                   |

**Note 7. Compensated Absences**

Authority employees are entitled to fifteen paid sick leave days each year and unused sick leave earned during a calendar year may be accumulated and carried forward to subsequent years with no restrictions. Upon retirement or resignation, the employee will receive up to 50% of their remaining sick time times their current rate, up to a maximum of \$7,500.00. Vacation days not used during the year may be carried forward for one year after which any unused days will be lost. Upon retirement or resignation, the employee will be paid for all accrued vacation time at their current hourly rate. The liability for accumulated sick leave and vacation time at December 31, 2022 and 2021 is \$29,084.42 and \$26,213.76 respectively.

**Note 8. Pension Plan**

All eligible authority employees participate in the contributory defined benefit public employee retirement system established by state statute. The Public Employees Retirement System (PERS) is sponsored and administered by the State of New Jersey and considered a cost-sharing multiple employer plan.

The Public Employees' Retirement System was established in January, 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 8 to 10 years of service and 25 years for health care coverage.

At December 31, 2022 the Authority reported a liability of \$943,109 for its proportionate share of the net pension liability as measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The authority's proportion of the net pension liability was based on a projection of the authority's long – term share of contributions to the pension plan relative to the projected contributions of all participating authorities, actuarially determined. At June 30, 2022, the authority's proportion was .0062493258% which decrease slightly by .000109% from its proportion measured as of June 30, 2021.

**RIVERSIDE SEWERAGE AUTHORITY**  
**(A Component Unit of the Township of Riverside)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**Note 8. Pension Plan (continued):**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For the years ended December 31, 2022 and 2021, the Authority recognized pension expense (benefit) of (\$21,369) and (\$56,895) respectively.

The Authority reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

|                                                                                                                      | <u>December 31, 2022</u>                     |                                             | <u>December 31, 2021</u>                     |                                             |
|----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|---------------------------------------------|----------------------------------------------|---------------------------------------------|
|                                                                                                                      | <u>Deferred<br/>Outflow of<br/>Resources</u> | <u>Deferred<br/>Inflow of<br/>Resources</u> | <u>Deferred<br/>Outflow of<br/>Resources</u> | <u>Deferred<br/>Inflow of<br/>Resources</u> |
| Difference Between Expected<br>and Actual Experience                                                                 | 6,807                                        | 6,003                                       | \$ 11,880                                    | 5,392                                       |
| Changes of Assumptions                                                                                               | 2,922                                        | 141,221                                     | 3,923                                        | 268,167                                     |
| Net Difference Between Projected<br>and Actual Earnings on Pension<br>Plan Investments                               | 39,034                                       |                                             |                                              | 198,430                                     |
| Changes in Proportion and Differences<br>Between Authority Contributions and<br>Proportionate Share of Contributions | 146,355                                      | 52,493                                      | 227,030                                      | 65,460                                      |
| Authority Contributions Subsequent to<br>The Measurement Date                                                        | <u>2,171</u>                                 | <u>-</u>                                    | <u>37,233</u>                                | <u>-</u>                                    |
|                                                                                                                      | <u>\$ 197,289</u>                            | <u>\$ 199,717</u>                           | <u>\$ 280,066</u>                            | <u>\$537,449</u>                            |

**Additional Information**

Collective local balances at December 31, 2022 and 2021 as follows:

|                                              | <u>2022</u> | <u>2021</u> |
|----------------------------------------------|-------------|-------------|
| Collective deferred outflows of<br>resources | \$ 197,289  | \$ 280,066  |
| Collective deferred inflows of resources     | 199,717     | 537,449     |
| Collective net pension liability             | 943,109     | 753,265     |
| Authority's Proportion                       | .0062493%   | .0063585%   |

**RIVERSIDE SEWERAGE AUTHORITY**  
**(A Component Unit of the Township of Riverside)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**Note 8. Pension Plan (continued):**

\$197,289 and \$280,066 will be reported as deferred outflows of resources related to pensions resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the years ended December 31, 2022 and 2021 respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as shown below. The amounts represent the Authority's proportionate share of deferred outflows of resources and deferred inflows of resources.

| Year Ended December 31, |                    | Year Ended December 31, |                     |
|-------------------------|--------------------|-------------------------|---------------------|
| 2023                    | \$ (80,899)        | 2022                    | \$ (191,595)        |
| 2024                    | (41,215)           | 2023                    | (68,835)            |
| 2025                    | (20,100)           | 2024                    | (24,246)            |
| 2026                    | 43,850             | 2025                    | (15,701)            |
| 2027                    | (96)               | 2026                    | 5,761               |
| Thereafter              | <u>-</u>           | Thereafter              | <u>-</u>            |
| Total                   | \$ <u>(98,460)</u> | Total                   | \$ <u>(294,616)</u> |

***Changes in Proportion***

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.04, 5.13, 5.16, 5.63, and 5.48 years for the 2022, 2021, 2020, 2019, 2018, and 2017, respectively.

***Actuarial Assumptions***

The total pension liability in the June 30, 2021 and 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement as follows:

| <u>2022</u>       |                           | <u>2021</u>       |                           |
|-------------------|---------------------------|-------------------|---------------------------|
| Inflation Rate    |                           | Inflation Rate    |                           |
| Price             | 2.75%                     | Price             | 2.75%                     |
| Wage              | 3.25%                     | Wage              | 3.25%                     |
| Salary Increases: | 2.75 – 6.55%              | Salary Increases: | 2.00 – 6.00%              |
|                   | Based on Years of Service |                   | Based on Years of Service |
| Thereafter        | 3.00 – 7.00%              | Thereafter        | 3.00 – 7.00%              |
|                   |                           |                   | Based on Years of Service |

**RIVERSIDE SEWERAGE AUTHORITY**  
**(A Component Unit of the Township of Riverside)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**Note 8. Pension Plan (continued):**

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

***Long-Term Expected Rate of Return***

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2022 and 2021 are summarized in the following tables:

| Asset Class                       | 2022 Target<br>Allocation | 2022 Long-Term<br>Expected Real<br>Rate of<br>Return |
|-----------------------------------|---------------------------|------------------------------------------------------|
| US Equity                         | 27.00%                    | 8.12%                                                |
| Non-U.S. Developed Markets Equity | 13.50%                    | 8.38%                                                |
| Emerging Markets Equity           | 5.50%                     | 10.33%                                               |
| Private Equity                    | 13.00%                    | 11.80%                                               |
| Real Estate                       | 8.00%                     | 11.19%                                               |
| Real Assets                       | 3.00%                     | 7.60%                                                |
| High Yield                        | 4.00%                     | 4.95%                                                |
| Private Credit                    | 8.00%                     | 8.10%                                                |
| Investment Grade Credit           | 7.00%                     | 3.38%                                                |
| Cash Equivalents                  | 4.00%                     | 1.75%                                                |
| U.S. Treasuries                   | 4.00%                     | 1.75%                                                |
| Risk Mitigation Strategies        | 3.00%                     | 4.91%                                                |

**RIVERSIDE SEWERAGE AUTHORITY**  
**(A Component Unit of the Township of Riverside)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**Note 8. Pension Plan (continued):**

| Asset Class                       | 2021 Target<br>Allocation | 2021 Long-Term<br>Expected Real<br>Rate of<br>Return |
|-----------------------------------|---------------------------|------------------------------------------------------|
| US Equity                         | 27.00%                    | 7.09%                                                |
| Non-U.S. Developed Markets Equity | 13.50%                    | 8.71%                                                |
| Emerging Markets Equity           | 5.50%                     | 10.96%                                               |
| Private Equity                    | 13.00%                    | 11.30%                                               |
| Real Estate                       | 8.00%                     | 9.15%                                                |
| Real Assets                       | 3.00%                     | 7.40%                                                |
| High Yield                        | 2.00%                     | 3.75%                                                |
| Private Credit                    | 8.00%                     | 7.60%                                                |
| Investment Grade Credit           | 8.00%                     | 1.68%                                                |
| Cash Equivalents                  | 4.00%                     | .50%                                                 |
| U.S. Treasuries                   | 5.00%                     | .95%                                                 |
| Risk Mitigation Strategies        | 3.00%                     | 3.35%                                                |

***Discount Rate***

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022 and 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the non-employer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments to determine the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 2022 and 2021 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

| <b>2022</b>                                                 |                                   |                                                 |                                   |
|-------------------------------------------------------------|-----------------------------------|-------------------------------------------------|-----------------------------------|
|                                                             | <u>At 1%<br/>Decrease (6.00%)</u> | <u>At Current<br/>Discount<br/>Rate (7.00%)</u> | <u>At 1%<br/>Increase (8.00%)</u> |
| Authority's Proportionate<br>Share of Net Pension Liability | \$ 1,211,619                      | \$ 943,109                                      | \$ 714,596                        |

**RIVERSIDE SEWERAGE AUTHORITY**  
**(A Component Unit of the Township of Riverside)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**Note 8. Pension Plan (continued):**

|                                                             | <b>2021</b>                       |                                                 |                                   |
|-------------------------------------------------------------|-----------------------------------|-------------------------------------------------|-----------------------------------|
|                                                             | <u>At 1%<br/>Decrease (6.00%)</u> | <u>At Current<br/>Discount<br/>Rate (7.00%)</u> | <u>At 1%<br/>Increase (8.00%)</u> |
| Authority's Proportionate<br>Share of Net Pension Liability | \$ 1,025,794                      | \$ 753,265                                      | \$ 521,985                        |

Description of System and Vesting

Members are eligible for retirement at age 60 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. Early retirement is available to those under age 60 with 25 or more years of credited service. Anyone who retires early and is under age 55 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 55).

The State of New Jersey, Department of Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include financial statements and required supplementary information for PERS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

Contribution Requirements

The contribution policy is set by *N.J.S.A.43:15A*, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and *N.J.S.A.18:66*, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provide for employee contributions of 7.34%, effective July 1, 2017 and increases to 7.50%, effective July 1, 2018 of employees' annual compensation as defined. The rate will increase over the next seven years to 7.5%. Employers are required to contribute at an actuarially determined rate in PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits and post-retirement medical premiums. The Authority's contributions to P.E.R.S. for the years ending December 31, 2022 and 2021 was \$78,807 and \$74,466 respectively.

Additional detailed information about the pension plan is available in the separately issued State of New Jersey Public Employees' Retirement System – Schedules of Employer Allocations and Schedules of Pension Amounts by Employer at <http://www.nj.gov/treasury/pensions/gasb-68-rpts.shtml>

**Note 9. Obligations Under Debt Service Agreements**

**A. New Jersey Environmental Infrastructure Trust and Wastewater Treatment Trust Loans**

The Authority obtained two loans from the New Jersey Environmental Infrastructure Trust during 2002 totaling \$1,589,040.00 for the expansion and upgrade of its pollution control system. The first part of the loan award for \$789,040.00 is interest free. The \$800,000.00 portion carries interest rates that range from 3% to 5.25%. Principal and interest are payable semiannually with the final payment due in 2002.

On September 26, 2008, the New Jersey Environmental Infrastructure Trust issued Refunding Bonds, Series 2008, which refunded the Trust Bonds issued under their 2002 financing program.

**RIVERSIDE SEWERAGE AUTHORITY**  
**(A Component Unit of the Township of Riverside)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**Note 9. Obligations Under Debt Service Agreements (continued):**

On July 20, 2006, the Authority did not utilize the entire funding portion of the 2002 loan and the New Jersey Environmental Infrastructure Trust forgave \$370,808 of the Authority's fund loan.

The Authority recorded a receivable for the loan proceeds at its inception. The receivable is increased by the investment revenue earned on the funds until they are drawn down from the New Jersey Environmental Infrastructure Trust and deposited into the Authority's revolving fund. At December 31, 2022 and 2021, the receivable balances are \$-0- and \$607.30 respectively.

The New Jersey Environmental Infrastructure Trust Loan was fully paid down in 2022.

**B. Debt Service – New Jersey Wastewater Treatment Trust**

In addition, the Authority has obligations outstanding for four previous loans from the New Jersey Wastewater Treatment Trust (NJWTT). The total of all loans at inception was \$8,281,783.00.

The New Jersey Wastewater Treatment Trust Loan was fully paid down in 2022.

The following is a summary of all long-term debt of the Authority as of December 31, 2021 and 2020:

|                                    | <b>Balance<br/>December 31,<br/>2021</b> | <b>Issued</b> | <b>Adjustment/<br/>Retired</b> | <b>Balance<br/>December 31,<br/>2022</b> | <b>Due<br/>Within One<br/>Year</b> |
|------------------------------------|------------------------------------------|---------------|--------------------------------|------------------------------------------|------------------------------------|
| Loans Payable                      | \$13,203.75                              |               | 13,203.75                      | -                                        | -                                  |
| Bond Anticipation Notes<br>Payable | 135,326.86                               |               | 49,826.86                      | 85,500.00                                | 28,500.00                          |
| Total                              | <u>\$148,530.61</u>                      |               | <u>63,030.61</u>               | <u>\$85,500.00</u>                       | <u>28,500.00</u>                   |
| Less:                              |                                          |               |                                |                                          |                                    |
| Due Within One Year                |                                          |               |                                | <u>28,500.00</u>                         |                                    |
| Total                              |                                          |               |                                | <u>\$57,000.00</u>                       |                                    |

|                                    | <b>Balance<br/>December 31,<br/>2020</b> | <b>Issued</b> | <b>Retired</b>   | <b>Balance<br/>December 31,<br/>2021</b> | <b>Due<br/>Within One<br/>Year</b> |
|------------------------------------|------------------------------------------|---------------|------------------|------------------------------------------|------------------------------------|
| Loans Payable                      | \$23,453.51                              |               | 10,249.76        | 13,203.75                                | 13,203.75                          |
| Bond Anticipation Notes<br>Payable | 186,826.86                               |               | 51,500.00        | 135,326.86                               | 51,500.00                          |
| Total                              | <u>\$210,280.37</u>                      |               | <u>58,808.21</u> | <u>\$148,530.61</u>                      | <u>64,703.75</u>                   |
| Add:                               |                                          |               |                  |                                          |                                    |
| Unamortized Premium                |                                          |               |                  | 1,396.03                                 |                                    |
| Less:                              |                                          |               |                  |                                          |                                    |
| Due Within One Year                |                                          |               |                  | <u>64,703.75</u>                         |                                    |
| Total (Net of Unamortized Premium) |                                          |               |                  | <u>\$ 85,222.89</u>                      |                                    |

**RIVERSIDE SEWERAGE AUTHORITY**  
**(A Component Unit of the Township of Riverside)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**Note 10. Net Position**

**A. Net Position Appropriated**

The Authority ended the year with a balance in unrestricted net position of \$2,393,437.52 and \$1,680,303.75 for December 31, 2022 and 2021 respectively; of which, \$-0- has been appropriated and included as support in the operating and capital budget for the fiscal year ending December 31, 2022 and 2021 respectively.

**Note 11. Intergovernmental Agreements**

**A. Service Agreement with the Township of Riverside**

The service agreement between the Authority and the Township of Riverside dated May 3, 1993 contains various provisions that are summarized below. Pursuant to the service agreement, the Township is obligated to pay the Authority sums equal to any deficits in Authority revenues to pay or provide for:

1. Operation and maintenance expenses of the sewer system.
2. Principal and interest on bonds, loans or notes of the Authority.
3. The Authority is required to repay the Township all monies paid by the Township for the Authority. Such repayment by the Authority is required to be made at an interest rate equal to the prime rate plus one percent.

The Authority's intergovernmental service agreement with Riverside Township includes the approval of Township money to be transferred to or from the Riverside Sewerage Authority in order to temporarily support cash flow. As of December 31, 2022 Riverside Township owes the Authority \$6,857.07.

**B. Service Agreement with the Delran Sewerage Authority**

The Authority entered into an agreement with the Delran Sewerage Authority, commencing in 2013, in which the Riverside Sewerage Authority agreed to accept for appropriate treatment and disposal through its facilities, the sewerage and industrial waste collected in the Township of Delran. This agreement expires December 31, 2063. Delran Sewerage Authority committed to pay Riverside Sewerage Authority quarterly payments per year totaling \$240,350.80 for 2022, which represents 10.98% of the Authority's total service fees for the year.

**RIVERSIDE SEWERAGE AUTHORITY**  
**(A Component Unit of the Township of Riverside)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**Note 12. Risk Management**

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties or through a joint insurance pool as covered below. Settled claims from these risks have not exceeded coverage for the past several years.

The Authority is a member of the New Jersey Utilities Authorities Joint Insurance Funds. The fund provides its members with the following coverage:

Workers' Compensation & Employer's Liability  
Liability Other Than Motor Vehicles  
Property Damage Other Than Motor Vehicles  
Motor Vehicles

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention or administrative accounts, to assure the payment of the Fund's obligations.

The Fund publishes its own financial report for the year ended December 31, 2021, which can be obtained from:

New Jersey Utilities Authorities Joint Insurance Fund  
Park 80 West, Plaza 1  
Saddlebrook, New Jersey 08663

**Note 13. Service Organization's SAS 70 and SSAE 16 Requirement**

The Authority utilizes NJ American Water Company, Inc. to provide consumption data of the Authority's customers' water usage. This data is used to bill the customers of the Authority, as sewer charges are based on the amount of water consumed. Statement of Auditing Standards (SAS) 70 and Statement on Standards for Attestation Engagements (SSAE) 16 requires the Authority to receive an internal control report from service organizations providing such services mentioned above. The Authority has requested an internal control report from NJ American Water Company, Inc. and they have refused to accommodate the Authority's request.

**Note 14. Subsequent Events**

Sewerage Authority management has evaluated subsequent events occurring after December 31, 2022 through August 11 2023, which is the date the financial statements were available to be issued.

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**REQUIRED SUPPLEMENTARY INFORMATION – PART II**

**RIVERSIDE SEWERAGE AUTHORITY**  
**SCHEDULE OF REVENUES & EXPENSES - BUDGET & ACTUAL**  
**NON-GAAP BUDGETARY BASIS**  
**DECEMBER 31, 2022 AND 2021**

|                                   | 2022               |                            | 2021                            |              |                                         |
|-----------------------------------|--------------------|----------------------------|---------------------------------|--------------|-----------------------------------------|
|                                   | ORIGINAL<br>BUDGET | MODIFICATIONS<br>TRANSFERS | BUDGET<br>AFTER<br>MODIFICATION | ACTUAL       | VARIANCE<br>FAVORABLE/<br>(UNFAVORABLE) |
| Operating Revenues:               |                    |                            |                                 |              |                                         |
| Service Charges                   | \$ 1,836,193.00    |                            | 1,836,193.00                    | 1,877,725.58 | \$ 41,532.58                            |
| Connection Fees                   | 14,000.00          |                            | 14,000.00                       | 254,219.54   | 240,219.54                              |
| Other Operating Revenues:         |                    |                            |                                 |              |                                         |
| Penalties on Delinquent Accounts  |                    |                            |                                 | 35,089.51    | 35,089.51                               |
| Other Miscellaneous Income        |                    |                            |                                 | 43,528.52    | 43,528.52                               |
| Total Operating Revenues          | 1,850,193.00       |                            | 1,850,193.00                    | 2,210,563.15 | 360,370.15                              |
| Non-Operating Revenues:           |                    |                            |                                 |              |                                         |
| Interest on Investments           | 34,200.00          |                            | 34,200.00                       | 4,310.11     | (29,889.89)                             |
| Total Revenues                    | 1,884,393.00       |                            | 1,884,393.00                    | 2,214,873.26 | 330,480.26                              |
| Operating Expenses:               |                    |                            |                                 |              |                                         |
| Administrative:                   |                    |                            |                                 |              |                                         |
| Salaries & Wages                  | 189,721.00         |                            | 189,721.00                      | 183,556.60   | (4,044.60)                              |
| Employees Benefits:               |                    |                            |                                 |              |                                         |
| Health Insurance                  | 60,000.00          |                            | 60,000.00                       | 53,455.99    | 4,544.01                                |
| Social Security                   | 12,500.00          |                            | 12,500.00                       | 13,768.54    | (1,268.54)                              |
| Pension                           | 15,000.00          |                            | 15,000.00                       | 19,490.25    | (4,490.25)                              |
| Workers Compensation              | 5,000.00           |                            | 5,000.00                        | 9,560.33     | (4,560.33)                              |
| Unemployment                      | 500.00             |                            | 500.00                          | 372.95       | 627.05                                  |
| Other Expenses:                   |                    |                            |                                 |              |                                         |
| Office Rent                       | 55,000.00          |                            | 55,000.00                       | 55,000.00    |                                         |
| Office Supplies                   | 20,000.00          |                            | 20,000.00                       | 8,499.98     | 11,500.02                               |
| Conferences & Seminars            | 12,000.00          |                            | 12,000.00                       | 4,341.49     | 8,158.51                                |
| Telephone & Alarms                | 10,000.00          |                            | 10,000.00                       | 7,428.00     | 4,822.00                                |
| Legal Advertising                 | 2,000.00           |                            | 2,000.00                        | 591.10       | 1,408.90                                |
| Miscellaneous Supplies & Expense: | 11,500.00          |                            | 11,500.00                       | 7,652.68     | 3,847.32                                |
| Licenses & Permits                | 32,000.00          |                            | 32,000.00                       | 20,015.72    | 11,984.28                               |
| Engineer Fees                     | 50,000.00          |                            | 50,000.00                       | 24,107.55    | 25,892.45                               |
| Legal Fees                        | 12,000.00          |                            | 12,000.00                       | 17,175.00    | (5,175.00)                              |
| Auditing/Consulting Fees          | 38,000.00          |                            | 38,000.00                       | 37,662.50    | 337.50                                  |
| Total Administrative Expense      | \$ 525,221.00      |                            | 525,221.00                      | 462,678.68   | \$ 53,583.32                            |

**RIVERSIDE SEWERAGE AUTHORITY**  
**SCHEDULE OF REVENUES & EXPENSES - BUDGET & ACTUAL**  
**NON-GAAP BUDGETARY BASIS**  
**DECEMBER 31, 2022 AND 2021**

|                                                                                                      | 2021               |                            |                                 |               | 2021                        |                    |                            |                                 | VARIANCE      |                             | VARIANCE |
|------------------------------------------------------------------------------------------------------|--------------------|----------------------------|---------------------------------|---------------|-----------------------------|--------------------|----------------------------|---------------------------------|---------------|-----------------------------|----------|
|                                                                                                      | ORIGINAL<br>BUDGET | MODIFICATIONS<br>TRANSFERS | BUDGET<br>AFTER<br>MODIFICATION | ACTUAL        | FAVORABLE/<br>(UNFAVORABLE) | ORIGINAL<br>BUDGET | MODIFICATIONS<br>TRANSFERS | BUDGET<br>AFTER<br>MODIFICATION | ACTUAL        | FAVORABLE/<br>(UNFAVORABLE) |          |
| Operating Expenses (continued):                                                                      |                    |                            |                                 |               |                             |                    |                            |                                 |               |                             |          |
| Cost of Providing Service:                                                                           | \$ 424,000.00      |                            | 424,000.00                      | 411,133.33    | 12,866.67                   | 412,525.00         |                            | 412,525.00                      | 447,093.44    | \$ (34,568.44)              |          |
| Salaries & Wages                                                                                     |                    |                            |                                 |               |                             |                    |                            |                                 |               |                             |          |
| Employee Benefits:                                                                                   |                    |                            |                                 |               |                             |                    |                            |                                 |               |                             |          |
| Health Insurance                                                                                     | 180,000.00         |                            | 180,000.00                      | 136,195.77    | 43,804.23                   | 176,000.00         |                            | 176,000.00                      | 155,984.76    | 20,015.24                   |          |
| Social Security                                                                                      | 32,000.00          |                            | 32,000.00                       | 30,874.00     | 1,126.00                    | 30,000.00          |                            | 30,000.00                       | 32,684.53     | (2,684.53)                  |          |
| Pension                                                                                              | 50,000.00          |                            | 50,000.00                       | 59,466.00     | (9,466.00)                  | 45,000.00          |                            | 45,000.00                       | 61,100.79     | (16,100.79)                 |          |
| Worker's Compensation                                                                                | 20,000.00          |                            | 20,000.00                       | 24,000.00     | (4,000.00)                  | 24,000.00          |                            | 24,000.00                       | 18,005.00     | 5,995.00                    |          |
| Insurance                                                                                            | 20,000.00          |                            | 20,000.00                       | 20,000.00     |                             | 23,000.00          |                            | 23,000.00                       | 20,675.00     | 2,325.00                    |          |
| Unemployment                                                                                         | 500.00             |                            | 500.00                          | 262.93        | 237.07                      | 1,000.00           |                            | 1,000.00                        | 260.69        | 739.31                      |          |
| Other Expenses:                                                                                      |                    |                            |                                 |               |                             |                    |                            |                                 |               |                             |          |
| Lease/Purchase Equipment                                                                             | 10,500.00          |                            | 10,500.00                       |               | 10,500.00                   | 13,000.00          |                            | 13,000.00                       | 1,213.73      | 11,786.27                   |          |
| Electricity & Gas Heat                                                                               | 143,500.00         |                            | 143,500.00                      | 118,165.95    | 25,334.05                   | 145,000.00         |                            | 145,000.00                      | 105,158.53    | 39,841.47                   |          |
| Vehicle Maintenance                                                                                  | 5,000.00           |                            | 5,000.00                        | 699.35        | 4,300.65                    | 5,000.00           |                            | 5,000.00                        | 171.65        | 4,828.35                    |          |
| Repairs & Maintenance - Plant                                                                        | 100,000.00         |                            | 100,000.00                      | 158,904.55    | (58,904.55)                 | 100,000.00         |                            | 100,000.00                      | 77,783.51     | 22,216.49                   |          |
| Repairs & Maintenance - Lines                                                                        | 100,000.00         |                            | 100,000.00                      | 48,062.42     | 51,937.58                   | 103,000.00         |                            | 103,000.00                      | 178,007.56    | (75,007.56)                 |          |
| Tools & Equipment                                                                                    | 7,000.00           |                            | 7,000.00                        | 8,770.75      | (1,770.75)                  | 7,200.00           |                            | 7,200.00                        | 4,530.71      | 2,669.29                    |          |
| Materials & Supplies                                                                                 | 3,000.00           |                            | 3,000.00                        | 638.98        | 2,361.02                    | 3,000.00           |                            | 3,000.00                        | 1,848.00      | 1,152.00                    |          |
| Miscellaneous Supplies & Expenses                                                                    | 35,000.00          |                            | 35,000.00                       | 62,468.85     | (27,468.85)                 | 35,000.00          |                            | 35,000.00                       | 47,714.99     | (12,714.99)                 |          |
| Chemicals                                                                                            | 32,000.00          |                            | 32,000.00                       | 16,900.40     | 15,099.60                   | 35,000.00          |                            | 35,000.00                       | 22,612.21     | 12,387.79                   |          |
| Water                                                                                                | 3,500.00           |                            | 3,500.00                        | 4,441.15      | (941.15)                    | 5,000.00           |                            | 5,000.00                        | 2,998.16      | 2,001.84                    |          |
| Travel & Other                                                                                       | 5,000.00           |                            | 5,000.00                        | 1,608.50      | 3,391.50                    | 7,500.00           |                            | 7,500.00                        | 7,500.00      |                             |          |
| Laboratory Tests & Analysis                                                                          | 35,000.00          |                            | 35,000.00                       | 24,082.89     | 10,917.11                   | 45,000.00          |                            | 45,000.00                       | 16,443.73     | 28,556.27                   |          |
| Solid Waste Control                                                                                  | 37,500.00          |                            | 37,500.00                       | 23,384.36     | 14,115.64                   | 37,500.00          |                            | 37,500.00                       | 32,371.16     | 5,128.84                    |          |
| Total Cost of Providing Service                                                                      | 1,243,500.00       |                            | 1,243,500.00                    | 1,150,060.18  | 93,439.82                   | 1,252,725.00       |                            | 1,252,725.00                    | 1,226,658.15  | 26,066.85                   |          |
| Principal Payments on Debt Service                                                                   |                    |                            |                                 |               |                             |                    |                            |                                 |               |                             |          |
| Lieu of Depreciation                                                                                 | 63,031.00          |                            | 63,031.00                       | 63,030.61     | 0.39                        | 61,750.00          |                            | 61,750.00                       | 61,749.67     | 0.33                        |          |
| Total Operating Expenses                                                                             | 1,831,752.00       |                            | 1,831,752.00                    | 1,672,821.67  | 158,930.33                  | 1,830,737.00       |                            | 1,830,737.00                    | 1,751,086.50  | 79,650.50                   |          |
| Non-Operation Appropriations:                                                                        |                    |                            |                                 |               |                             |                    |                            |                                 |               |                             |          |
| Interest on Bonds & Loans                                                                            | 4,752.00           |                            | 4,752.00                        | 4,841.37      | (89.37)                     | 6,430.00           |                            | 6,430.00                        | 8,349.80      | (1,919.80)                  |          |
| Municipal Appropriation                                                                              |                    |                            |                                 |               |                             |                    |                            |                                 |               |                             |          |
| Capital Outlay                                                                                       | 47,889.00          |                            | 47,889.00                       |               | 47,889.00                   | 47,226.00          |                            | 47,226.00                       |               | 47,226.00                   |          |
| Total Nonoperating Appropriations                                                                    | 52,641.00          |                            | 52,641.00                       | 4,841.37      | 47,799.63                   | 53,656.00          |                            | 53,656.00                       | 8,349.80      | 45,306.20                   |          |
| Total Operating & Non-Operating Appropriations                                                       | 1,884,393.00       |                            | 1,884,393.00                    | 1,677,663.04  | 206,729.96                  | 1,884,393.00       |                            | 1,884,393.00                    | 1,759,436.30  | 124,956.70                  |          |
| Excess Expenses Over Revenues                                                                        | \$ -               | -                          | -                               | 544,231.80    | 544,231.80                  | -                  | -                          | -                               | 455,436.96    | \$ 455,436.96               |          |
| Adjustments to Reconcile Excess Revenues Over Expenditures to GAAP Basis for Change in Net Position: |                    |                            |                                 |               |                             |                    |                            |                                 |               |                             |          |
| Increased by:                                                                                        |                    |                            |                                 |               |                             |                    |                            |                                 |               |                             |          |
| Loan Principal                                                                                       |                    |                            |                                 | \$ 544,231.80 |                             |                    |                            | \$                              | 61,749.67     |                             |          |
| Loan Interest                                                                                        |                    |                            |                                 |               |                             |                    |                            |                                 | 8,349.80      |                             |          |
| Pension Benefit - GASB 68                                                                            |                    |                            |                                 |               |                             |                    |                            |                                 | 137,349.00    |                             |          |
| Capital Outlay                                                                                       |                    |                            |                                 | 238,169.98    |                             |                    |                            |                                 | 207,448.47    |                             |          |
| Subtotal                                                                                             |                    |                            |                                 | 782,401.78    |                             |                    |                            |                                 | 662,885.43    |                             |          |
| Decreased by:                                                                                        |                    |                            |                                 |               |                             |                    |                            |                                 |               |                             |          |
| Depreciation                                                                                         |                    |                            |                                 | 219,827.45    |                             |                    |                            |                                 | 331,413.89    |                             |          |
| Nonoperating Expenses                                                                                |                    |                            |                                 | 3,653.02      |                             |                    |                            |                                 | 9,225.75      |                             |          |
| Change in Net Position (Exhibit B)                                                                   |                    |                            |                                 | \$ 558,921.31 |                             |                    |                            |                                 | \$ 322,245.79 |                             |          |

SCHEDULE 2

**RIVERSIDE SEWERAGE AUTHORITY  
ANALYSIS OF SERVICE FEES RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2022**

|                              |    |                  |                          |
|------------------------------|----|------------------|--------------------------|
| Balance December 31, 2021    |    | \$               | 154,150.42               |
| Increased by:                |    |                  |                          |
| Service Charges              |    |                  | <u>1,898,893.68</u>      |
| Subtotal                     |    |                  | 2,053,044.10             |
| Decreased by:                |    |                  |                          |
| Collections                  | \$ | 1,878,801.26     |                          |
| Transfer to Liens Receivable |    | <u>23,114.93</u> | <u>1,901,916.19</u>      |
| Balance December 31, 2022    |    | \$               | <u><u>151,127.91</u></u> |

SCHEDULE 3

**ANALYSIS OF PENALTIES ON DELINQUENT ACCOUNTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2022**

|                                  |  |    |                         |
|----------------------------------|--|----|-------------------------|
| Balance December 31, 2021        |  | \$ | 2,281.51                |
| Increased by:                    |  |    |                         |
| Penalties on Delinquent Accounts |  |    | <u>50,570.62</u>        |
| Subtotal                         |  |    | 52,852.13               |
| Decreased by:                    |  |    |                         |
| Collections                      |  |    | <u>42,601.34</u>        |
| Balance December 31, 2022        |  | \$ | <u><u>10,250.79</u></u> |

## SCHEDULE 4

**RIVERSIDE SEWERAGE AUTHORITY  
ANALYSIS OF LIENS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2022**

|                                 |    |                 |                          |
|---------------------------------|----|-----------------|--------------------------|
| Balance December 31, 2021       |    | \$              | 158,651.70               |
| Increased by:                   |    |                 |                          |
| Transfers from Taxes Receivable | \$ | 23,114.93       |                          |
| Interest and Cost               |    | <u>1,973.25</u> | <u>25,088.18</u>         |
| Balance December 31, 2022       |    | \$              | <u><u>183,739.88</u></u> |

## SCHEDULE 5

**ANALYSIS OF ACCRUED INTEREST RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2022**

|                     | BALANCE<br>DECEMBER 31,<br>2021 | INTEREST<br>EARNED | INTEREST<br>RECEIVED | BALANCE<br>DECEMBER 31,<br>2022 |
|---------------------|---------------------------------|--------------------|----------------------|---------------------------------|
| NJEIT Program Funds | \$ 607.30                       | 1,121.52           | 1,728.82             | \$ -                            |
| Total               | <u>\$ 607.30</u>                | <u>1,121.52</u>    | <u>1,728.82</u>      | <u>\$ -</u>                     |

## SCHEDULE 6

**RIVERSIDE SEWERAGE AUTHORITY  
ANALYSIS OF PROPERTY, PLANT & EQUIPMENT - COMPLETED  
FOR THE YEAR ENDED DECEMBER 31, 2022**

| ASSETS                                   | BALANCE<br>DECEMBER 31,<br>2021 | ADDITIONS    | DELETIONS | BALANCE<br>DECEMBER 31,<br>2022 |
|------------------------------------------|---------------------------------|--------------|-----------|---------------------------------|
| Land                                     | \$ 35,000.00                    |              |           | \$ 35,000.00                    |
| Construction In Progress                 |                                 |              |           |                                 |
| <u>Capital Assets Being Depreciated:</u> |                                 |              |           |                                 |
| Plant:                                   |                                 |              |           |                                 |
| Treatment Plant                          | 12,424,389.95                   |              |           | 12,424,389.95                   |
| Collection System                        | 3,249,027.48                    |              |           | 3,249,027.48                    |
| Major Moveable<br>Equipment              | 57,764.00                       |              |           | 57,764.00                       |
| Vehicles                                 | 638,514.04                      |              |           | 638,514.04                      |
| Total Assets Being Depreciated           | 16,369,695.47                   |              |           | 16,369,695.47                   |
| <u>Less: Accumulated Depreciation:</u>   |                                 |              |           |                                 |
| Treatment Plant                          | 10,346,998.01                   | 92,351.15    |           | 10,439,349.16                   |
| Collection System                        | 2,720,341.16                    | 66,741.80    |           | 2,787,082.96                    |
| Major Moveable<br>Equipment              | 53,032.00                       | 1,352.00     |           | 54,384.00                       |
| Vehicles                                 | 330,844.30                      | 59,382.50    |           | 390,226.80                      |
| Total Accumulated Depreciation           | 13,451,215.47                   | 219,827.45   |           | 13,671,042.92                   |
| Net Capital Assets Being Depreciated     | 2,918,480.00                    | (219,827.45) |           | 2,698,652.55                    |
| Total Capital Assets                     | \$ 2,953,480.00                 | (219,827.45) | -         | \$ 2,733,652.55                 |

## SCHEDULE 7

**ANALYSIS OF ACCRUED INTEREST PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2022**

|                           |             |
|---------------------------|-------------|
| Balance December 31, 2021 | \$ 2,750.89 |
| Increased by:             |             |
| Accrued                   | 6,237.40    |
| Subtotal                  | 8,988.29    |
| Decreased by:             |             |
| Cash Disbursed            | 8,055.99    |
| Balance December 31, 2022 | \$ 932.30   |

**ANALYSIS OF INTEREST EXPENSE**

|                                        |             |
|----------------------------------------|-------------|
| Accrued                                | \$ 6,237.40 |
| Amortization of Premium on NJEIT Loans | (1,396.03)  |
| Total Analysis of Balance              | \$ 4,841.37 |

**RIVERSIDE SEWERAGE AUTHORITY  
SCHEDULE OF LOANS PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2022**

| PURPOSE                                                       | 2021    |         | INTEREST<br>RATE | MATURITIES |        | BALANCE<br>DECEMBER 31,<br>2021 | ISSUED | DECREASED | BALANCE<br>DECEMBER 31,<br>2022 |
|---------------------------------------------------------------|---------|---------|------------------|------------|--------|---------------------------------|--------|-----------|---------------------------------|
|                                                               | DATE    | AMOUNT  |                  | DATE       | AMOUNT |                                 |        |           |                                 |
| 2002 New Jersey<br>Environmental Infrastructure<br>Trust Loan | 11/7/02 | 800,000 | 4.75%            | 8/1/22     |        | \$ 13,203.75                    |        | 13,203.75 | \$ -                            |
|                                                               |         |         |                  | Total      |        | \$ 13,203.75                    | -      | 13,203.75 | -                               |

**RIVERSIDE SEWERAGE AUTHORITY  
SCHEDULE OF BOND ANTICIPATION NOTES  
FOR THE YEAR ENDED DECEMBER 31, 2022**

| PURPOSE                                                                       | DATE OF<br>ORIGINAL<br>NOTE | DATE OF<br>ISSUE | DATE OF<br>MATURITY | INTEREST<br>RATE | BALANCE<br>DECEMBER 31,<br>2021          | INCREASE | DECREASE         | BALANCE<br>DECEMBER 31,<br>2022 |
|-------------------------------------------------------------------------------|-----------------------------|------------------|---------------------|------------------|------------------------------------------|----------|------------------|---------------------------------|
| Various Capital Improvements,<br>Rehabilitation & Acquisition<br>of Equipment | 12/27/12                    | 12/10/21         | 12/10/22            | 2.00%            | \$ 21,326.86                             |          | 21,326.86        | \$ -                            |
| Acquisition of Jet Vac                                                        | 12/20/15                    | 12/10/21         | 12/10/22            | 2.00%            | 114,000.00                               |          | 28,500.00        | 85,500.00                       |
|                                                                               |                             |                  |                     |                  | <u>\$ 135,326.86</u>                     | <u>-</u> | <u>49,826.86</u> | <u>85,500.00</u>                |
|                                                                               |                             |                  |                     |                  | Less:                                    |          |                  |                                 |
|                                                                               |                             |                  |                     |                  | S/T Bond Anticipation Note Payable       |          |                  | <u>28,500.00</u>                |
|                                                                               |                             |                  |                     |                  | Total L/T Bond Anticipation Note Payable |          |                  | <u>\$ 57,000.00</u>             |

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**REQUIRED SUPPLEMENTARY INFORMATION – PART III**

**RIVERSIDE SEWERAGE AUTHORITY  
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY - PERS \***

|                                                                      | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|----------------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Authority's Proportion of the Net Pension Liability (Asset)          | 0.00620%    | 0.00629%    | 0.00567%    | 0.00520%    | 0.01320%    | 0.00529%    | 0.00490%    | 0.00555%    | 0.00549%    |
| Authority's Proportionate Share of the Net Pension Liability (Asset) | \$943,109   | \$753,265   | \$931,576   | \$944,154   | \$2,599,458 | \$1,232,151 | \$1,452,510 | \$1,245,861 | 1,027,225   |
| Authority's covered employee payroll                                 | \$435,954   | \$467,008   | \$452,790   | \$385,142   | \$158,652   | \$418,900   | \$355,460   | \$322,251   | \$339,756   |
| Plan Fiduciary Net Position as a Percentage of the Total Pension     | 62.91%      | 58.32%      | 58.32%      | 56.27%      | 53.60%      | 48.10%      | 31.20%      | 52.08%      | 47.92%      |

**SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS - PERS  
SCHEDULE OF CONTRIBUTIONS \***

|                                                                       | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|-----------------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Actuarially Determined Contribution                                   | \$ 78,807   | 74,466      | 62,493      | 50,969      | 58,897      | 44,118      | 47,715      | 45,230      | 51,371      |
| Contributions in relation to the Actuarially Determined Contributions | 78,807      | 74,466      | 62,493      | 50,969      | 58,897      | 44,118      | 47,715      | 45,230      | 51,371      |
|                                                                       | \$ -        | -           | -           | -           | -           | -           | -           | -           | \$ -        |
| Covered-Employee Payroll                                              | \$435,954   | \$467,008   | \$452,790   | \$385,142   | \$158,652   | \$418,900   | \$355,460   | \$322,251   | \$339,756   |
| Contributions as a Percentage of Covered - Employee Payroll           | 18.077%     | 15.945%     | 13.802%     | 13.234%     | 37.123%     | 10.532%     | 13.423%     | 14.036%     | 15.120%     |

\* - Until a full ten year trend is compiled, information will be presented for those years for which information is available.

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**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**

**RIVERSIDE SEWERAGE AUTHORITY**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2022 AND 2021**

**Public Employees' Retirement System (PERS)**

**Changes in Benefit Terms** - None.

**Changes in Proportion** - The rate changed from 5.13% as of June 30, 2021, to 5.04% as of June 30, 2022.

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**RIVERSIDE SEWERAGE AUTHORITY**

**COMMENTS AND RECOMMENDATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2022**



BRENT W. LEE & CO., LLC  
Certified Public Accounting Firm

To the Chairman and Members  
of the Riverside Sewerage Authority  
Riverside, New Jersey 08075

We have audited the financial accounts and transactions of the Riverside Sewerage Authority in the County of Burlington for the year ended December 31, 2022. In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments and Recommendations* for the year then ended.

### GENERAL COMMENTS

#### ***Contracts and Agreements Required to be advertised by (N.J.S.A.40A:11-4)***

*N.J.S.A.40A:11-4* - Every contract or agreement, for the performance of any work or 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 by the governing body of the contracting unit 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 \$44,000 except by contract or agreement.

It is pointed out that the Members of the Authority have the responsibility of determining whether the expenditures in any category will exceed the statutory minimum within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

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

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 bids were requested by public advertising for the following:

None noted

#### ***Contracts and Agreements Requiring Solicitation of Quotations***

The examination of expenditures did not reveal any instances where individual payments, contracts or agreements in excess of \$6,600 "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 advertising or where a resolution had been previously adopted under the provision of (*N.J.S.A.40A:11-6.1*).

### **Collection of Service Revenue**

It appears from an examination of the billing records that service revenue was collected in accordance with the Authority's policy.

### **Collection of Interest on Delinquent Service Fees**

Sewer usage is billed in four cycles on a quarterly basis, with one cycle billed monthly. Bills not paid within four weeks of the billing date are considered delinquent. Delinquent accounts are charged interest at a rate of 1 ½% per month until such service charge, and the interest thereon, shall be fully paid to the Authority.

It appears from the examination of the billing records that interest was collected in accordance with the Authority's policy.

### **Examination of Bills**

A test check of paid bills was made and each bill, upon proper approval, was considered as a separate and individual contract unless the records disclosed it to be a part payment or estimate. The results of the examination did not disclose any discrepancies with respect to signatures, certification or supporting documentation.

### **Payroll Fund**

The examination of the payroll account included the detailed computation of various deductions or other credits from the payroll of the Authority employees and ascertained that the accumulated withholdings were disbursed to the proper agencies except for the following:

### **Property, Plant and Equipment**

The property, plant and equipment subsidiary ledger was maintained properly and a reconciliation between the physical and perpetual inventory records was performed at year-end.

### **Follow-up on Prior Years' Findings**

In accordance with government auditing standards, my procedures included a review of all prior year findings. The previous year audit had no findings.

### **Acknowledgement**

I received the complete cooperation of all officials and employees of the Authority and I greatly appreciate the courtesies extended to the members of the audit team.

The problems and weaknesses noted in my review were not of such magnitude that they would affect my ability to express an opinion on the financial statements taken as a whole.

Should you have any questions concerning our comments or recommendations, or should you desire any assistance in implementing our recommendations, please call me.



Brent W. Lee  
Certified Public Accountant

Cinnaminson, New Jersey  
August 11, 2023