

PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY 12, 2026

NEW ISSUE – BOOK-ENTRY-ONLY

RATINGS: Moody's: "Aa2" (Bonds)
"MIG 1" (Notes)
(See "RATINGS" herein)

In the opinion of McManimon, Scotland & Baumann, LLC, Bond Counsel, assuming compliance by the Borough (as defined herein) with certain tax covenants described herein, under existing law, interest on the Obligations (as defined herein) is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and interest on the Obligations is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax; however, interest on the Obligations is included in the "adjusted financial statement income" of certain corporations that are subject to alternative minimum tax under Section 55 of the Code. Based upon existing law, interest on the Obligations and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act. See "TAX MATTERS" herein.

BOROUGH OF RIVERDALE, IN THE COUNTY OF MORRIS, NEW JERSEY

\$6,174,000*	\$5,246,000
WATER/SEWER UTILITY GENERAL OBLIGATION BONDS, SERIES 2026	BOND ANTICIPATION NOTES, SERIES 2026
consisting of:	consisting of:
\$5,360,000* Water/Sewer Utility Bonds and	\$4,406,000 General Improvement Bond Anticipation Note and
\$814,000* Water/Sewer Utility Assessment Bonds	\$840,000 Water/Sewer Utility Bond Anticipation Note
(CALLABLE)	(NON-CALLABLE)

Dated: Date of Delivery
Due: March 1, as Shown on the Inside Front Cover Page

Dated: Date of Delivery
Due: March 2, 2027

The \$6,174,000* Water/Sewer Utility General Obligation Bonds, Series 2026, consisting of the \$5,360,000* Water/Sewer Utility Bonds (the "Utility Bonds") and the \$814,000* Water/Sewer Utility Assessment Bonds (the "Assessment Bonds", and together with the Utility Bonds, the "Bonds"), of the Borough of Riverdale, in the County of Morris, New Jersey (the "Borough"), will be issued in the form of one certificate for each maturity of each series of the Bonds maturing in each year and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, Brooklyn, New York ("DTC"), which will act as securities depository. See "THE OBLIGATIONS – Book-Entry-Only System" herein.

Interest on the Bonds will be payable semiannually on March 1 and September 1 in each year until maturity or prior redemption, commencing on September 1, 2026. Principal of and interest due on the Bonds will be paid to DTC by the Borough or its designated paying agent. Interest on the Bonds will be credited to the participants of DTC as listed on the records of DTC as of each next preceding February 15 and August 15 (the "Record Dates" for the payment of interest on the Bonds). Interest on the Bonds shall be calculated on the basis of a 360-day year consisting of twelve 30-day calendar months. The Bonds are subject to optional redemption prior to their stated maturities. See "THE OBLIGATIONS – Redemption" herein.

The Bonds are valid and legally binding obligations of the Borough and, unless paid from other sources, are payable from *ad valorem* taxes levied upon all the taxable property within the Borough for the payment of the Bonds and the interest thereon without limitation as to rate or amount.

The \$5,246,000 Bond Anticipation Notes, Series 2026, consisting of the \$4,406,000 General Improvement Bond Anticipation Note (the "General Improvement Note") and the \$840,000 Water/Sewer Utility Bond Anticipation Note (the "Utility Note", and together with the General Improvement Note, the "Notes", and together with the Bonds, the "Obligations"), will be issued in the form of one certificate for the aggregate principal amount of each series of the Notes and, when issued, will be registered in the name of DTC, which will act as securities depository. See "THE OBLIGATIONS – Book-Entry-Only System" herein. Interest on the Notes will be credited to the participants of DTC as listed on the records of DTC as of one business day prior to the maturity date set forth above. Interest on the Notes shall be calculated on the basis of a 360-day year consisting of twelve 30-day calendar months. The Notes are not subject to redemption prior to their stated maturity. See "THE OBLIGATIONS – Redemption" herein.

The Notes are valid and legally binding obligations of the Borough, payable in the first instance from the proceeds of the sale of bonds in anticipation of which the Notes are issued, but, if not so paid, payable ultimately from *ad valorem* taxes that may be levied upon all the taxable property within the Borough without limitation as to rate or amount.

This cover page contains information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement, including the appendices, to obtain information essential to the making of an informed investment decision.

The Obligations will be offered when, as and if issued and delivered to the Underwriters (as defined herein), subject to prior sale, to withdrawal or modification of the offer without notice and to the approval of legality by the law firm of McManimon, Scotland & Baumann, LLC, Roseland, New Jersey, and certain other conditions described herein. Certain legal matters will be passed upon for the Borough by its counsel, Robert H. Oostdyk, Jr., Esq., Riverdale, New Jersey. Phoenix Advisors, a division of First Security Municipal Advisors, Inc., Hamilton, New Jersey, has served as Municipal Advisor to the Borough in connection with the issuance of the Obligations. Delivery is anticipated to be via DTC in Brooklyn, New York, on or about March 3, 2026.

**BIDS FOR THE BONDS AND NOTES WILL BE RECEIVED IN ACCORDANCE WITH THE NOTICES OF SALE UNTIL 11:00 A.M.
AND 11:30 A.M., RESPECTIVELY, ON WEDNESDAY, FEBRUARY 18, 2026. FOR MORE DETAILS ON HOW TO BID,
VIEW THE NOTICES OF SALE POSTED AT WWW.MUNIHUB.COM.**

* Preliminary, subject to change.

**BOROUGH OF RIVERDALE,
IN THE COUNTY OF MORRIS, NEW JERSEY**

\$6,174,000*
WATER/SEWER UTILITY GENERAL OBLIGATION BONDS, SERIES 2026
consisting of:
\$5,360,000* Water/Sewer Utility Bonds and
\$814,000* Water/Sewer Utility Assessment Bonds

MATURITIES, PRINCIPAL AMOUNTS*, INTEREST RATES, YIELDS AND CUSIP NUMBERS

Year (March 1)	Utility Bonds	Assessment Bonds	Combined Amounts	Interest Rate	Yield	CUSIP**
2027	\$174,000	\$45,000	\$219,000	%	%	
2028	175,000	45,000	220,000			
2029	176,000	44,000	220,000			
2030	185,000	40,000	225,000			
2031	205,000	40,000	245,000			
2032	220,000	40,000	260,000			
2033	230,000	40,000	270,000			
2034	245,000	40,000	285,000			
2035	255,000	40,000	295,000			
2036	265,000	40,000	305,000			
2037	280,000	40,000	320,000			
2038	290,000	40,000	330,000			
2039	305,000	40,000	345,000			
2040	320,000	40,000	360,000			
2041	335,000	40,000	375,000			
2042	340,000	40,000	380,000			
2043	340,000	40,000	380,000			
2044	340,000	40,000	380,000			
2045	340,000	40,000	380,000			
2046	340,000	40,000	380,000			

\$5,246,000
BOND ANTICIPATION NOTES, SERIES 2026
consisting of:
\$4,406,000 General Improvement Bond Anticipation Note and
\$840,000 Water/Sewer Utility Bond Anticipation Note

MATURITY, PRINCIPAL AMOUNT, INTEREST RATE, YIELD AND CUSIP NUMBER

Maturity: March 2, 2027 **Amount:** \$5,246,000 **Interest Rate:** ____% **Yield:** ____% **CUSIP**:** _____

* Preliminary; subject to change.

** "CUSIP" is a registered trademark of the American Bankers Association. CUSIP numbers are provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The CUSIP numbers listed above are being provided solely for the convenience of holders of the Obligations only at the time of issuance of the Obligations, and the Borough does not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specified maturity is subject to being changed after the issuance of the Obligations as a result of various subsequent actions, including, but not limited to, a refunding in whole or in part of such maturity or the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Obligations.

**BOROUGH OF RIVERDALE,
IN THE COUNTY OF MORRIS, NEW JERSEY**

MAYOR

Paul Carelli

BOROUGH COUNCIL

Vincent Pellegrini, President
Stephen Revis
Mike Kheyfets
Matt Oswald
Dave Desai
Paul Purcell

CHIEF FINANCIAL OFFICER

Christopher Battaglia

BOROUGH CLERK

Abukakar Jalloh

BOROUGH ATTORNEY

Robert H. Oostdyk, Jr., Esquire
Riverdale, New Jersey

INDEPENDENT AUDITORS

Nisivoccia LLP
Mount Arlington, New Jersey

BOND COUNSEL

McManimon, Scotland & Baumann, LLC
Roseland, New Jersey

MUNICIPAL ADVISOR

Phoenix Advisors,
a division of First Security Municipal Advisors, Inc.
Hamilton, New Jersey

No broker, dealer, salesperson or other person has been authorized by the Borough to give any information or to make any representations with respect to the Obligations other than those contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Obligations in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale.

The information contained herein has been provided by the Borough and other sources deemed reliable; however, no representation or warranty is made as to its accuracy or completeness and such information is not to be construed as a representation or warranty by the Underwriter or, as to information from sources other than itself, by the Borough. The information and the expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder under any circumstances shall create any implication that there has been no change in any of the information herein since the date hereof or since the date as of which such information is given, if earlier. This Official Statement is submitted in connection with the sale of the Obligations referred to herein and may not be used, in whole or in part, for any other purpose.

References in this Official Statement to laws, rules, regulations, resolutions, agreements, reports and documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein, and copies of which may be inspected at the offices of the Borough during normal business hours.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or amended by the Borough from time to time (collectively, the "Official Statement"), may be treated as a "Final Official Statement" with respect to the Obligations described herein that is deemed final as of the date hereof (or of any such supplement or amendment) by the Borough.

THE ORDER AND PLACEMENT OF MATERIALS IN THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, ARE NOT TO BE DEEMED TO BE A DETERMINATION OF RELEVANCE, MATERIALITY OR IMPORTANCE, AND THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, MUST BE CONSIDERED IN ITS ENTIRETY. THE OFFERING OF THE OBLIGATIONS IS MADE ONLY BY MEANS OF THIS ENTIRE OFFICIAL STATEMENT.

The Underwriters have reviewed the information in this Official Statement in accordance with and as part of their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

McManimon, Scotland & Baumann, LLC has not participated in the preparation of the financial or statistical information contained in this Official Statement nor has it verified the accuracy or completeness thereof and, accordingly, expresses no opinion with respect thereto.

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OFFICIAL STATEMENT
Relating to the

**BOROUGH OF RIVERDALE,
IN THE COUNTY OF MORRIS, NEW JERSEY**

\$6,174,000*

WATER/SEWER UTILITY GENERAL OBLIGATION BONDS, SERIES 2026
consisting of:

\$5,360,000* Water/Sewer Utility Bonds and
\$814,000* Water/Sewer Utility Assessment Bonds

-and-

\$5,246,000

BOND ANTICIPATION NOTES, SERIES 2026
consisting of:

\$4,406,000 General Improvement Bond Anticipation Note and
\$840,000 Water/Sewer Utility Bond Anticipation Note

INTRODUCTION

This Official Statement, which includes the cover page, the inside front cover page and the appendices attached hereto, has been prepared by the Borough of Riverdale (the "Borough"), in the County of Morris (the "County"), New Jersey (the "State"), in connection with the sale and issuance of its (i) \$6,174,000* Water/Sewer Utility General Obligation Bonds, Series 2026, consisting of the \$5,360,000* Water/Sewer Utility Bonds (the "Utility Bonds") and the \$814,000* Water/Sewer Utility Assessment Bonds (the "Assessment Bonds", and together with the Utility Bonds, the "Bonds"), and (ii) \$5,246,000 Bond Anticipation Notes, Series 2026, consisting of the \$4,406,000 General Improvement Bond Anticipation Note (the "General Improvement Note") and the \$840,000 Water/Sewer Utility Bond Anticipation Note (the "Utility Note", and together with the General Improvement Note, the "Notes", and together with the Bonds, the "Obligations") . This Official Statement has been executed by and on behalf of the Borough by its Chief Financial Officer and may be distributed in connection with the sale of the Obligations described herein.

This Official Statement contains specific information relating to the Obligations, including their general description, certain matters affecting the financing, certain legal matters, historical financial information and other information pertinent to this issue. This Official Statement should be read in its entirety. All financial and other information presented herein has been provided by the Borough from its records, except for information expressly attributed to other sources. This Official Statement is "deemed final," as of its date, within the meaning of Rule 15c2-12 of the Securities and Exchange Commission.

THE OBLIGATIONS

General Description

The Bonds will be dated their date of delivery, will bear interest from their dated date and will mature on March 1 in each of the years and in the principal amounts set forth on the inside front cover

* Preliminary, subject to change.

page hereof. Interest on the Bonds will be payable semiannually on March 1 and September 1 in each year until maturity or prior redemption, commencing on September 1, 2026, at the rates set forth on the inside front cover page hereof. Principal of and interest due on the Bonds will be paid to DTC (as defined herein) by the Borough or its designated paying agent. Interest on the Bonds will be credited to the participants of DTC as listed on the records of DTC as of each next preceding February 15 and August 15 (the “Record Dates” for the payment of interest on the Bonds). Interest on the Bonds shall be calculated on the basis of a 360-day year consisting of twelve 30-day calendar months.

The Bonds are issuable as fully registered book-entry bonds in the form of one certificate for each maturity of each series of the Bonds and in the principal amount of such maturity. The Bonds may be purchased in book-entry-only form in the principal amount of \$5,000 or any integral multiple of \$1,000 in excess thereof through book-entries made on the books and records of The Depository Trust Company, Brooklyn, New York (“DTC”), and its participants. So long as DTC or its nominee, Cede & Co. (or any successor or assign), is the registered owner for the Bonds, payments of the principal of and interest on the Bonds will be made by the Borough directly to Cede & Co. (or any successor or assign), as nominee for DTC.

The Notes will be dated, will mature on the date and in the amount and will bear interest payable at the interest rate as set forth on the inside front cover page hereof. Interest on the Notes shall be calculated on the basis of a 360-day year consisting of twelve 30-day calendar months. The Notes will be issued in the form of one certificate for the aggregate principal amount of each series of the Notes and, when issued, shall be registered in the name of Cede & Co., as nominee for DTC, which will act as securities depository. Interest on the Notes will be credited to the participants of DTC as listed on the records of DTC as of one business day prior to maturity. The Notes may be purchased in book-entry-only form in the principal amount of \$5,000 or any integral multiple of \$1,000 in excess thereof.

Book-Entry-Only System*

The description which follows of the procedures and recordkeeping with respect to beneficial ownership interest in the Obligations, payment of principal and interest and other payments on the Obligations to Direct and Indirect Participants (each as defined below) or Beneficial Owners, confirmation and transfer of beneficial ownership interests in the Obligations and other related transactions by and between DTC, Direct Participants and Beneficial Owners, is based on certain information furnished by DTC to the Borough. DTC will act as securities depository for the Obligations. The Obligations will be issued as fully registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered certificate will be issued for each maturity of each series of the Obligations in the aggregate principal amount of such maturity and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of

* Source: The Depository Trust Company.

securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has an S&P Global rating of AA+. The DTC rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Obligations under the DTC system must be made by or through Direct Participants, which will receive a credit for the Obligations on DTC’s records. The ownership interest of each actual purchaser of each Note (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Obligations are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Obligations, except in the event that use of the book-entry system for the Obligations is discontinued.

To facilitate subsequent transfers, all Obligations deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Obligations with DTC and their registration in the name of Cede & Co., or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Obligations; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Obligations are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Obligations unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Borough as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts Obligations are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, if any, and principal and interest payments on the Obligations will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detail information from the Borough or the paying agent, if any, on the payable date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and shall be the responsibility of such

Participant and not of DTC or its nominee, the paying agent, if any, or the Borough, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, if any, and principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Borough or the paying agent, if any, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Obligations at any time by giving reasonable notice to the Borough or the paying agent, if any. Under such circumstances, in the event that a successor securities depository is not obtained, Note certificates are required to be printed and delivered.

The Borough may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Note certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Borough believes to be reliable, but the Borough takes no responsibility for the accuracy thereof.

THE INFORMATION CONTAINED IN THIS SUBSECTION "BOOK-ENTRY-ONLY SYSTEM" HAS BEEN PROVIDED BY DTC. THE BOROUGH MAKES NO REPRESENTATIONS AS TO THE COMPLETENESS OR THE ACCURACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

THE BOROUGH WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (II) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO OBLIGATION HOLDERS; (III) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF OR INTEREST DUE ON THE OBLIGATIONS; OR (IV) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY CEDE & CO., AS NOMINEE FOR DTC AND THE REGISTERED OWNER OF THE OBLIGATIONS. THE RULES APPLICABLE TO DTC ARE ON FILE WITH THE SECURITIES AND EXCHANGE COMMISSION AND THE PROCEDURES OF DTC TO BE FOLLOWED IN DEALING WITH DTC PARTICIPANTS ARE ON FILE WITH DTC.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE OBLIGATIONS, AS NOMINEE FOR DTC, REFERENCES HEREIN TO THE HOLDERS OR REGISTERED OWNERS OF THE OBLIGATIONS (OTHER THAN UNDER THE CAPTIONS "TAX MATTERS" AND "SECONDARY MARKET DISCLOSURE") SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE OBLIGATIONS.

Discontinuation of Book-Entry-Only System

If the Borough, in its sole discretion, determines that DTC is not capable of discharging its duties, or if DTC discontinues providing its services with respect to the Obligations at any time, the Borough will attempt to locate another qualified securities depository. If the Borough fails to find such a securities depository, or if the Borough determines, in its sole discretion, that it is in the best interest of the Borough or that the interest of the Beneficial Owners might be adversely affected if the book-entry-only system of

transfer is continued (the Borough undertakes no obligation to make an investigation to determine the occurrence of any events that would permit it to make such determination), the Borough shall notify DTC of the termination of the book-entry-only system.

Redemption

The Bonds maturing prior to March 1, 2034 are not subject to redemption prior to their stated maturities. The Bonds maturing on or after March 1, 2034 are redeemable at the option of the Borough, in whole or in part, on any date on or after March 1, 2033 upon notice as required herein at par, plus in each case unpaid accrued interest to the date fixed for redemption.

Notice of redemption shall be given by mailing by first class mail in a sealed envelope with postage prepaid to the registered owners of the Bonds not less than thirty (30) days, nor more than sixty (60) days prior to the date fixed for redemption. Such mailing shall be to the owners of such Bonds at their respective addresses as they last appear on the registration books kept for that purpose by the Borough or a duly appointed bond registrar. Any failure of the securities depository to advise any of its Participants or any failure of any Participant to notify any Beneficial Owner of any notice of redemption shall not affect the validity of the redemption proceedings. If the Borough determines to redeem a portion of the Bonds prior to maturity, the Bonds to be redeemed shall be selected by the Borough. The Bonds to be redeemed having the same maturity shall be selected by the securities depository in accordance with its regulations.

So long as Cede & Co., as nominee for DTC, is the registered owner of the Bonds, the Borough shall send redemption notices only to Cede & Co.

If notice of redemption has been given as provided herein, the Bonds or the portion thereof called for redemption shall be due and payable on the date fixed for redemption at the redemption price, together with unpaid accrued interest to the date fixed for redemption. Interest shall cease to accrue on the Bonds after the date fixed for redemption. Payment shall be made upon surrender of the Bonds redeemed.

The Notes are not subject to redemption prior to their stated maturity.

AUTHORIZATION AND PURPOSE OF THE OBLIGATIONS

The Bonds

The Bonds have been authorized by and are being issued pursuant to the laws of the State, including the Local Bond Law (constituting Chapter 2 of Title 40A of the State statutes, as amended) (the “Local Bond Law”), the bond ordinances adopted by the Borough Council of the Borough referred to in the chart below and by a resolution duly adopted by the Borough Council of the Borough on January 28, 2026 (the “Resolution”). The bond ordinances authorizing the Bonds were published in full or in summary after their final adoption along with the statement that the twenty (20) day period of limitation within which a suit, action or proceeding questioning the validity of such bond ordinances could be commenced began to run from the date of the first publication of such statement. The Local Bond Law provides that, after issuance, all obligations shall be conclusively presumed to be fully authorized and issued by all laws of the State, and all persons shall be estopped from questioning their sale, execution or delivery by the Borough. Such estoppel period for each of the bond ordinances has concluded as of the date of this Official Statement.

Proceeds from the sale and issuance of the Bonds will be used to (i) currently refund \$3,197,830 of the Borough's \$7,686,987 Bond Anticipation Notes, dated and issued on March 4, 2025 and maturing on March 4, 2026 (the "Prior Notes"); (ii) provide \$2,976,170 in new money to permanently finance various water/sewer utility improvements in and for the Borough; and (iii) pay costs and expenses in connection with the authorization, sale and issuance of the Bonds.

Utility Bonds

Bond Ordinance Number	Description of Improvement and Date of Adoption of Bond Ordinance	Amount Funded from Bond Proceeds
3-2006, as amended by 7-2017 and 12-2017	Acquisition of sewer allocation and installation of sewers, finally adopted February 6, 2006, as amended May 10, 2017 and August 16, 2017.	\$2,383,830
08-2025	Various water utility capital improvements, finally adopted August 27, 2025.	500,000
11-2025	Various improvements to the water/sewer utility, finally adopted December 29, 2025.	<u>2,476,170</u>
	SUB-TOTAL:	<u>\$5,360,000</u>

Assessment Bonds

Bond Ordinance Number	Description of Improvement and Date of Adoption of Bond Ordinance	Amount Funded from Bond Proceeds
3-2006, as amended by 7-2017 and 12-2017	Acquisition of sewer allocation and installation of sewers, finally adopted February 6, 2006, as amended May 10, 2017 and August 16, 2017.	<u>\$814,000</u>
	SUB-TOTAL:	<u>\$814,000</u>

The Notes

The Notes have been authorized by and are being issued pursuant to the Local Bond Law and the bond ordinances adopted by the Borough Council of the Borough referred to in the chart below. The bond ordinances authorizing the Notes were published in full or in summary after their final adoption along with the statement that the twenty (20) day period of limitation within which a suit, action or proceeding questioning the validity of such bond ordinances could be commenced began to run from the date of the first publication of such statement. The Local Bond Law provides that, after issuance, all obligations shall be conclusively presumed to be fully authorized and issued by all laws of the State, and all persons shall be estopped from questioning their sale, execution or delivery by the Borough. Such estoppel period for each of the bond ordinances has concluded as of the date of this Official Statement.

Proceeds from the sale and issuance of the Notes, along with other available funds of the Borough in the amount of \$500,157, will be used to (i) currently refund the remaining \$4,489,157 of the Prior Notes; (ii) provide \$1,257,000 in new money to temporarily finance various capital improvements in and for the Borough; and (iii) pay costs and expenses in connection with the authorization, sale and issuance of the Notes.

General Improvement Note

Bond Ordinance Number	Description of Improvement and Date of Adoption of Bond Ordinance	Amount of Notes to Be Issued
6-2017	Various road improvements, finally adopted May 10, 2017.	\$179,289
13-2017	Various capital improvements, finally adopted August 16, 2017, with \$547,977 being reappropriated by bond ordinance 08-2021, finally adopted October 27, 2021, which amount is included as debt authorized by bond ordinance 13-2017.	384,365
07-2020	Various road improvements, finally adopted August 26, 2020.	564,500
08-2021	Various capital improvements, finally adopted October 27, 2021.	554,958
01-2022	Replacement of the retaining wall at Independence Park, finally adopted April 27, 2022.	324,577
02-2022	Various road improvements, finally adopted April 27, 2022.	1,141,311
09-2025	Various capital improvements, finally adopted September 24, 2025.	<u>1,257,000</u>
	SUB-TOTAL:	<u>\$4,406,000</u>

Utility Note

Bond Ordinance Number	Description of Improvement and Date of Adoption of Bond Ordinance	Amount of Notes to Be Issued
3-2006, as amended by 7-2017 and 12-2017	Acquisition of sewer allocation and installation of sewers, finally adopted February 6, 2006, as amended May 10, 2017 and August 16, 2017.	<u>\$840,000</u>
	SUB-TOTAL:	<u>\$840,000</u>

SECURITY AND SOURCE OF PAYMENT

The Bonds are valid and legally binding obligations of the Borough, and the Borough has pledged its full faith and credit for the payment of the principal of and interest on the Bonds. The Borough is required by law to levy *ad valorem* taxes upon all the taxable property within the Borough for the payment of the principal of and interest on the Bonds without limitation as to rate or amount.

The Notes are valid and legally binding obligations of the Borough, payable in the first instance from the proceeds of the sale of bonds in anticipation of which the Notes are issued, but, if not so paid, payable ultimately from *ad valorem* taxes that may be levied upon all the taxable property within the Borough for the payment of the principal of and interest on the Notes without limitation as to rate or amount.

CERTAIN RISK FACTORS

Cybersecurity

The Borough relies upon a large and complex technology environment to conduct its various operations. As a result, the Borough faces certain cybersecurity threats at various times, including, but not limited to, hacking, phishing, viruses, malware and other attacks on its computing and digital networks and systems. To mitigate the risks of business operations impact and/or damage from cybersecurity incidents or cyberattacks, the Borough has invested in multiple forms of cybersecurity and operational safeguards. In addition, the Borough maintains certain insurance coverage for cyberattacks and related events. However, there can be no assurance that any existing safety or security measures will provide adequate protection in safeguarding against cybersecurity threats and attacks. Cybersecurity breaches of the Borough could cause material disruption of the Borough's finances and operations.

Climate Change

The State is naturally susceptible to the effects of extreme weather events and natural disasters, including floods and hurricanes, which could result in negative economic impacts on communities. Such effects can be exacerbated by a longer-term shift in the climate over several decades (commonly referred to as "climate change"), including increasing global temperatures and rising sea levels. The occurrence of such extreme weather events could damage local infrastructure that provides essential services to the Borough as well as resulting in economic impacts such as loss of *ad valorem* tax revenue, interruption of municipal services and escalated recovery costs. The Borough has an Office of Emergency Management and also engages with the County Office of Emergency Management to plan for and respond to emergencies, including weather-related emergencies. No assurance can be given as to whether future extreme weather events will occur that could materially adversely affect the financial condition of the Borough.

MARKET PROTECTION

The Borough does not anticipate issuing any additional bonds within the next ninety (90) days. The Borough may issue additional bond anticipation notes, as necessary, during the remainder of calendar year 2026.

MUNICIPAL FINANCE – FINANCIAL REGULATION OF COUNTIES AND MUNICIPALITIES

Local Bond Law (N.J.S.A. 40A:2-1 et seq.)

The Local Bond Law governs the issuance of bonds and notes to finance certain general municipal and utility capital expenditures. Among its provisions are requirements that bonds must mature within the statutory period of usefulness of the projects bonded and that bonds be retired in serial installments. A 5% cash down payment is generally required toward the financing of expenditures for municipal purposes, subject to a number of exceptions. All bonds and notes issued by the Borough are general full faith and credit obligations.

The authorized bonded indebtedness of the Borough for municipal purposes is limited by statute, subject to the exceptions noted below, to an amount equal to 3½% of its average equalized valuation basis. The average for the last three years of the equalized value of all taxable property and improvements and certain Class II railroad property within the boundaries of the Borough, as annually determined by the State Director of Taxation, is set forth in Appendix A.

Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit, including school bonds that do not exceed the school bond borrowing margin and certain debt that may be deemed self-liquidating.

As shown in Appendix A, the Borough has not exceeded its statutory debt limit.

The Borough may exceed its debt limit with the approval of the Local Finance Board, a State regulatory agency, and as permitted by other statutory exceptions. If all or any part of a proposed debt authorization would exceed its debt limit, the Borough may apply to the Local Finance Board for an extension of credit. If the Local Finance Board determines that a proposed debt authorization would not materially impair the credit of the Borough or substantially reduce the ability of the Borough to meet its obligations or to provide essential public improvements and services, or if it makes certain other statutory determinations, approval is granted. In addition, debt in excess of the statutory limit may be issued by the Borough to fund certain notes, to provide for self-liquidating purposes and, in each fiscal year, to provide for purposes in an amount not exceeding 2/3 of the amount budgeted in such fiscal year for the retirement of outstanding obligations (exclusive of utility and assessment obligations).

The Borough may sell short-term “bond anticipation notes” to temporarily finance a capital improvement or project in anticipation of the issuance of bonds if the bond ordinance or a subsequent resolution so provides. Bond anticipation notes for capital improvements may be issued in an aggregate amount not exceeding the amount specified in the ordinance creating such capital expenditure, as it may be amended and supplemented. A local unit’s bond anticipation notes may be issued for periods not greater than one year. Generally, bond anticipation notes may not be outstanding for longer than ten years. An additional period may be available following the tenth anniversary date equal to the period from the notes’ maturity to the end of the tenth fiscal year in which the notes mature plus 4 months (May 1) in the next following fiscal year from the date of original issuance. Beginning in the third year, the amount of notes that may be issued is decreased by the minimum amount required for the first year’s principal payment for a bond issue.

Local Budget Law (N.J.S.A. 40A:4-1 et seq.)

The foundation of the State local finance system is the annual cash basis budget. Every local unit must adopt a budget in the form required by the Division of Local Government Services, Department of

Community Affairs, State of New Jersey (the “Division”). Certain items of revenue and appropriation are regulated by law and the proposed budget must be certified by the Director of the Division (the “Director”) prior to final adoption. The Local Budget Law requires each local unit to appropriate sufficient funds for payment of current debt service, and the Director is required to review the adequacy of such appropriations.

The local unit is authorized to issue emergency notes and special emergency notes pursuant to the Local Budget Law. Tax anticipation notes are limited in amount by law and must be paid off in full within 120 days of the close of the fiscal year.

The Director has no authority over individual operating appropriations, unless a specific amount is required by law, but the review functions focusing on anticipated revenues serve to protect the solvency of all local units.

The cash basis budgets of local units must be in balance, *i.e.*, the total of anticipated revenues must equal the total of appropriations (N.J.S.A. 40A:4-22). If in any year a local unit’s expenditures exceed its realized revenues for that year, then such excess must be raised in the succeeding year’s budget.

The Local Budget Law (N.J.S.A. 40A:4-26) provides that no miscellaneous revenues from any source may be included as an anticipated revenue in the budget in an amount in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the Director determines that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and certifies that determination to the local unit.

No budget or budget amendment may be adopted unless the Director shall have previously certified his or her approval of such anticipated revenues except that categorical grants-in-aid contracts may be included for their face amount with an offsetting appropriation. The fiscal years for such grants rarely coincide with the municipality’s calendar year. However, grant revenue is generally not realized until received in cash.

The same general principle that revenue cannot be anticipated in a budget in excess of that realized in the preceding year applies to property taxes. The maximum amount of delinquent taxes that may be anticipated is limited by a statutory formula, which allows the local unit to anticipate collection at the same rate realized for the collection of delinquent taxes in the previous year. Also, the local unit is required to make an appropriation for a “reserve for uncollected taxes” in accordance with a statutory formula to provide for a tax collection in an amount that does not exceed the percentage of taxes levied and payable in the preceding fiscal year that was received in cash by December 31 of that year. The budget also must provide for any cash deficits of the prior year.

Emergency appropriations (those made after the adoption of the budget and the determination of the tax rate) may be authorized by the governing body of a local unit. However, with minor exceptions, such appropriations must be included in full in the following year’s budget.

The exceptions are certain enumerated quasi-capital projects (“special emergencies”) such as ice, snow and flood damage to streets, roads and bridges, which may be amortized over three years, and tax map preparation, re-evaluation programs, revision and codification of ordinances, master plan preparation, drainage map preparation for flood control purposes and contractually required severance liabilities, which may be amortized over five years. Of course, emergency appropriations for capital projects may be financed through the adoption of a bond ordinance and amortized over the useful life of the project.

Under legislation enacted to address the COVID-19 pandemic, P.L. 2020, c. 60 (A4175), a municipality may adopt an emergency appropriation to fund certain deficits resulting from COVID-19 with approval of the Director of the Division of Local Government Services and may either fund it as a deferred charge or issue special emergency notes to fund it payable by 1/5 each year beginning in the year after the year in which the deferred charge appears in the financial statements so it is paid off no later than the last day of the sixth fiscal year following the end of the fiscal year in which the application is made. If there is a showing of fiscal distress, that may be extended to ten years. The Director may also promulgate guidelines modifying the standard for anticipated revenues when the amount realized in cash from the same source during the next preceding fiscal year experienced reductions due to COVID-19. Also, local units may be able to issue refunding bonds with Local Finance Board approval to repay a Federal Emergency Management Agency Community Disaster Loan for which it executed a promissory note in 2013.

Budget transfers provide a degree of flexibility and afford a control mechanism. Transfers between appropriation accounts may be made only during the last two months of the year. Appropriation reserves may also be transferred during the first three months of the year to the previous year's budget. Both types of transfers require a 2/3 vote of the full membership of the governing body; however, transfers cannot be made from either the down payment account or the capital improvement fund. Transfers may be made between sub-account line items within the same account at any time during the year, subject to internal review and approval. In a "CAP" budget, no transfers may be made from excluded from "CAP" appropriations to within "CAP" appropriations nor can transfers be made between excluded from "CAP" appropriations, except that transfers may be made between debt service principal and interest.

A provision of law known as the New Jersey "Cap Law" (N.J.S.A. 40A:4-45.1 *et seq.*) imposes limitations on increases in municipal appropriations subject to various exceptions. The payment of debt service is an exception from this limitation. The Cap formula is somewhat complex, but basically it permits a municipality to increase its overall appropriations by the lesser of 2.5% or the "Index Rate" if the Index Rate is greater than 2.5%. The "Index Rate" is the rate of annual percentage increase, rounded to the nearest one-half percent, in the Implicit Price Deflator for State and Local Government purchases of goods and services computed by the U.S. Department of Commerce. Exceptions to the limitations imposed by the Cap Law also exist for other things including capital expenditures; extraordinary expenses approved by the Local Finance Board for implementation of an interlocal services agreement; expenditures mandated as a result of certain emergencies; and certain expenditures for services mandated by law. Counties are also prohibited from increasing their tax levies by more than the lesser of 2.5% or the Index Rate, subject to certain exceptions. Municipalities by ordinance approved by a majority of the full membership of the governing body may increase appropriations up to 3.5% over the prior year's appropriation, and counties by resolution approved by a majority of the full membership of the governing body may increase the tax levy up to 3.5% over the prior year's tax levy in years when the Index Rate is 2.5% or less.

Additionally, legislation constituting P.L. 2010, c. 44, limits tax levy increases for those local units to 2% with exceptions only for capital expenditures including debt service, increases in pension contributions and accrued liability for pension contributions in excess of 2%, certain healthcare increases, extraordinary costs directly related to a declared emergency and amounts approved by a simple majority of voters voting at a special election.

Neither the tax levy limitation nor the "Cap Law" limits the obligation of the Borough to levy *ad valorem* taxes upon all taxable property within the Borough to pay debt service on its bonds or notes, including the Obligations.

In accordance with the Local Budget Law, each local unit must adopt and may from time to time amend rules and regulations for capital budgets, which rules and regulations must require a statement of capital undertakings underway or projected for a period not greater than over the next ensuing six years as a general improvement program. The capital budget, when adopted, does not constitute the approval or appropriation of funds, but sets forth a plan of the possible capital expenditures which the local unit may contemplate over the next six years. Expenditures for capital purposes may be made either by ordinances adopted by the governing body setting forth the items and the method of financing or from the annual operating budget if the terms were detailed.

Tax Assessment and Collection Procedure

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners, but it often results in a divergence of the assessment ratio to true value. Because of the changes in property resale values, annual adjustments could not keep pace with the changing values.

Upon the filing of certified adopted budgets by the Borough's local school district and the County, the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provision for the assessment of property, the levying of taxes and the collection thereof are set forth in N.J.S.A. 54:4-1 *et seq.* Special taxing districts are permitted in the State for various special services rendered to the properties located within the special districts.

Tax bills are typically mailed annually in June or following the adoption of the State budget, at which time State aid is certified, by the Borough's Tax Collector. The taxes are due August 1 and November 1, respectively, and are adjusted to reflect the current calendar year's total tax liability. The preliminary taxes due February 1 and May 1 of the succeeding year are based upon one-half of the current year's total tax.

By State statute, tax installments not paid on or before the due date are subject to interest penalties of 8% per annum on the first \$1,500 of the delinquency and 18% per annum on any amount in excess of \$1,500, and if a delinquency (including interest) is in excess of \$10,000.00 and remains in arrears after December 31, an additional flat penalty of 6% shall be charged against the delinquency. These interest rates and penalties are the highest permitted under State statutes. Delinquent taxes open for one year or more are annually included in a tax sale in accordance with State statutes.

Tax Appeals

The State statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. Prior to February 1 of each year, the Borough must mail to each property owner a notice of the current assessment and taxes on the property. The taxpayer has a right to petition the County Board of Taxation on or before April 1 for review. The County Board of Taxation has the authority after a hearing to decrease or reject the appeal petition. These adjustments are usually concluded within the current tax year and reductions are shown as canceled or remitted taxes for that year. If the taxpayer feels his petition was unsatisfactorily reviewed by the County Board of Taxation, appeal may be made to the Tax Court of New Jersey for further hearing. Some State Tax Court appeals may take several years prior to settlement and any losses in tax collections from prior years are charged directly to operations.

Local Fiscal Affairs Law (N.J.S.A. 40A:5-1 *et seq.*)

This law regulates the non-budgetary financial activities of local governments. The chief financial officer of every local unit must file annually, with the Director, a verified statement of the financial condition of the local unit and all constituent boards, agencies or commissions.

An independent examination of each local unit's accounts must be performed annually by a licensed registered municipal accountant. The audit, conforming to the Division of Local Government Services' "Requirements of Audit", includes recommendations for improvement of the local unit's financial procedures and must be filed with the Director. A synopsis of the audit report, together with all recommendations made, must be published in a local newspaper within 30 days of its submission. The entire annual audit report for the year ended December 31, 2024 for the Borough is on file with the Borough Clerk and is available for review during business hours.

TAX MATTERS

Exclusion of Interest on the Obligations From Gross Income for Federal Tax Purposes

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements that must be met on a continuing basis subsequent to the issuance of the Obligations in order to assure that interest on the Obligations will be excluded from gross income for federal income tax purposes under Section 103 of the Code. Failure of the Borough to comply with such requirements may cause interest on the Obligations to lose the exclusion from gross income for federal income tax purposes, retroactive to the date of issuance of the Obligations. The Borough will make certain representations in its Arbitrage and Tax Certificates, each of which will be executed on the date of issuance of the Obligations, as to various tax requirements. The Borough has covenanted to comply with the provisions of the Code applicable to the Obligations and has covenanted not to take any action or fail to take any action that would cause interest on the Obligations to lose the exclusion from gross income under Section 103 of the Code. Bond Counsel (as defined herein) will rely upon the representations made in the Arbitrage and Tax Certificates and will assume continuing compliance by the Borough with the above covenants in rendering its federal income tax opinions with respect to the exclusion of interest on the Obligations from gross income for federal income tax purposes and with respect to the treatment of interest on the Obligations for the purposes of alternative minimum tax.

Assuming the Borough observes its covenants with respect to compliance with the Code, McManimon, Scotland & Baumann, LLC ("Bond Counsel") is of the opinion that, under existing law, interest on the Obligations is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code, and interest on the Obligations is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax; however, interest on the Obligations is included in the "adjusted financial statement income" of certain corporations that are subject to alternative minimum tax under Section 55 of the Code.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to exclusion of interest on the Obligations from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service ("IRS") or any court. Bond Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations under the Code or (ii) the interpretation and enforcement of the Code or those regulations by the IRS.

Bond Counsel's engagement with respect to the Obligations ends with the issuance of the Obligations, and, unless separately engaged, Bond Counsel is not obligated to defend the Borough or the owners of the Obligations regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includable in gross income for federal income tax purposes. If the IRS does audit the Obligations, under current IRS procedures, the IRS will treat the Borough as the taxpayer and the beneficial owners of the Obligations will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including, but not limited to, selection of the Obligations for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the Obligations.

Payments of interest on tax-exempt obligations, including the Obligations, are generally subject to IRS Form 1099-INT information reporting requirements. If an owner of the Obligations is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Original Issue Discount

Certain maturities of the Bonds may be sold at an initial offering price less than the principal amount payable on such Bonds at maturity (the "Discount Bonds"). The difference between the initial public offering price of the Discount Bonds at which a substantial amount of each of the Discount Bonds was sold and the principal amount payable at maturity of each of the Discount Bonds constitutes the original issue discount. Bond Counsel is of the opinion that the appropriate portion of the original issue discount allocable to the original and each subsequent owner of the Discount Bonds will be treated for federal income tax purposes as interest not includable in gross income under Section 103 of the Code to the same extent as stated interest on the Discount Bonds. Under Section 1288 of the Code, the original issue discount on the Discount Bonds accrues on the basis of economic accrual. The basis of an initial purchaser of a Discount Bond acquired at the initial public offering price of the Discount Bonds will be increased by the amount of such accrued discount. Owners of the Discount Bonds should consult their own tax advisors with respect to the determination for federal income tax purposes of the original issue discount properly allocable with respect to the Discount Bonds and the tax accounting treatment of accrued interest.

Original Issue Premium

The Notes and certain maturities of the Bonds may be sold at an initial offering price in excess of the amount payable at the maturity date (the "Premium Obligations"). The excess, if any, of the tax basis of the Premium Obligations to a purchaser (other than a purchaser who holds such Premium Obligations as inventory, as stock-in-trade or for sale to customers in the ordinary course of business) over the amount payable at maturity is amortizable bond premium, which is not deductible from gross income for federal income tax purposes. Amortizable bond premium, as it amortizes, will reduce the owner's tax cost of the Premium Obligations used to determine, for federal income tax purposes, the amount of gain or loss upon the sale, redemption at maturity or other disposition of the Premium Obligations. Accordingly, an owner of a Premium Obligation may have taxable gain from the disposition of the Premium Obligation, even though the Premium Obligation is sold, or disposed of, for a price equal to the owner's original cost of acquiring the Premium Obligation. Bond premium amortizes over the term of the Premium Obligations under the "constant yield method" described in regulations interpreting Section 1272 of the Code. Owners of the Premium Obligations should consult their own tax advisors with respect to the calculation of the amount of bond premium that will be treated for federal income tax purposes as having amortized

for any taxable year (or portion thereof) of the owner and with respect to other federal, state and local tax consequences of owning and disposing of the Premium Obligations.

Additional Federal Income Tax Consequences of Holding the Obligations

Prospective purchasers of the Obligations should be aware that ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations, such as the Obligations, may have additional federal income tax consequences for certain taxpayers, including, without limitation, taxpayers eligible for the earned income credit, recipients of certain Social Security and certain Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, property and casualty companies, foreign corporations and certain S corporations.

Bond Counsel expresses no opinion regarding any federal tax consequences other than its opinion with regard to the exclusion of interest on the Obligations from gross income pursuant to Section 103 of the Code and interest on the Obligations not constituting an item of tax preference under Section 57 of the Code. Prospective purchasers of the Obligations should consult their tax advisors with respect to all other tax consequences (including, but not limited to, those listed above) of holding the Obligations.

Bank-Qualification

The Obligations will not be designated as qualified under Section 265 of the Code by the Borough for an exemption from the denial of deduction for interest paid by financial institutions to purchase or to carry tax-exempt obligations.

The Code denies the interest deduction for certain indebtedness incurred by banks, thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations. The denial to such institutions of 100% of the deduction for interest paid on funds allocable to tax-exempt obligations applies to those tax-exempt obligations acquired by such institutions after August 7, 1986. For certain issues, which are eligible to be designated and which are designated by the issuer as qualified under Section 265 of the Code, 80% of such interest may be deducted as a business expense by such institutions.

Changes in Federal Tax Law Regarding the Obligations

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the State of New Jersey. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Obligations. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Obligations will not have an adverse effect on the tax status of interest on the Obligations or the market value or marketability of the Obligations. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax) or repeal (or reduction in the benefit) of the exclusion of interest on the Obligations from gross income for federal or state income tax purposes for all or certain taxpayers.

State Taxation

Bond Counsel is of the opinion that, based upon existing law, interest on the Obligations and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act.

THE OPINIONS EXPRESSED BY BOND COUNSEL WITH RESPECT TO THE OBLIGATIONS ARE BASED UPON EXISTING LAWS AND REGULATIONS AS INTERPRETED BY RELEVANT JUDICIAL DECISIONS AND REGULATORY CHANGES AS OF THE DATE OF ISSUANCE OF THE OBLIGATIONS, AND BOND COUNSEL HAS EXPRESSED NO OPINION WITH RESPECT TO ANY LEGISLATION, REGULATORY CHANGES OR LITIGATION ENACTED, ADOPTED OR DECIDED SUBSEQUENT THERETO. PROSPECTIVE PURCHASERS OF THE OBLIGATIONS SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE POTENTIAL IMPACT OF ANY PENDING OR PROPOSED FEDERAL OR STATE TAX LEGISLATION, REGULATIONS OR LITIGATION.

FINANCIAL STATEMENTS

The audited financial statements of the Borough for the years ended December 31, 2024 and 2023 are presented in Appendix “B” to this Official Statement (the “Financial Statements”). The Financial Statements have been prepared by Nisivoccia LLP, Mount Arlington, New Jersey (the “Auditor”), an independent auditor, as stated in its report appearing in Appendix “B” to this Official Statement. The Auditor has not participated in the preparation of this Official Statement, nor has such firm verified the accuracy, completeness or fairness of the information contained herein (except for the audited financial statements appearing in Appendix “B” hereto) and, accordingly, will express no opinion with respect thereto. See “APPENDIX B – EXCERPTS FROM FINANCIAL STATEMENTS OF THE BOROUGH OF RIVERDALE, IN THE COUNTY OF MORRIS, NEW JERSEY” herein.

LITIGATION

To the knowledge of the Borough Attorney, Robert H. Oostdyk, Jr., Esquire, Riverdale, New Jersey (the “Borough Attorney”), there is no litigation of any nature, now pending or threatened, restraining or enjoining the issuance or the delivery of the Obligations, or the levy or the collection of any taxes to pay the principal of or the interest on the Obligations, or in any manner questioning the authority or the proceedings for the issuance of the Obligations or for the levy or the collection of taxes, or contesting the corporate existence or the boundaries of the Borough or the title of any of the present officers. Further, to the knowledge of the Borough Attorney, no litigation is presently pending or threatened that, in the opinion of the Borough Attorney, would have a material adverse impact on the financial condition of the Borough if adversely decided.

SECONDARY MARKET DISCLOSURE

The Bonds

The Borough, pursuant to the Resolution, has covenanted for the benefit of the holders and beneficial owners of the Bonds to provide certain secondary market disclosure information pursuant to Rule 15c2-12 of the Securities and Exchange Commission, as amended and interpreted from time to time (the “Rule”). Specifically, for so long as the Bonds remain outstanding (unless the Bonds have been wholly defeased), the Borough shall provide:

(a) On or prior to September 30 of each year, beginning September 30, 2026, electronically to the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access dataport (“EMMA”) system or such other repository designated by the Securities and Exchange Commission to be an authorized repository for filing secondary market disclosure information, if any, annual financial

information with respect to the Borough consisting of the audited financial statements (or unaudited financial statements if audited financial statements are not then available, which audited financial statements will be delivered when and if available) of the Borough and certain financial information and operating data, consisting of (i) the Borough and overlapping indebtedness, including a schedule of outstanding debt issued by the Borough, (ii) property valuation information and (iii) tax rate, levy and collection data. The audited financial information will be prepared in accordance with generally accepted accounting principles as modified by governmental accounting standards as may be required by State law.

(b) In a timely manner not in excess of ten business days after the occurrence of the event, to EMMA, notice of any of the following events with respect to the Bonds (herein "Disclosure Events"):

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) Modifications to the rights of holders of the Bonds, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution or sale of property securing repayment of the Bonds, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the Borough;
- (13) The consummation of a merger, consolidation or acquisition involving the Borough or the sale of all or substantially all of the assets of the Borough, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a Financial Obligation of the Borough, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a Financial Obligation of the Borough, any of which affect holders of the Bonds, if material; and
- (16) Default, event of acceleration, termination event, modification of terms or other similar events under a Financial Obligation of the Borough, if any such event reflects financial difficulties.

The term "Financial Obligation" as used in subparagraphs (b)(15) and (b)(16) above means a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation or (iii) guarantee of (i) or (ii); provided, however, that the term "Financial Obligation" shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

(c) In a timely manner to EMMA, notice of failure of the Borough to provide required annual financial information on or before the date specified in the Resolution.

The Notes

The Borough has covenanted for the benefit of the holders and beneficial owners of the Notes to provide certain secondary market disclosure information pursuant to the Rule. Specifically, for so long as the Notes remain outstanding (unless the Notes have been wholly defeased), the Borough will provide in a timely manner not in excess of ten (10) business days after the occurrence of the event, to EMMA, notice of any Disclosure Events with respect to the Notes.

The Obligations

In the event that the Borough fails to comply with the above-described undertakings and covenants, the Borough shall not be liable for any monetary damages, remedy of the beneficial owners of the Obligations being specifically limited in the undertakings to specific performance of the covenants.

The undertakings may be amended by the Borough from time to time, without the consent of the holders or beneficial owners of the Obligations, in order to make modifications required in connection with a change in legal requirements or change in law, which in the opinion of nationally recognized bond counsel complies with the Rule.

If all or any part of the Rule ceases to be in effect for any reason, then the information required to be provided under the Resolution, insofar as the provision of the Rule no longer in effect required the provision of such information, shall no longer be required to be provided.

Within the five years immediately preceding the date of this Official Statement, the Borough has not been an obligated person with respect to secondary market disclosure undertakings in accordance with the Rule. The Borough has appointed Phoenix Advisors, Hamilton, New Jersey, to serve as continuing disclosure agent to assist in the filing of certain information on EMMA as required under its secondary market disclosure undertakings.

MUNICIPAL BANKRUPTCY

The undertakings of the Borough should be considered with reference to Chapter IX of the Bankruptcy Act, 11 U.S.C. §901 *et seq.*, as amended by Public Law 94-260, approved April 8, 1976, and as further amended on November 6, 1978 by the Bankruptcy Reform Act of 1978, effective October 1, 1979, as further amended by Public Law 100-597, effective November 3, 1988, and as further amended and other bankruptcy laws affecting creditors' rights and municipalities in general. The amendments of P.L. 94-260 replace former Chapter IX and permit the State or any political subdivision, public agency or instrumentality that is insolvent or unable to meet its debts to file a petition in a court of bankruptcy for the purpose of effecting a plan to adjust its debts; directs such a petitioner to file with the court a list of petitioner's creditors; provides that a petition filed under said chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; grants priority to debt owed for services or material actually provided within three months of the filing of the petition; directs a petitioner to file a plan for the adjustment of its debts; and provides that the plan must be accepted in writing by or on behalf of creditors holding at least two-thirds in amount or more than one-half in number of the listed creditors. The 1976 Amendments were incorporated into the Bankruptcy Reform Act of 1978 with only minor changes.

Reference should also be made to N.J.S.A. 52:27-40 *et seq.*, which provides that a municipality has the power to file a petition in bankruptcy provided the approval of the Municipal Finance

Commission has been obtained. The powers of the Municipal Finance Commission have been vested in the Local Finance Board. The Bankruptcy Act specifically provides that Chapter IX does not limit or impair the power of a state to control, by legislation or otherwise, the procedures that a municipality must follow in order to take advantage of the provisions of the Bankruptcy Act.

APPROVAL OF LEGAL PROCEEDINGS

All legal matters incident to the authorization, issuance, sale and delivery of the Obligations are subject to the approval of Bond Counsel to the Borough, whose approving legal opinions will be delivered with the Obligations substantially in the forms set forth in Appendix "C" attached hereto. Certain legal matters will be passed on for the Borough by the Borough Attorney.

UNDERWRITING

The Bonds

The Bonds have been purchased from the Borough at a public sale by _____ (the "Bond Underwriter") at a price of \$ _____ (consisting of the par amount of the Bonds plus [net] original issue premium in the amount of \$ _____ less underwriter's discount in the amount of \$ _____). The Bond Underwriter has purchased the Bonds in accordance with the Notice of Sale.

The Bond Underwriter intends to offer the Bonds to the public initially at the offering yields set forth on the inside front cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Bond Underwriter reserves the right to join with dealers and other underwriters in offering the Bonds to the public. The Bond Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investments trusts) at yields higher than the public offering yields set forth on the inside front cover page of this Official Statement, and such yields may be changed, from time to time, by the Bond Underwriter without prior notice.

The Notes

The Notes have been purchased from the Borough at a public sale by _____ (the "Note Underwriter", and together with the Bond Underwriter, the "Underwriters") at a price of \$ _____ (consisting of the par amount of the Notes plus original issue premium in the amount of \$ _____ less underwriter's discount in the amount of \$ _____). The Note Underwriter has purchased the Notes in accordance with the Notice of Sale.

The Note Underwriter intends to offer the Notes to the public initially at the offering yield set forth on the inside front cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Note Underwriter reserves the right to join with dealers and other underwriters in offering the Notes to the public. The Note Underwriter may offer and sell the Notes to certain dealers (including dealers depositing the Notes into investments trusts) at a yield higher than the public offering yield set forth on the inside front cover page of this Official Statement, and such yield may be changed, from time to time, by the Note Underwriter without prior notice.

RATINGS

Moody's Ratings (the "Rating Agency") has assigned ratings of "Aa2" to the Bonds and "MIG 1" to the Notes based upon the creditworthiness of the Borough. The ratings reflect only the views of the Rating Agency and an explanation of the significance of such ratings may only be obtained from the Rating Agency. The Borough furnished to the Rating Agency certain information and materials concerning the Obligations and the Borough. There can be no assurance that the ratings will be maintained for any given period of time or that they may not be raised, lowered or withdrawn entirely if, in the Rating Agency's judgment, circumstances so warrant. Any downward change in or withdrawal of such ratings may have an adverse effect on the marketability or market price of the Obligations.

MUNICIPAL ADVISOR

Phoenix Advisors, a division of First Security Municipal Advisors, Inc., Hamilton, New Jersey, has served as Municipal Advisor to the Borough in connection with the issuance of the Obligations (the "Municipal Advisor") and has assisted in matters related to the planning, structuring and terms of the Obligations. The Municipal Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement and the Appendices hereto. The Municipal Advisor is an Independent Registered Municipal Advisor pursuant to the Dodd-Frank Act and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

PREPARATION OF OFFICIAL STATEMENT

The Borough hereby states that the descriptions and statements herein, including financial statements, are true and correct in all material respects, and it will confirm same to the Underwriters by certificates signed by the Mayor and the Chief Financial Officer of the Borough that, to their knowledge, such descriptions and statements, as of the date of this Official Statement, are true and correct in all material respects and do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in light of the circumstances under which they were made, not misleading.

The Auditor takes responsibility for the audited financial statements described herein under the heading entitled "FINANCIAL STATEMENTS" and contained in Appendix "B" hereto.

The Municipal Advisor has participated in the preparation and review of the information contained in this Official Statement, including the collection of financial, statistical and demographic information; however, it has not verified the accuracy, completeness or fairness thereof, and, accordingly, expresses no opinion or other assurance with respect thereto. Certain information set forth herein has been obtained from the Borough and other sources, which are deemed reliable, but no warranty, guaranty or other representation as to the accuracy or completeness is made as to such information contained herein. There is no assurance that any of the assumptions or estimates contained herein will be realized.

Bond Counsel has neither participated in the preparation of the financial or statistical information contained in this Official Statement, nor has it verified the accuracy, completeness or fairness thereof and, accordingly, expresses no opinion with respect thereto.

All other information has been obtained from sources which the Borough considers to be reliable, and it makes no warranty, guaranty or other representation with respect to the accuracy and completeness of such information.

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement, including any information additional to that contained herein, may be directed to Christopher Battaglia, Chief Financial Officer, Borough of Riverdale, 91 Newark-Pompton Turnpike, PO Box 6, Riverdale, New Jersey 07457, (973) 835-4060, or to the Municipal Advisor, Phoenix Advisors, a division of First Security Municipal Advisors, Inc., 2000 Waterview Drive, Suite 101, Hamilton, New Jersey, telephone (609) 291-0130.

MISCELLANEOUS

This Official Statement is not to be construed as a contract or agreement among the Borough, the Underwriters and the holders of any of the Obligations. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale of the Obligations made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs (financial or otherwise) of the Borough since the date hereof. The information contained in this Official Statement is not guaranteed as to accuracy or completeness.

BOROUGH OF RIVERDALE

By: _____
**Christopher Battaglia,
Chief Financial Officer**

Dated: February __, 2026

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APPENDIX A

CERTAIN ECONOMIC AND DEMOGRAPHIC INFORMATION ABOUT THE BOROUGH OF RIVERDALE, IN THE COUNTY OF MORRIS, NEW JERSEY

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BOROUGH OF RIVERDALE
COUNTY OF MORRIS, NEW JERSEY

INFORMATION REGARDING THE BOROUGH¹

The following material presents certain economic and demographic information of the Borough of Riverdale (the “Borough”), in the County of Morris (the “County”), State of New Jersey (“New Jersey”).

General Information

The Borough of Riverdale (the “Borough”) is a primarily residential community located in the northeastern portion of Morris County, New Jersey. The Borough is situated along the Pompton River and borders municipalities in both Morris and Passaic Counties, including Pequannock Borough, Pompton Lakes Borough, and Butler Borough. The Borough is located within commuting distance of major employment and commercial centers in northern New Jersey and the New York metropolitan area. The Borough’s location provides convenient access to regional transportation routes, including Route 23, Route 287, Route 46, Route 80, and other roadways serving Morris County and surrounding areas.

Form of Government

The Borough is governed under the Borough form of municipal government pursuant to New Jersey law. The governing body consists of a Mayor and a Borough Council. The Mayor is elected directly by the voters and serves as the chief executive officer of the Borough. The Borough Council is comprised of six members, elected at-large, and is responsible for the adoption of ordinances, approval of the municipal budget, and establishment of policies for the administration of Borough affairs. Day-to-day municipal operations are carried out by appointed officials and department heads under the direction of the governing body.

Population and Demographic Trends

The Borough’s population is estimated at approximately 4,100 to 4,200 residents. Following notable growth during the early 2000’s associated with redevelopment activity, population growth has moderated over the past decade. The Borough is now considered substantially developed, and future population changes are expected to be modest. Demographic trends indicate gradual increases in diversity and a stable age distribution consistent with similarly situated suburban communities in Morris County.

Housing Stock and Residential Characteristics

Riverdale’s housing stock consist primarily of owner-occupied single-family homes, with a smaller component of townhouses and multi-family units. Residential vacancy rates remain low, reflecting stable housing demand. Housing growth is expected to occur primarily through turnover and limited redevelopment rather than new subdivision activity.

Tax Base and Economic Characteristics

The Borough’s tax base is primarily residential, supplemented by a modest level of commercial and light industrial ratables. The local economy does not rely on a single major taxpayer of industrial sector. Property values have remained relatively stable, contributing to predictable revenue generation. The Borough’s location within a strong regional economy supports its long-term tax base stability.

BOROUGH OF RIVERDALE
COUNTY OF MORRIS, NEW JERSEY

Planning and Development

Land use and development within the Borough are regulated through the Borough's zoning and land use ordinances and administered by the Borough Planning Board and, where applicable, the Zoning Board of Adjustment, pursuant to the Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.). The Borough is substantially developed and consists primarily of established residential neighborhoods, with limited commercial and light industrial uses. Development activity generally consists of infill development, renovations, and redevelopment of existing properties in accordance with the Borough's Master Plan and applicable zoning regulations. Planning efforts are directed toward preserving established community character, encouraging appropriate redevelopment, and maintaining infrastructure and public services to support residents and local businesses.

Education

Public education for children residing in the Borough is provided through the Riverdale School District, which serves students in pre-kindergarten through eighth grade at the Riverdale School. Students in grades nine through twelve attend schools of the Pompton Lakes School District pursuant to a sending-receiving relationship between the Borough and the Pompton Lakes School District. Private and parochial school options are also available to Borough residents in the surrounding region.

Utilities/Public Works

The Borough provides public works services through its Department of Public Works, including roadway maintenance and repair, snow removal, recycling and related sanitation services, maintenance of municipal facilities and properties, and operation and maintenance of the stormwater collection system. Water supply and distribution service is provided by the Borough of Riverdale Water Department. Sanitary sewer collection and treatment service is provided through the Pequannock River Basin Sewerage Authority. Electric service is provided by Jersey Central Power and Light ("JCP&L"). Natural gas service is provided by Public Service Electric and Gas ("PSE&G"). Telecommunications and cable services are provided by various private carriers serving the region including Optimum as the primary cable service provider.

Key Credit Strengths

- **Location within a strong regional economy**, benefiting from proximity to northern New Jersey employment centers and the broader New York metropolitan area, supporting housing demand and property value stability.
- **Stable, largely built-out tax base**, characterized by limited development volatility and predictable property tax revenues.
- **Predominantly residential community with low vacancy rates**, indicating steady demand for housing and limited exposure to speculative development risk.
- **Absence of reliance on a single major taxpayer or industry**, reducing exposure to concentrated economic risk.
- **Mature infrastructure and established municipal operations**, with capital needs focused primarily on maintenance and lifecycle replacement rather than expansion.

BOROUGH OF RIVERDALE
COUNTY OF MORRIS, NEW JERSEY

Retirement Systems

All full-time permanent or qualified Borough employees who began employment after 1944 must enroll in one of two retirement systems depending upon their employment status. These systems were established by acts of the State Legislature. Benefits, contributions, means of funding and the manner of administration are set by State law. The Division of Pensions, within the New Jersey Department of Treasury (the “Division”), is the administrator of the funds with the benefit and contribution levels set by the State. The Borough is enrolled in the Public Employees' Retirement System (“PERS”) and the Police and Firemen's Retirement System (“PFRS”).

Pension Information²

Employees who are eligible to participate in a pension plan are enrolled in PERS or PFRS, administered by the Division. The Division annually charges municipalities and other participating governmental units for their respective contributions to the plans based upon actuarial calculations. The employees contribute a portion of the cost. The Borough's share of pension costs in 2016, which is based upon the annual billings received from the State, amounted to \$214,822 for PERS and \$707,237 for PFRS.

² Source: State of New Jersey Department of Treasury, Division of Pensions and Benefits

BOROUGH OF RIVERDALE
COUNTY OF MORRIS, NEW JERSEY

ECONOMIC AND FINANCIAL INFORMATION

The following material presents certain economic, demographic and financial information on the Borough of Riverdale.

Employment and Unemployment Comparisons

For the years 2020 to 2024, the New Jersey Department of Labor reported the following annual average employment information for the Borough of Riverdale, County of Morris and the State of New Jersey:

Borough	Total Labor Force	Employed Labor Force	Total Unemployed	Unemployment Rate
2024	2,357	2,268	89	3.8%
2023	2,341	2,259	82	3.5%
2022	2,301	2,221	80	3.5%
2021	2,248	2,114	134	6.0%
2020	2,253	2,060	193	8.6%
County of Morris				
2024	279,349	269,026	10,323	3.7%
2023	277,601	267,970	9,631	3.5%
2022	270,692	262,237	8,455	3.1%
2021	262,746	248,792	13,954	5.3%
2020	261,458	241,897	19,651	7.5%
State of New Jersey				
2024	4,898,008	4,676,064	221,944	4.5%
2023	4,867,113	4,659,779	207,334	4.3%
2022	4,756,002	4,572,879	183,123	3.9%
2021	4,654,243	4,342,075	312,168	6.7%
2020	4,643,700	4,204,301	439,399	9.5%

Source: New Jersey Department of Labor and Workforce Development, Office of Research and Information

Income

	Riverdale	Morris County	New Jersey
Median Household Income	\$ 96,667	\$ 134,929	\$ 101,050
Median Family Income	123,063	168,431	123,892
Per Capita Income	55,102	69,226	53,118

Source: United States Bureau of the Census, 2023 American Community Survey 5 Year Estimates

BOROUGH OF RIVERDALE
COUNTY OF MORRIS, NEW JERSEY

Population

The following tables summarize population increases and the decreases for the Borough, the County, and the State.

Year	Riverdale		Morris County		New Jersey	
	Population	% Change	Population	% Change	Population	% Change
2024 Estimate	4,142	0.9%	523,053	2.7%	9,500,851	2.3%
2020	4,107	15.4%	509,285	3.5%	9,288,994	5.7%
2010	3,559	42.5%	492,276	4.7%	8,791,909	4.5%
2000	2,498	5.4%	470,212	11.6%	8,414,347	8.9%
1990	2,370	-6.3%	421,361	3.4%	7,730,188	5.0%

Source: U. S. Census Bureau Compiled by the Morris County Office of Planning and Preservation

Largest Taxpayers

The ten largest taxpayers in the Borough and their assessed valuation are listed below:

Taxpayers	2025 Assessed Valuation	% of Total Assessed Valuation
Riverdale Multifamily Exchange LLC	\$ 52,348,000	5.14%
Riverdale Crossing, LLC	47,673,300	4.68%
Cresskill Hills, LLC	18,332,700	1.80%
Target Corp Prop Tax Dept T-2247	17,912,000	1.76%
HD Development of Maryland, INC	15,041,800	1.48%
Riverdale Quary, LLC	10,332,400	1.02%
Filtra CORP	10,105,800	0.99%
Riverdale Square, LLC	10,000,000	0.98%
Cho & Nam Associates, LLC	8,670,500	0.85%
Extra Space Storage, INC	8,202,800	0.81%
Total	\$ 198,619,300	19.51%

Source: Annual Comprehensive Financial Report of the School District and Municipal Tax Assessor

BOROUGH OF RIVERDALE
COUNTY OF MORRIS, NEW JERSEY

Comparison of Tax Levies and Collections

Year	Tax Levy	Current Year Collection	Current Year % of Collection
2025 U	\$ 19,565,452	\$ 19,374,728	99.02%
2024	18,689,236	18,565,440	99.33%
2023	17,791,358	17,664,515	99.28%
2022	17,284,809	16,999,430	98.34%
2021	16,722,130	16,587,613	99.19%

U=Unaudited

Source: Annual Audit Reports of the Borough for 2021 – 2024 and Annual Financial Statement for 2025

Delinquent Taxes and Tax Title Liens

Year	Amount of Tax Title Liens	Amount of Delinquent Tax	Total Delinquent	% of Tax Levy
2025 U	\$ 218,066	\$ 142,854	\$ 360,920	1.84%
2024	207,242	104,037	311,279	1.67%
2023	194,138	91,097	285,235	1.60%
2022	236,664	125,701	362,365	2.10%
2021	252,449	81,835	334,284	2.00%

U=Unaudited

Source: Annual Audit Reports of the Borough for 2021 – 2024 and Annual Financial Statement for 2025

Property Acquired by Tax Lien Liquidation

Year	Amount
2025 U	\$ 235,100
2024	235,100
2023	235,100
2022	235,100
2021	235,100

U=Unaudited

Source: Annual Audit Reports of the Borough for 2021 – 2024 and Annual Financial Statement for 2025

BOROUGH OF RIVERDALE
COUNTY OF MORRIS, NEW JERSEY

Tax Rates per \$100 of Net Valuations Taxable and Allocations

The table below lists the tax rates for Borough residents for the past five (5) years.

Year	Municipal	Municipal Open Space	Municipal Library	Local School	County	Total
2025	\$ 0.608	\$ 0.011	\$ 0.035	\$ 0.990	\$ 0.257	\$ 1.901
2024	0.588	0.010	0.033	0.944	0.251	1.826
2023	0.600	0.010	0.035	0.911	0.269	1.825
2022	0.616	0.010	0.035	0.933	0.276	1.870
2021	0.624	0.010	0.035	0.929	0.274	1.872

Source: Morris County Board of Taxation

Valuation of Property

Year	Aggregate Assessed Valuation of Real Property	Aggregate True Value of Real Property	Ratio of Assessed to True Value	Assessed Value of Personal Property	Equalized Valuation
2025	\$ 1,018,279,100	\$ 1,167,885,193	87.19%	\$ 5,517,311	\$ 1,173,402,504
2024	1,017,430,800	1,090,377,023	93.31%	5,454,825	1,095,831,848
2023	968,602,300	1,028,677,039	94.16%	5,411,425	1,034,088,464
2022	919,069,800	1,041,202,900	88.27%	5,127,574	1,046,330,474
2021	887,350,200	980,822,593	90.47%	5,313,532	986,136,125

Source: Table of Equalized Valuations As Amended by Tax Court Appeals – State of New Jersey Division of Taxation, Department of the Treasury

Classification of Ratables

The table below lists the comparative assessed valuation for each classification of real property within the Borough for the past five (5) years.

Year	Vacant Land	Residential	Farm	Commercial	Industrial	Apartments	Total
2025	\$ 19,093,800	\$ 657,501,600	\$ 1,689,300	\$ 227,334,900	\$ 58,264,700	\$ 54,394,800	\$ 1,018,279,100
2024	19,551,800	656,629,900	1,689,300	226,900,300	58,264,700	54,394,800	1,017,430,800
2023	19,087,100	618,605,900	1,637,100	222,125,200	55,228,500	51,918,500	968,602,300
2022	19,158,400	579,767,700	1,572,400	212,131,200	50,490,800	55,949,300	919,069,800
2021	19,265,300	556,176,800	539,500	215,169,400	47,999,400	48,199,800	887,350,200

Source: Abstract of Ratables and State of New Jersey – Property Value Classification

BOROUGH OF RIVERDALE
COUNTY OF MORRIS, NEW JERSEY

Financial Operations

The following table summarizes the Borough's Current Fund budget for the past five (5) fiscal years ending December 31. The following summary should be used in conjunction with the tables in the sourced documents from which it is derived.

Summary of Current Fund Budget

Anticipated Revenues	2021	2022	2023	2024	2025
Fund Balance Utilized	\$ 785,000.00	\$ 825,000.00	\$ 775,000.00	\$ 442,200.00	\$ 795,000.00
Miscellaneous Revenues	1,453,646.18	1,403,425.40	1,293,230.58	1,594,247.96	1,215,691.77
Receipts from Delinquent Taxes	160,843.00	125,000.00	81,835.09	117,400.00	99,297.85
Amount to be Raised by Taxation	5,884,152.88	6,022,726.68	6,195,908.78	6,362,827.16	6,599,289.72
Total Revenue	\$ 8,283,642.06	\$ 8,376,152.08	\$ 8,345,974.45	\$ 8,516,675.12	\$ 8,709,279.34

Appropriations	2021	2022	2023	2024	2025
Total General Appropriations for					
Municipal Purposes within "CAPS"	\$ 6,292,852.87	\$ 6,530,988.79	\$ 6,641,365.36	\$ 6,733,274.92	\$ 6,863,438.62
Total Operations Excluded from "CAPS"	617,066.80	942,149.98	691,417.27	758,219.21	706,717.69
Capital Improvements	366,700.00	15,000.00	15,000.00	15,000.00	20,000.00
Municipal Debt Service	429,373.75	430,060.00	527,012.50	560,838.63	632,232.19
Total Deferred Charges & Other Approps.	26,896.00	26,461.00	26,608.00	26,612	58,535.65
Reserve for Uncollected Taxes	550,752.64	431,492.31	444,571.32	422,730.36	428,355.19
Total Appropriations	\$ 8,283,642.06	\$ 8,376,152.08	\$ 8,345,974.45	\$ 8,516,675.12	\$ 8,709,279.34

Source: Annual Adopted Budgets of the Borough

Fund Balance

The following table lists the Borough's fund balance and the amount utilized in the succeeding year's budget for the Current Fund and Water/Sewer Utility Operating Fund for the past five (5) years ending December 31.

Fund	Year	Balance December 31,			Utilized in Budget of Succeeding Year
Current Fund	2025	U	\$	2,019,553	N/A
	2024			2,126,074	795,000
	2023			1,827,224	442,200
	2022			1,652,379	775,000
	2021			2,041,927	825,000
Water/Sewer Utility Operating	2025	U	\$	492,017	N/A
	2024			400,729	165,000
	2023			535,505	300,000
	2022			658,384	372,855
	2021			602,889	349,969

U=Unaudited

N/A – Not Available

Source: Annual Audit Reports of the Borough for 2021 – 2024 and Annual Financial Statement for 2025

BOROUGH OF RIVERDALE
COUNTY OF MORRIS, NEW JERSEY

Borough Indebtedness as of December 31, 2025

GENERAL PURPOSE

Serial Bonds	
Bond Anticipation Notes	\$ 3,648,461.00
Bonds and Notes Authorized but Not Issued	1,257,609.55
Total	<u>4,906,070.55</u>

LOCAL SCHOOL DISTRICT

Serial Bonds	18,420,000.00
Bonds and Notes Authorized but Not Issued	796.00
Total	<u>18,420,796.00</u>

WATER/SEWER UTILITY

Bond Anticipation Notes	4,038,526.00
Bonds and Notes Authorized but Not Issued	3,483,858.71
Total	<u>7,522,384.71</u>

TOTAL GROSS DEBT \$ 30,849,251.26

STATUTORY DEDUCTIONS

Less: Statutory Deductions	
General Purpose Debt	70,024.99
Local School District Debt	18,420,796.00
Self Liquidating Debt	7,522,384.71
Total	<u>26,013,205.70</u>

TOTAL NET DEBT \$ 4,836,045.56

Source: Annual Debt Statement of the Borough for 2025

BOROUGH OF RIVERDALE
COUNTY OF MORRIS, NEW JERSEY

Overlapping Debt (as of December 31, 2025)³

DIRECT AND OVERLAPPING DEBT ISSUED AND OUTSTANDING
(As of December 31, 2025)

Name of Related Entity	Related Entity Debt Outstanding	Riverdale Percentage	Riverdale Share
Local School District	\$ -0-	* 100.00%	\$ -0-
County Authority	77,000,000	0.8684%	668,642
County	315,754,751	0.8684%	<u>2,741,907</u>
Net Indirect Debt			<u>3,410,548</u>
Net Direct Debt			<u>4,836,046</u>
Total Net Direct and Indirect Debt			<u>\$ 8,246,594</u>

Debt Limit of the Borough as of December 31, 2025

Average Equalized Valuation Basis (2022, 2023, 2024)	\$ 1,095,646,418
Permitted Debt Limitation (3 1/2%)	38,347,625
Less: Net Debt	<u>4,836,046</u>
Remaining Borrowing Power	<u>\$ 33,511,579</u>
Percentage of Net Debt to Average Equalized Valuation	0.441%

* - Net Debt is reflected above. Gross Debt of the School District is \$18,420,796.

Source: 2025 Annual Debt Statements of the Borough and County of Morris and 2025 Morris County Abstract of Ratables

³ Borough percentage of County debt is based on the Borough's share of the Net Valuation on Which County Taxes are Apportioned.

APPENDIX B

**EXCERPTS FROM FINANCIAL STATEMENTS OF THE BOROUGH OF RIVERDALE, IN
THE COUNTY OF MORRIS, NEW JERSEY**

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APPENDIX B
BOROUGH OF RIVERDALE
AUDITED FINANCIAL STATEMENT FOR THE YEARS
ENDED DECEMBER 31, 2024 AND 2023

BOROUGH OF RIVERDALE
FINANCIAL STATEMENTS
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FINANCIAL STATEMENTS AS OF DECEMBER 31, 2024 AND 2023

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Independent Auditors' Report

The Honorable Mayor and Members
of the Borough Council
Borough of Riverdale
Riverdale, New Jersey

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements – *regulatory basis* - of the various funds and account group of the Borough of Riverdale in the County of Morris (the "Borough") as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, as listed in the foregoing table of contents.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of each fund and account group of the Borough of Riverdale as of December 31, 2024 and 2023, and the results of operations and changes in fund balance, where applicable, of such funds and account group, thereof for the years then ended in accordance with the accounting practices prescribed or permitted, as described in Note 1, by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division").

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for the Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements referred to above do not present fairly in accordance with accounting principles generally accepted in the United States of America the financial position of each fund and account group of the Borough as of December 31, 2024 and 2023, or the changes in financial position or, where applicable, cash flows thereof for the years then ended.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS), audit requirements prescribed by the Division and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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 Borough, 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.

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

As described in Note 1, the financial statements are prepared by the Borough on the basis of the financial reporting provisions prescribed or permitted by the Division, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Division's regulatory basis of accounting and the budget laws of New Jersey.

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

Emphasis of Matter

As discussed in Note 18 to the financial statements, the Borough implemented GASB Statement No. 101, *Compensated Absences*, during the year ended December 31, 2024. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey. Management is also responsible 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.

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 GAAS, *Government Auditing Standards* and audit requirements prescribed by the Division will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Division, we:

- Exercise professional judgment 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 Borough'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.

The Honorable Mayor and Members
of the Borough Council
Borough of Riverdale
Page 3

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough'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.

Mount Arlington, New Jersey
June 10, 2025

Nisivoccia LLP
NISIVOCCIA LLP

BOROUGH OF RIVERDALE
BALANCE SHEET - CURRENT FUND

	December 31,	
	2024	2023
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 2,767,961.74	\$ 2,956,292.77
Taxes Receivable	104,036.91	91,096.60
Tax Title Liens Receivable	207,241.63	194,137.80
Property Acquired for Taxes - Assessed Value	235,100.00	235,100.00
Other Accounts Receivable	43,810.96	46,242.41
Federal and State Grant Receivable	596,120.00	261,375.00
Interfunds Receivable	6,827.08	10,815.01
<u>TOTAL ASSETS</u>	<u>\$ 3,961,098.32</u>	<u>\$ 3,795,059.59</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Appropriation Reserves	\$ 280,769.89	\$ 306,688.70
Accounts Payable	1,370.00	
Tax Overpayments	18,252.86	19,312.53
Prepaid Taxes	102,830.29	91,229.04
School and County Taxes	2.00	2,302.74
Other Liabilities and Special Funds	185,610.35	287,377.46
Interfunds Payable	52,000.00	99,264.94
Grant Reserves	597,172.34	584,268.02
Reserve for Receivables and Other Assets	597,016.58	577,391.82
Fund Balance	2,126,074.01	1,827,224.34
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>\$ 3,961,098.32</u>	<u>\$ 3,795,059.59</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
 ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF RIVERDALE
STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE
CURRENT FUND

	Year Ended December 31,	
	2024	2023
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 442,200.00	\$ 775,000.00
Miscellaneous Revenue Anticipated	1,874,312.09	1,412,667.16
Receipts from Delinquent Taxes	91,096.15	181,122.30
Receipts from Current Taxes	18,565,440.12	17,664,515.10
Nonbudget Revenue	332,875.44	345,335.92
Other Credits to Income	126,674.80	140,379.83
Total Income	<u>21,432,598.60</u>	<u>20,519,020.31</u>
<u>Expenditures</u>		
Budget Appropriations:		
Municipal Purposes	8,378,689.76	7,976,511.14
County Taxes	2,559,307.42	2,615,386.65
Local School District Taxes	9,647,468.00	8,866,052.00
Municipal Open Space Taxes	102,350.69	97,486.21
Other Expenditures and Deductions from Income	3,733.06	13,739.32
Total Expenditures	<u>20,691,548.93</u>	<u>19,569,175.32</u>
Excess in Revenue	741,049.67	949,844.99
<u>Fund Balance</u>		
Balance January 1	<u>1,827,224.34</u>	<u>1,652,379.35</u>
Decreased by:		
Utilized as Anticipated Revenue	<u>442,200.00</u>	<u>775,000.00</u>
Balance December 31	<u>\$ 2,126,074.01</u>	<u>\$ 1,827,224.34</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
 ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF RIVERDALE
STATEMENT OF REVENUE - CURRENT FUND

	For the Years Ended December 31,			
	2024		2023	
	Budget After Modification	Realized	Budget After Modification	Realized
Fund Balance Anticipated	\$ 442,200.00	\$ 442,200.00	\$ 775,000.00	\$ 775,000.00
Miscellaneous Revenue Anticipated	1,878,992.96	1,874,312.09	1,368,691.40	1,412,667.16
Receipts from Delinquent Taxes	117,400.00	91,096.15	81,835.09	181,122.30
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	6,018,131.35	6,334,348.56	5,847,132.30	6,181,385.08
Minimum Library Tax	<u>344,695.81</u>	<u>344,695.81</u>	<u>348,776.48</u>	<u>348,776.48</u>
Total Budget Revenue	<u>8,801,420.12</u>	<u>9,086,652.61</u>	<u>8,421,435.27</u>	<u>8,898,951.02</u>
Nonbudget Revenue		332,875.44		345,335.92
Grand Total	<u><u>\$ 8,801,420.12</u></u>	<u><u>\$ 9,419,528.05</u></u>	<u><u>\$ 8,421,435.27</u></u>	<u><u>\$ 9,244,286.94</u></u>
Original Budget	\$ 8,516,675.12		\$ 8,345,974.45	
Added by NJSA 40A:4-87	<u>284,745.00</u>		<u>75,460.82</u>	
	<u><u>\$ 8,801,420.12</u></u>		<u><u>\$ 8,421,435.27</u></u>	

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
 ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF RIVERDALE
STATEMENT OF EXPENDITURES - CURRENT FUND

For the Year Ended December 31,			
2024			
	Budget After Modification	Paid or Charged	Unexpended Balance Canceled
Operations:			
Salaries and Wages	\$ 3,295,885.28	\$ 3,291,659.86	\$ 4,225.42
Other Expenses	3,322,233.84	3,137,467.79	184,766.05
Capital Improvements	15,000.00	15,000.00	
Municipal Debt Service	560,838.63	560,838.63	
Deferred Charges and			
Statutory Expenditures	1,184,732.01	1,183,618.93	1,113.08
Reserve for Uncollected Taxes	<u>422,730.36</u>	<u>422,730.36</u>	
	<u><u>\$ 8,801,420.12</u></u>	<u><u>\$ 8,611,315.57</u></u>	<u><u>\$ 190,104.55</u></u>
			\$ -0-
Original Budget	\$ 8,516,675.12		
Added by NJSA 40A:4-87	<u>284,745.00</u>		
	<u><u>\$ 8,801,420.12</u></u>		
For the Year Ended December 31,			
2023			
	Budget After Modification	Paid or Charged	Unexpended Balance Canceled
Operations:			
Salaries and Wages	\$ 3,327,258.88	\$ 3,325,418.08	\$ 1,840.80
Other Expenses	2,956,814.36	2,690,049.90	266,764.46
Capital Improvements	15,000.00	15,000.00	
Municipal Debt Service	527,012.50	526,659.69	\$ 352.81
Deferred Charges and			
Statutory Expenditures	1,150,778.21	1,145,772.46	5,005.75
Reserve for Uncollected Taxes	<u>444,571.32</u>	<u>444,571.32</u>	
	<u><u>\$ 8,421,435.27</u></u>	<u><u>\$ 8,147,471.45</u></u>	<u><u>\$ 273,611.01</u></u>
			\$ 352.81
Original Budget	\$ 8,345,974.45		
Added by NJSA 40A:4-87	<u>75,460.82</u>		
	<u><u>\$ 8,421,435.27</u></u>		

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
 ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF RIVERDALE
BALANCE SHEET - TRUST FUNDS

	December 31,	
	2024	2023
<u>ASSETS</u>		
Animal Control Fund:		
Cash and Cash Equivalents	\$ 15,517.31	\$ 12,090.25
Total Animal Control Fund	<u>15,517.31</u>	<u>12,090.25</u>
Other Trust Funds:		
Cash and Cash Equivalents	1,392,575.13	1,373,731.11
Interfunds Receivable	59,982.21	8,943.54
Total Other Trust Funds	<u>1,452,557.34</u>	<u>1,382,674.65</u>
<u>TOTAL ASSETS</u>	<u>\$ 1,468,074.65</u>	<u>\$ 1,394,764.90</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Animal Control Fund:		
Interfunds Payable	\$ 6,787.91	\$ 3,295.85
Cash Reserves for Specific Purposes	8,729.40	8,794.40
Total Animal Control Fund	<u>15,517.31</u>	<u>12,090.25</u>
Other Trust Funds:		
Interfunds Payable	49.37	49.37
Special Deposits	150,480.72	146,868.32
Cash Reserves for Specific Purposes	<u>1,302,027.25</u>	<u>1,235,756.96</u>
Total Other Trust Funds	<u>1,452,557.34</u>	<u>1,382,674.65</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>\$ 1,468,074.65</u>	<u>\$ 1,394,764.90</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
 ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF RIVERDALE
BALANCE SHEET - GENERAL CAPITAL FUND

	December 31,	
	2024	2023
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 1,319,920.66	\$ 1,557,075.48
Interfunds Receivable	99,180.10	
Grants Receivable	67,800.00	67,800.00
Deferred Charges to Future Taxation:		
Unfunded	<u>5,561,272.83</u>	<u>5,961,272.83</u>
<u>TOTAL ASSETS</u>	<u>\$ 6,948,993.49</u>	<u>\$ 7,685,328.41</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Bond Anticipation Notes Payable	\$ 4,148,461.00	\$ 4,548,461.00
Improvement Authorizations	2,078,895.75	2,335,208.10
Other Liabilities and Special Funds	638,158.24	672,432.24
Fund Balance	<u>83,478.50</u>	<u>129,227.07</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>\$ 6,948,993.49</u>	<u>\$ 7,685,328.41</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
 ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF RIVERDALE
STATEMENT OF FUND BALANCE - GENERAL CAPITAL FUND

	For the Years Ended December 31,	
	2024	2023
Balance January 1	\$ 129,227.07	\$ 29,507.93
Increased by:		
Premium on Sale of Bond Anticipation Notes	4,251.43	20,539.04
Interfund - NJ Department of Environmental Protection -		
Green Acres Receipt on Funded Ordinance	99,180.10	
	<u>133,478.50</u>	<u>149,227.07</u>
Decreased by:		
Fund Balance Anticipated - Current Fund	<u>50,000.00</u>	<u>20,000.00</u>
Balance December 31	<u><u>\$ 83,478.50</u></u>	<u><u>\$ 129,227.07</u></u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
 ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF RIVERDALE
BALANCE SHEET - WATER/SEWER UTILITY FUND

	December 31,	
	2024	2023
ASSETS		
Operating Fund:		
Cash and Cash Equivalents	\$ 538,314.68	\$ 621,393.67
Interfunds Receivable	17,234.50	
Consumer Accounts Receivable	58,937.91	47,266.54
Water/Sewer Liens Receivable	24,587.83	24,587.83
Total Operating Fund	<u>621,840.42</u>	<u>710,482.54</u>
Assessment Trust Fund:		
Cash and Cash Equivalents	192,942.74	421,527.60
Assessments and Liens Receivable	792,959.97	898,853.84
Interfunds Receivable	183,026.14	
Deferred Charges to be Raised by Future Revenue for Cancelled Assessments	20,317.15	20,317.15
Total Assessment Trust Fund	<u>1,189,246.00</u>	<u>1,340,698.59</u>
Capital Fund:		
Cash and Cash Equivalents	2,010,191.95	2,007,234.45
Fixed Capital	4,015,953.32	4,015,953.32
Fixed Capital Authorized and Uncompleted	8,175,000.00	8,175,000.00
Total Capital Fund	<u>14,201,145.27</u>	<u>14,198,187.77</u>
TOTAL ASSETS	<u>\$ 16,012,231.69</u>	<u>\$ 16,249,368.90</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
 ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF RIVERDALE
BALANCE SHEET - WATER/SEWER UTILITY FUND

	December 31,	
	2024	2023
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Operating Fund:		
Appropriation Reserves	\$ 4,820.00	\$ 7,155.10
Other Liabilities and Special Funds	125,507.91	95,968.43
Interfunds Payable	7,258.14	
Reserve for Receivables	83,525.74	71,854.37
Fund Balance	400,728.63	535,504.64
Total Operating Fund	<u>621,840.42</u>	<u>710,482.54</u>
Assessment Trust Fund:		
Bond Anticipation Notes Payable	1,189,246.00	1,209,215.00
Interfunds Payable	24,705.49	
Fund Balance	106,778.10	
Total Assessment Trust Fund	<u>1,189,246.00</u>	<u>1,340,698.59</u>
Capital Fund:		
Bond Anticipation Notes Payable	3,284,280.00	3,463,324.00
Improvement Authorizations	1,481,290.22	2,193,764.08
Interfunds Payable	182,968.00	
Other Liabilities and Special Funds	739,285.00	134,352.20
Reserve for Amortization	4,015,953.32	4,015,953.32
Deferred Reserve for Amortization	4,383,031.29	4,196,922.70
Fund Balance	114,337.44	193,871.47
Total Capital Fund	<u>14,201,145.27</u>	<u>14,198,187.77</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>\$ 16,012,231.69</u>	<u>\$ 16,249,368.90</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
 ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF RIVERDALE
STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE
WATER/SEWER UTILITY OPERATING FUND

	Year Ended December 31,	
	2024	2023
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 300,000.00	\$ 372,855.44
Sewer Rents	1,842,631.99	1,861,145.37
Miscellaneous	178,311.47	152,627.30
Assessment Fund Balance	106,778.10	
Capital Fund Balance	84,097.03	
Other Credits to Income	7,127.36	168,055.56
Total Income	<u>2,518,945.95</u>	<u>2,554,683.67</u>
<u>Expenditures</u>		
Budget Expenditures:		
Operating	1,833,382.25	1,765,799.24
Debt Service	383,397.58	434,640.56
Deferred Changes and Statutory Expenditures	135,240.67	104,268.20
Refund of Prior Year Revenue	1,701.46	
Total Expenditures	<u>2,353,721.96</u>	<u>2,304,708.00</u>
Excess in Revenue	165,223.99	249,975.67
<u>Fund Balance</u>		
Balance January 1	<u>535,504.64</u>	<u>658,384.41</u>
Decreased by:		
Utilization as Anticipated Revenue	<u>300,000.00</u>	<u>372,855.44</u>
Balance December 31	<u>\$ 400,728.63</u>	<u>\$ 535,504.64</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
 ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF RIVERDALE
STATEMENT OF FUND BALANCE
WATER/SEWER UTILITY ASSESSMENT TRUST FUND

	For the Years Ended December 31,	
	2024	2023
Balance January 1	\$ 106,778.10	\$ 106,778.10
Decreased by:		
Anticipated Revenue in the Water/Sewer Utility Operating Fund	<u>106,778.10</u>	<u> </u>
Balance December 31	<u>\$ -0-</u>	<u>\$ 106,778.10</u>

STATEMENT OF FUND BALANCE
WATER/SEWER UTILITY CAPITAL FUND

	For the Years Ended December 31,	
	2024	2023
Balance January 1	\$ 193,871.47	\$ 172,751.59
Increased by:		
Premium on Sale of Bond Anticipation Notes	<u>4,563.00</u>	<u>21,119.88</u>
	<u>198,434.47</u>	<u>193,871.47</u>
Decreased by:		
Fund Balance Anticipated - Water/Sewer Utility Operating Fund	<u>84,097.03</u>	<u> </u>
Balance December 31	<u>\$ 114,337.44</u>	<u>\$ 193,871.47</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
 ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF RIVERDALE
STATEMENT OF REVENUE - WATER/SEWER UTILITY OPERATING FUND

	For the Years Ended December 31,			
	2024		2023	
	Budget After Modification	Realized	Budget After Modification	Realized
Fund Balance Anticipated	\$ 300,000.00	\$ 300,000.00	\$ 372,855.44	\$ 372,855.44
Rents	1,861,145.37	1,842,631.99	1,939,080.72	1,861,145.37
Assessment Fund Balance	106,778.10	106,778.10		
Capital Fund Balance	84,097.03	84,097.03		
Miscellaneous Revenue	2,352,020.50	2,333,507.12	2,311,936.16	2,234,000.81
		178,311.47		152,627.30
Grand Total	<u>\$ 2,352,020.50</u>	<u>\$ 2,511,818.59</u>	<u>\$ 2,311,936.16</u>	<u>\$ 2,386,628.11</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
 ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF RIVERDALE
STATEMENT OF REVENUE
WATER/SEWER UTILITY ASSESSMENT TRUST FUND

	For the Years Ended December 31,			
	2024		2023	
	Budget After Modification	Realized	Budget After Modification	Realized
Assessment Cash	\$ 202,937.00	\$ 19,969.00	\$ 202,937.00	\$ 202,937.00
Grand Total	<u>\$ 202,937.00</u>	<u>\$ 19,969.00</u>	<u>\$ 202,937.00</u>	<u>\$ 202,937.00</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
 ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF RIVERDALE
STATEMENT OF EXPENDITURES - WATER/SEWER UTILITY OPERATING FUND

For the Year Ended December 31,				
2024				
	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Canceled
Operations:				
Salaries and Wages	\$ 168,375.00	\$ 168,375.00		
Other Expenses	1,665,007.25	1,663,222.37	\$ 1,784.88	
Municipal Debt Service	383,397.58	383,397.58		
Deferred Charges and Statutory Expenditures	<u>135,240.67</u>	<u>135,240.67</u>		
	<u><u>\$2,352,020.50</u></u>	<u><u>\$2,350,235.62</u></u>	<u><u>\$ 1,784.88</u></u>	<u><u>\$ -0-</u></u>
For the Year Ended December 31,				
2023				
	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Canceled
Operations:				
Salaries and Wages	\$ 165,000.00	\$ 165,000.00		
Other Expenses	1,600,799.24	1,600,016.91	\$ 782.33	
Municipal Debt Service	441,868.72	434,640.56		\$ 7,228.16
Deferred Charges and Statutory Expenditures	<u>104,268.20</u>	<u>99,268.20</u>	<u>5,000.00</u>	
	<u><u>\$2,311,936.16</u></u>	<u><u>\$2,298,925.67</u></u>	<u><u>\$ 5,782.33</u></u>	<u><u>\$ 7,228.16</u></u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
 ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF RIVERDALE
STATEMENT OF EXPENDITURES - WATER/SEWER UTILITY ASSESSMENT TRUST FUND

For the Year Ended December 31,			
2024			
	Budget After Modification	Unexpended Paid or Charged	Balance Canceled
Payment of Bond Anticipation Notes	\$ 202,937.00	\$ 19,969.00	\$ 182,968.00
	<u>\$ 202,937.00</u>	<u>\$ 19,969.00</u>	<u>\$ 182,968.00</u>

For the Year Ended December 31,			
2023			
	Budget After Modification	Unexpended Paid or Charged	Balance Canceled
Payment of Bond Anticipation Notes	\$ 202,937.00	\$ 202,937.00	\$ -0-
	<u>\$ 202,937.00</u>	<u>\$ 202,937.00</u>	<u>\$ -0-</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
 ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF RIVERDALE
PUBLIC ASSISTANCE FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	December 31,	
	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 2,898.74	\$ 2,822.28
<u>TOTAL ASSETS</u>	<u>\$ 2,898.74</u>	<u>\$ 2,822.28</u>
 <u>RESERVE</u>		
Reserve for Public Assistance Expenditures	\$ 2,898.74	\$ 2,822.28
<u>TOTAL RESERVE</u>	<u>\$ 2,898.74</u>	<u>\$ 2,822.28</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
 ARE AN INTEGRAL PART OF THIS STATEMENT

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

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

Except as noted below, the financial statements of the Borough of Riverdale include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough of Riverdale, as required by N.J.S. 40A:5-5. Accordingly, the financial statements of the Borough of Riverdale do not include the operations of the municipal library, or volunteer fire and first aid squads.

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. As the financial reporting entity was established in accordance with New Jersey statutes, the requirements of GASB Codification Section 2100 were not followed and, accordingly, the reporting entity could be different from accounting principles generally accepted in the United States of America.

B. Description of Funds

The accounting policies of the Borough of Riverdale conform to the accounting practices applicable to municipalities which have been prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Such practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough of Riverdale accounts for its financial transactions through the following separate funds:

Current Fund – Resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

Trust Funds – Receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

General Capital Fund – Receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund.

BOROUGH OF RIVERDALE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

B. Description of Funds (Cont'd)

Water/Sewer Utility Operating, Assessment and Capital Funds – Account for the operations, resources and expenditures for payment of assessment debt and acquisition of capital facilities of the municipally owned sewer utility.

Public Assistance Fund – Receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey statutes. The operations of the State funded welfare program were transferred to the County of Morris in a prior year.

General Fixed Assets Account Group – Estimated values of land, buildings and certain fixed assets of the Borough as discussed in Note 1E.

C. Basis of Accounting

Basis of accounting refers to when revenue and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The more significant accounting policies in New Jersey follow.

Revenue is recorded when received in cash except for certain amounts which may be due from the State of New Jersey and for the prepayment of future years' revenue. Grant revenue is realized in the Operating Funds when it is budgeted and in the Capital Funds when improvements are authorized. The amounts recorded as property taxes and consumer accounts receivable have not been included in revenue. Amounts that are due to the municipality, which are susceptible of accrual, are recorded as receivables with offsetting reserves in the Current Fund.

Expenditures are charged to operations generally based on budgeted amounts. Exceptions to this general rule include:

1. Accumulated unpaid vacation, sick pay and other employee benefit amounts are not accrued.
2. Prepaid expenses, such as insurance premiums applicable to subsequent periods, are not recorded and are charged to current budget appropriations in total.
3. Principal and interest on long-term debt are recognized when due.

Expenditures, if any, in excess of appropriations, appropriation reserves or ordinances become deferred charges which must be raised by future taxes. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the statutory appropriation reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31 of each year and recorded as liabilities, except for amounts which may be cancelled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

BOROUGH OF RIVERDALE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

C. Basis of Accounting (Cont'd)

Had the Borough's financial statements been prepared under accounting principles generally accepted in the United States of America, encumbrances would not be considered as expenditures; appropriation reserves would not be recorded; revenue susceptible to accrual would have been reflected without offsetting reserves; Federal and State grants and assistance would be recognized when earned, not when budgeted or authorized through an ordinance; inventories would not be reflected as expenditures at the time of purchase; investments would generally be stated at fair value, fixed assets purchased by the Water/Sewer Utility Capital Fund would be depreciated; lease receivables and deferred lease resources as well as the related revenue would be recorded for leases for which the Township is a lessor and the Borough's net pension liability and related deferred inflows and outflows would be recorded.

The cash basis of accounting is followed in the Trust Funds.

D. Deferred Charges to Future Taxation – The General Capital Fund balance sheet may include both funded and unfunded deferred charges. Funded means that bonds have been issued and are being paid off on a serial basis. Unfunded means the debt has been authorized but not permanently financed. A municipality can eliminate an unfunded deferred charge by raising it in the budget or collecting a grant. The unfunded deferred charge may also be funded by selling bonds and by issuing loans or financed purchase agreements.

E. Other significant accounting policies include:

Management Estimates – The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents – Amounts include petty cash, change funds, amounts on deposit, and short-term investments with original maturities of three months or less.

Investments – Investments are stated at cost.

Allowance for Uncollectible Accounts – No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

Compensated Absences – Expenditures relating to unused vested accumulated vacation and sick pay are not recorded until paid.

Foreclosed Property – Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved.

Interfunds – Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

BOROUGH OF RIVERDALE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

E. Other significant accounting policies include: (Cont'd)

Grants Receivable – Grants receivable represent the total grant awards less amounts collected to date. Because the amount of grant funds to be collected are dependent on the total costs eligible for reimbursement, the actual amount collected may be less than the total amount awarded.

Inventories of Supplies – The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories is not included on the various balance sheets.

General Fixed Assets Account Group – In accordance with New Jersey Administrative Code accounting requirements, the Borough has developed a fixed assets accounting and reporting system based on the following:

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available except for land which is valued at assessed value. Subsequent fixed assets purchases are valued at historical cost. Infrastructure assets are not included in general fixed assets, as per state directive. Major renewals and betterments are charged to the asset accounts; maintenance and minor repairs and replacements, which do not improve or extend the lives of the respective assets, are expensed currently. Donated fixed assets are valued at their fair market value on the date donated. The total value recorded for general fixed assets is offset by a "Reserve for General Fixed Assets." When properties are retired or otherwise disposed of, the asset and the reserve are adjusted accordingly. Assets recorded in the General Fixed Assets Account Group may also be recorded in the Current Fund, General Capital Fund and Water/Sewer Utility Funds. The values recorded in the General Fixed Assets Account Group and the Current, General Capital and Water/Sewer Utility Funds may not always agree due to differences in valuation methods, timing of recognition of assets, and the recognition of infrastructures. Fixed assets are reviewed for impairment.

Property and equipment purchased by the Water/Sewer Utility Fund are recorded in the capital account at cost and are not adjusted for dispositions and abandonments. Contributions in aid of construction are not capitalized. The balances in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represent charges to operations for the cost of acquisitions of property, equipment and improvements. The utility does not record depreciation on fixed assets.

F. Budget/Budgetary Control – Annual appropriated budgets are usually prepared in the first quarter for the Current, Open Space and Water/Sewer Utility Operating and Assessment Funds. The budgets are submitted to the governing body and the Division of Local Government Services. Budgets are prepared using the cash basis of accounting. The legal level of budgetary control is established at the line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the flexible chart of accounts referenced in N.J.S.A. 40A. All budget amendments/transfers must be approved by the Borough during the year.

BOROUGH OF RIVERDALE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024
(Continued)

Note 2: Long-Term Debt

Summary of Municipal Debt

The Local Bond Law governs the issuance of bond to finance general Borough capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness. All bonds issued by the Borough are general obligation bonds. The Borough's full faith and credit and taxing power has been pledged to the payment of the general obligation debt principal and interest.

	December 31,		
	2024	2023	2022
<u>Issued</u>			
General:			
Bonds and Notes	\$ 4,148,461	\$ 4,548,461	\$ 3,387,000
Water/Sewer Utility Capital:			
Bonds and Notes	3,284,280	3,463,324	3,696,848
Water/Sewer Utility Assessment:			
Bonds and Notes	1,189,246	1,209,215	1,412,152
Total Issued	<u>8,621,987</u>	<u>9,221,000</u>	<u>8,496,000</u>
Less:			
Funds Temporarily Held to Pay Bonds, Notes and Loans:			
Reserve for Payment of Debt Service:			
General Capital Fund	150,145	150,145	145
Total Deductions	<u>150,145</u>	<u>150,145</u>	<u>145</u>
Net Issued	<u>8,471,842</u>	<u>9,070,855</u>	<u>8,495,855</u>
<u>Authorized but not Issued:</u>			
General:			
Bonds and Notes	1,412,812	1,412,812	2,974,273
Water/Sewer Utility:			
Bonds and Notes	507,689	514,753	567,709
Total Authorized but not Issued	<u>1,920,501</u>	<u>1,927,565</u>	<u>3,541,982</u>
Net Bonds, Notes and Loans Issued and Authorized but not Issued	<u>\$ 10,392,343</u>	<u>\$ 10,998,420</u>	<u>\$ 12,037,837</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.514%.

BOROUGH OF RIVERDALE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024
(Continued)

Note 2: Long-Term Debt (Cont'd)

Summary of Statutory Debt Condition - Annual Debt Statement (Cont'd)

	Gross Debt	Deductions	Net Debt
Local School District Debt	\$ 18,921,796	\$ 18,921,796	
Water/Sewer Utility Debt	4,981,215	4,981,215	
General Debt	<u>5,561,273</u>	<u>150,145</u>	<u>\$ 5,411,128</u>
	<u>\$ 29,464,284</u>	<u>\$ 24,053,156</u>	<u>\$ 5,411,128</u>

Net Debt of \$5,411,128 divided by Equalized Valuation Basis Per N.J.S. 40A:2-2 as Amended, \$1,053,418,987 = 0.514%.

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

3-1/2% Average Equalized Valuation of Real Property	\$ 36,869,665
Net Debt	<u>5,411,128</u>
Remaining Borrowing Power	<u>\$ 31,458,537</u>

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

Cash Receipts from Fees, Rents or Other Charges for Year	\$ 2,511,819
Deductions:	
Operating and Maintenance Costs	\$ 1,961,558
Debt Service	<u>383,398</u>
	<u>2,344,956</u>
Excess in Revenue	<u>\$ 166,863</u>

Note: If there is a deficit in revenue, sewer utility debt is not deductible to the extent of 20 times of said deficit or total debt service, whichever is smaller (40A:2-48).

The foregoing debt information is in agreement with the Annual Debt Statement filed by the Chief Financial Officer.

Summary of Municipal Debt Issued and Outstanding – Current Year

	Balance 12/31/2023	Additions	Retirements	Balance 12/31/2024
Bond Anticipation Notes:				
General Capital Fund	\$ 4,548,461	\$ 4,148,461	\$ 4,548,461	\$ 4,148,461
Water/Sewer Utility:				
Assessment Trust Fund	1,209,215	1,189,246	1,209,215	1,189,246
Capital Fund	<u>3,463,324</u>	<u>3,284,280</u>	<u>3,463,324</u>	<u>3,284,280</u>
Total	<u>\$ 9,221,000</u>	<u>\$ 8,621,987</u>	<u>\$ 9,221,000</u>	<u>\$ 8,621,987</u>

BOROUGH OF RIVERDALE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024
(Continued)

Note 2: Long-Term Debt (Cont'd)

Summary of Municipal Debt Issued and Outstanding – Prior Year

	Balance 12/31/2022	Additions	Retirements	Balance 12/31/2023
Bond Anticipation Notes:				
General Capital Fund	\$ 3,387,000	\$ 4,548,461	\$ 3,387,000	\$ 4,548,461
Water/Sewer Utility:				
Assessment Trust Fund	1,412,152	1,209,215	1,412,152	1,209,215
Capital Fund	<u>3,696,848</u>	<u>3,463,324</u>	<u>3,696,848</u>	<u>3,463,324</u>
Total	<u><u>\$ 8,496,000</u></u>	<u><u>\$ 9,221,000</u></u>	<u><u>\$ 8,496,000</u></u>	<u><u>\$ 9,221,000</u></u>

Analysis of Debt Issued and Outstanding at December 31, 2024

General Capital Bond Anticipation Notes Payable

Purpose	Final Maturity	Interest Rate	Balance Dec. 31, 2024
Various Road Improvements	03/04/25	4.25%	\$ 365,000
Various Road Improvements	03/04/25	4.25%	35,000
Various Capital Improvements	03/04/25	4.25%	187,080
Various Capital Improvements	03/04/25	4.25%	518,920
Various Road Improvements	03/04/25	4.25%	700,000
Various Capital Improvements	03/04/25	4.25%	400,100
Various Capital Improvements	03/04/25	4.25%	261,461
Replacement of the Retaining Wall at Independence Park	03/04/25	4.25%	380,900
Various Road Improvements	03/04/25	4.25%	<u>1,300,000</u>
			<u><u>\$ 4,148,461</u></u>

Water/Sewer Utility Assessment Trust Bond Anticipation Notes Payable

Purpose	Final Maturity	Interest Rate	Balance Dec. 31, 2024
Purchase of Sewer Allocations, Installation of Sewers and a Special Assessment for the Sewer Installations	03/04/25	4.25%	\$ 147,357
	03/04/25	4.25%	77,731
	03/04/25	4.25%	341,140
	03/04/25	4.25%	<u>623,018</u>
			<u><u>\$ 1,189,246</u></u>

BOROUGH OF RIVERDALE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024
(Continued)

Note 2: Long-Term Debt (Cont'd)

Analysis of Debt Issued and Outstanding at December 31, 2024 (Cont'd)

Water/Sewer Utility Capital Bond Anticipation Notes Payable

Purpose	Final Maturity	Interest Rate	Balance Dec. 31, 2024
Purchase of Sewer Allocations, Installation of Sewers and a Special Assessment for the Sewer Installations	03/04/25	4.25%	\$ 843,187
	03/04/25	4.25%	861,092
	03/04/25	4.25%	<u>1,580,001</u>
			<u>\$ 3,284,280</u>
Total Debt Issued and Outstanding			<u>\$ 8,621,987</u>

Note 3: Fund Balances Appropriated

Fund balances at December 31, 2024, which were appropriated and included as anticipated revenue in their own respective funds in the adopted budget for the year ending December 31, 2025 are as follows:

Current Fund	\$795,000
Water/Sewer Utility Operating Fund	165,000

Note 4: Local School District Taxes

Regulations provide for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district.

The Borough of Riverdale has elected not to defer school taxes.

Note 5: Pension Plans

Borough employees participate in one of the two contributory, defined benefit public employee retirement systems: the State of New Jersey Public Employee's Retirement System (PERS) or the State of New Jersey Police and Firemen's Retirement System (PFRS); or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

A. Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division).

For additional information about the PERS, please refer to the Division's annual financial statements which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

BOROUGH OF RIVERDALE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024
(Continued)

Note 5: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service. The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65.

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years, beginning with the payments due in the fiscal year ended June 30, 2012 and are adjusted by the rate of return on the actuarial value of assets. Borough contributions to PERS amounted to \$225,023 for 2024. During the fiscal year ended June 30, 2024, the State of New Jersey contributed \$7,605 to the PERS for normal pension benefits on behalf of the Borough.

BOROUGH OF RIVERDALE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024
(Continued)

Note 5: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Contributions (Cont'd)

The employee contribution rate was 7.50% effective July 1, 2018.

Special Funding Situation

Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under the legislation is considered to be special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under the legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statement of the local participating employers related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entity's total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must disclose pension expense associated with the employers in an amount equal to the nonemployer contributing entity's total proportionate share of the collective pension expense associated with the local participating employer.

Pension Liabilities and Pension Expense

At June 30, 2023, the Borough's liability was \$2,438,646 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2023, the Borough's proportion was .0169%, which was a decrease of 0.0009% from its proportion measured as of June 30, 2022. The Borough has rolled forward the net pension liability as of June 30, 2023 with no adjustments. The State of New Jersey Public Employees' Retirement System (PERS)' valuation cycle is July 1 instead of December 31. The roll forward methodology puts them a year in arrears in terms of valuation. The Division of Local Government Services, Department of Community Affairs, State of New Jersey is permitting municipalities and counties to include the June 30, 2023 information in the Notes to the Financial Statements as the June 30, 2024 information has not been released as of the date of this audit.

There was no state proportionate share of net pension liability attributable to the Borough as of June 30, 2023.

For the year ended December 31, 2024, the Borough recognized actual pension expense in the amount of \$225,023.

BOROUGH OF RIVERDALE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024
(Continued)

Note 5: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Actuarial Assumptions

The collective total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:

Price	2.75%
Wage	3.25%
Salary Increases	2.75 – 6.55% based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and a 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2022 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 pension plan investments (7.00% at June 30, 2023) 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' target asset allocation as of June 30, 2023 are summarized in the table on the following page.

BOROUGH OF RIVERDALE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024
(Continued)

Note 5: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Long Term Expected Rate of Return (Cont'd)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Market Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based upon 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 all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of the Borough's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Borough's proportionate share of the collective net pension liability as of June 30, 2023 calculated using the discount rate as disclosed below, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	June 30, 2023		
	At 1%	At Current	At 1%
	Decrease	Discount Rate	Increase
	(6.00%)	(7.00%)	(8.00%)
Borough's proportionate share of the			
Net Pension Liability	\$ 3,174,599	\$ 2,438,646	\$ 1,812,254

BOROUGH OF RIVERDALE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024
(Continued)

Note 5: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

B. Police and Firemen's Retirement System (PFRS)

Plan Description

The State of New Jersey Police and Firemen's Retirement System (PFRS), is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about the PFRS, please refer to the Division's annual financial statements which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:16A. The PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except for disability benefits which vest after 4 years of service. The following represents the membership tiers for PFRS:

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

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

Contributions

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate, which includes the normal costs and unfunded accrued liability. For fiscal year 2023, the State contributed an amount more than the actuarially determined amount.

The Local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability, by

BOROUGH OF RIVERDALE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024
(Continued)

Note 5: Pension Plans (Cont'd)

B. Police and Firemen's Retirement System (PFRS) (Cont'd)

Contributions (Cont'd)

employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual amounts over a period of 15 years, beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of the assets.

Special Funding Situation

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

Borough contributions to PFRS amounted to \$723,819 for the year ended December 31, 2024. During the fiscal year ended June 30, 2023, the State of New Jersey contributed \$126,595 to the PFRS for normal pension benefits on behalf of the Borough, which is more than the contractually required contribution of \$125,916.

The employee contributions for PFRS are 10.00% of employees' annual compensation, as defined.

Pension Liabilities and Pension Expense

At June 30, 2023, the Borough's liability for its proportionate share of the net pension liability was \$6,007,596. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2023, the Borough's proportion was .0544%, which was an increase of .0009% from its proportion measured as of June 30, 2023. The Borough has rolled forward the net pension liability as of June 30, 2023 with no adjustments. The State of New Jersey Police and Firemen's Retirement System (PFRS)' valuation cycle is July 1 instead of December 31. The roll forward methodology puts them a year in arrears in terms of valuation.

BOROUGH OF RIVERDALE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024
(Continued)

Note 5: Pension Plans (Cont'd)

B. Police and Firemen's Retirement System (PFRS) (Cont'd)

Pension Liabilities and Pension Expense (Cont'd)

Additionally, the State's proportionate share of the net pension liability attributable to the Borough is \$1,106,970 as of June 30, 2023. The net pension liability was measured as of July 1, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. The State's proportionate share of the net pension liability associated with the Borough was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2023, the State's proportion was .0544%, which was an increase of .0009% from its proportion measured as of June 30, 2022 which is the same proportion as the Borough's.

Borough's Proportionate Share of the Net Pension Liability	\$ 6,007,596
State's Proportionate Share of the Net Pension Liability Associated with the Borough	<u>1,106,970</u>
Total Net Pension Liability	<u><u>\$ 7,114,566</u></u>

For the year ended December 31, 2024, the Borough recognized total pension expense of \$723,819.

Actuarial Assumptions

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:

Price	2.75%
Wage	3.25%

Salary Increases:

Through all future years	3.25 – 16.25% based on years of service
Thereafter	Not Applicable

Investment Rate of Return	7.00%
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Employee mortality rates were based on the PubS-2010 amount-weighted mortality table with a 105.6% adjustment for males and 102.5% adjustment for females. For healthy annuitants, mortality rates were based on the PubS-2010 amount-weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females. Disability rates were based on the PubS-2010 amount-weighted mortality table with a 152.0% adjustment for males and 109.3% adjustment for females. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

BOROUGH OF RIVERDALE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024
(Continued)

Note 5: Pension Plans (Cont'd)

B. Police and Firemen's Retirement System (PFRS) (Cont'd)

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2023) 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 PFRS' target asset allocation as of June 30, 2023 are summarized in the below table.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Market Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

Discount Rate – PFRS

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based upon 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 all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

BOROUGH OF RIVERDALE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024
(Continued)

Note 5: Pension Plans (Cont'd)

B. Police and Firemen's Retirement System (PFRS) (Cont'd)

Sensitivity of the Total Net Pension Liability (including the State's proportionate share of the net pension liability attributable to the Borough) to Changes in the Discount Rate

The following presents the total net pension liability (including the State's proportionate share of the net pension liability attributable to the Borough) as of June 30, 2023 calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2023		
	At 1%	At Current	At 1%
	Decrease (6.00%)	Discount Rate (7.00%)	Increase (8.00%)
Borough's proportionate share of the NPL and the State's proportionate share of the Net Pension Liability associated with the Borough	\$ 9,912,902	\$ 7,114,566	\$ 4,784,221

Pension Plan Fiduciary Net Position - PFRS

Detailed information about the PFRS's fiduciary net position is available in the separately issued PFRS financial statements.

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or PFRS, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

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

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the Borough recognized pension expense of \$3,888 for the year ended December 31, 2024. Employee contributions to DCRP amounted to \$7,732 for the year ended December 31, 2024.

BOROUGH OF RIVERDALE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024
(Continued)

Note 6: Accrued Sick and Vacation Benefits and Compensatory Time

The Borough permits employees to accrue a limited amount of unused vacation and sick pay and compensatory time, which may be taken as time off or paid at a later date at an agreed-upon rate. It is estimated that the current cost of such unpaid compensation would approximate \$90,769. This amount is not reported either as an expenditure or a liability. However, it is expected that the cost of such unpaid compensation would be included in the Borough's budget operating expenditures in the year in which it is used.

Balance at December 31, 2023 (Restated)	\$ 106,907.00
Net Change	<u>(2,314.00)</u>
Balance at December 31, 2024	<u><u>\$ 104,593.00</u></u>
Amount Due within One Year	<u><u><u>\$ -0-</u></u></u>

Note 7: Selected Tax Information

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy.

The final tax bill is usually mailed on or before June 14th along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and the imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the prior year may be placed in lien at a tax sale held after April 1 and through December 31. Unpaid taxes of the current year may be placed in lien at a tax sale held after December 10.

Comparative Schedule of Tax Rate Information

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<u>Tax Rate</u>	<u><u>\$ 1.826</u></u>	<u><u>\$ 1.825</u></u>	<u><u>\$ 1.870</u></u>

Apportionment of Tax Rate

Municipal (including Open Space)	.631	.645	.661
County	.251	.269	.276
Local School	.944	.911	.933

Assessed Valuations

2024	<u><u>\$ 1,022,885,625</u></u>	
2023	<u><u>\$ 974,013,725</u></u>	
2022		<u><u>\$ 924,194,374</u></u>

BOROUGH OF RIVERDALE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024
(Continued)

Note 7: Selected Tax Information (Cont'd)

Comparison of Tax Levies and Collection

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

Year	Tax Levy	Currently	
		Cash Collections	Percentage of Collection
2024	\$ 18,689,236	\$ 18,565,440	99.33%
2023	17,791,358	17,664,515	99.28%
2022	17,284,809	16,999,430	99.34%

Also, increases in future tax levies can also be warranted if revenue sources outside of those directly generated by the municipality, such as federal or state aid, should decline without corresponding decreases in budgeted expenditures.

Note 8: Cash and Cash Equivalents and Investments

Cash and cash equivalents include change funds, amounts on deposit, and short-term investments with original maturities of three months or less.

Investments are stated at cost. The Borough classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB requires disclosure of the level of custodial credit risk assumed by the Borough in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial risk is the risk that in the event of bank failure, the government's deposits may not be returned.

Interest Rate Risk – In accordance with its cash management plan, the Borough ensures that any deposit or investments matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk – The Borough limits its investments to those authorized in its cash management plan which are permitted under state statute as detailed in the investments section of this note.

Custodial Credit Risk – The Borough's policy with respect to custodial credit risk requires that the Borough ensures that Borough funds are only deposited in financial institutions in which New Jersey municipalities are permitted to invest their funds.

BOROUGH OF RIVERDALE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024
(Continued)

Note 8: Cash and Cash Equivalents and Investments (Cont'd)

Deposits

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

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed insurance limits as follows:

The market value of the collateral must equal 5% of the average daily balance of public funds; and

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value equal to 100% of the amount exceeding 75%.

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

Investments

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a 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 obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located;
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law" P.L. 1983, c. 313 (C.40A:5A-1 et seq.) Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or

BOROUGH OF RIVERDALE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024
(Continued)

Note 8: Cash and Cash Equivalents and Investments (Cont'd)

Investments (Cont'd)

(8) Agreements for the repurchase of fully collateralized securities if:

- (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983 c.313 (C.40A:5A-1 et seq.);
- (b) the custody of collateral is transferred to a third party;
- (c) the maturity of the agreement is not more than 30 days;
- (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
- (e) a master repurchase agreement providing for the custody and security of collateral is executed.

As of December 31, 2024, cash and cash equivalents of the Borough of Riverdale consisted of the following:

Fund	Cash on Hand	Checking Accounts	Totals
Current	\$ 200	\$ 2,767,762	\$ 2,767,962
Animal Control		15,517	15,517
Other Trust		1,392,575	1,392,575
General Capital		1,319,921	1,319,921
Water/Sewer Utility:			
Operating	50	538,265	538,315
Assessment Trust		192,943	192,943
Capital		2,010,192	2,010,192
Public Assistance		2,899	2,899
	<hr/> <u>\$ 250</u>	<hr/> <u>\$ 8,240,074</u>	<hr/> <u>\$ 8,240,324</u>

The Borough did not hold any investments during the year ended December 31, 2024. The carrying amount of the Borough's cash and cash equivalents at year end was \$8,240,324 and the bank balance was \$8,502,671.

BOROUGH OF RIVERDALE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024
(Continued)

Note 9: Risk Management

The Borough 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. Health benefits are provided through the State of New Jersey health benefits plan.

The Borough of Riverdale is currently a member of the Morris County Municipal Joint Insurance Fund (the “Fund”). The Fund provides its members with Property, General Liability and Workers’ Compensation Insurance. The Fund is a risk-sharing public entity risk pool that is both an insured and self-administered group of governmental entities established for the purpose of providing low-cost insurance coverage for its members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Fund are elected.

As a member of this Fund, the Borough could be subject to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would become responsible for their respective shares of the Fund’s liabilities.

The Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. The members may either receive payment or offset their subsequent year assessments with their respective share of the distribution.

The December 31, 2024 audit report of the Fund is not filed as of the date of this audit. Summarized selected financial information for the Fund as of December 31, 2023 is as follows:

Total Assets	\$ 38,605,475
Net Position	<u>\$ 14,033,264</u>
Total Revenue	<u>\$ 24,763,702</u>
Total Expenses	<u>\$ 20,906,236</u>
Members Dividends	<u>\$ 324,246</u>
Change in Net Position	<u>\$ 3,533,220</u>

Financial statements for the Fund are available at the office of the Fund’s Executive Director:

PERMA Risk Management Services
9 Campus Drive, Suite 216
Parsippany, NJ 07054
(201) 881-7632

BOROUGH OF RIVERDALE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024
(Continued)

Note 9: Risk Management (Cont'd)

New Jersey Unemployment Compensation Insurance

The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Borough is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Borough is billed quarterly for amounts due to the State.

The following is a summary of Borough contributions, interest earned, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Borough's expendable trust fund for the current and previous two years:

Year	Borough Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2024	\$ - 0 -	\$ 782	\$ 2,308	\$ 165,982
2023	- 0 -	4,429	891	167,508
2022	- 0 -	4,037	583	163,970

Note 10: Contingencies

The Borough is periodically involved in various other lawsuits arising in the normal course of business, which often include claims for property damage, personal injury, and various contract disputes. The Borough vigorously contest these lawsuits and believes the ultimate resolution will not have a material adverse effect on their financial position.

Various tax appeals on assessed valuations have been filed against the Borough and are awaiting tax court decisions. The ultimate outcome and effect of such appeals have not been determined; however, the Borough's Tax Assessor will aggressively defend the Borough's assessments. The Borough has established a reserve in the amount of \$179,175 so as to provide for this contingency, which it believes is sufficient.

Amounts received or receivable from grantors, principally the federal and state governments, are subject to regulatory requirements and adjustments by the agencies. Any disallowed claims, including amounts previously recognized by the Borough as revenue would constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantors cannot be determined at this time, although Borough officials expect such amounts, if any, to be immaterial.

Note 11: Interfund Receivables and Payables

The following interfund balances remained on the various balance sheets at December 31, 2024:

Fund	Interfund Receivable	Interfund Payable
Current	\$ 6,827	\$ 53,052
Federal and State Grant	1,052	
Animal Control		6,778
Other Trust	59,200	49
Water/Sewer Utility Operating		7,258
Water/Sewer Utility Assessment Trust	183,026	
Water/Sewer Utility Capital		182,968
	<u><u>\$ 250,105</u></u>	<u><u>\$ 250,105</u></u>

BOROUGH OF RIVERDALE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024
 (Continued)

Note 11: Interfund Receivables and Payables (Cont'd)

The interfund receivable in the Current Fund is comprised mainly of the statutory excess in reserve for animal control expenditures. The interfund receivable in the Federal and State Grant Fund reflects the net amount of Federal and State Grant Fund expenditures paid and receipts collected by the Current Fund. The interfund receivable in the Other Trust Fund is comprised of tax sale premium receipts collected by the Current Fund and the Water/Sewer Utility Operating Fund. The interfund receivable in the Water/Sewer Utility Assessment Trust is comprised mainly of an interfund advance due from the Water/Sewer Utility Capital Fund.

Note 12: Economic Dependency

The Borough receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the Borough's programs and activities.

Note 13: Fixed Assets

The following is a summarization of general fixed assets for the years ended December 31, 2024 and 2023:

	Balance			Balance
	Dec. 31, 2023	Additions	Deletions	Dec. 31, 2024
Land and Land				
Improvements	\$ 7,437,843			\$ 7,437,843
Buildings and Building				
Improvements	10,134,108			10,134,108
Vehicles and Equipment	3,987,157			3,987,157
Construction in Progress	525,502			525,502
	<u>\$ 22,084,610</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ 22,084,610</u>
	Balance			Balance
	Dec. 31, 2022	Additions	Deletions	Dec. 31, 2023
Land and Land				
Improvements	\$ 7,437,843			\$ 7,437,843
Buildings and Building				
Improvements	10,134,108			10,134,108
Vehicles and Equipment	3,772,308	214,849		3,987,157
Construction in Progress	117,968	407,534		525,502
	<u>\$ 21,462,227</u>	<u>\$ 622,383</u>	<u>\$ - 0 -</u>	<u>\$ 22,084,610</u>

Note 14: Open Space Trust Fund

The Borough of Riverdale created an Open Space Trust Fund with a tax levy of \$.01 per \$100 of assessed valuation. The funds collected are used to acquire and maintain open space property in the Borough. The balances of the Open Space Trust Fund at December 31, 2024 and 2023 were \$505,223 and \$483,613, respectively.

BOROUGH OF RIVERDALE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024
(Continued)

Note 15: Deferred Compensation

The Borough offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan permits participants to defer a portion of their salary until future years. Amounts deferred under the plan are not available to employees until termination, retirement, death or unforeseeable emergency. The plan is administered by Lincoln Financial.

Note 16: Postemployment Benefits Other than Pensions

State Health Benefit Local Government Retired Employees Plan

General Information about the OPEB Plan

Plan Description

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost sharing multiple employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) annual financial statements, which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

Benefits Provided

The Plan provides medical and prescription drug coverage to retirees and their covered dependents of the participating employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A. 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

BOROUGH OF RIVERDALE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024
(Continued)

Note 16: Postemployment Benefits Other than Pensions (Cont'd)

State Health Benefit Local Government Retired Employees Plan (Cont'd)

Contributions

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Special Funding Situation

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

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. For New Jersey local governments who report under the regulatory basis of accounting, the net OPEB liability and related deferred inflows are not recorded in the financial statements and there is only note disclosure of this information. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources, or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net OPEB liability that is associated with the local participating employer.

Allocation Methodology

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB (benefit)/expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are based on separately calculated total OPEB liabilities. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit)/expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2022 through June 30, 2023. Employer and nonemployer allocation percentages were rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer and nonemployer may result in immaterial differences.

BOROUGH OF RIVERDALE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024
(Continued)

Note 16: Postemployment Benefits Other than Pensions (Cont'd)

State Health Benefit Local Government Retired Employees Plan (Cont'd)

OPEB Expense

The Borough has rolled forward the net OPEB liability as of June 30, 2023 with no adjustments. The Division of Local Government Services, Department of Community Affairs, State of New Jersey, is permitting municipalities and counties to include the June 30, 2023 OPEB information in the Notes to the Financial Statements as the June 30, 2024 information has not been released as of the date of this report.

The total OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023.

At June 30, 2023, the State's proportionate share of the net OPEB liability attributable to the Borough was \$4,784,908. At June 30, 2023, the State's proportion related to the Borough was .137139%. This is the percentage of the total State Share of the net OPEB liability of the Plan.

For the year ended June 30, 2022, the State of New Jersey's OPEB benefit related to the Borough was \$867,597.

Actuarial Assumptions and Other Inputs

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Salary Increases*:

Public Employees' Retirement System (PERS)	
Rate for all future years	2.75% to 6.55% based on years of service

Police and Firemen's Retirement System (PFRS)

Rate for all future years	3.25% to 16.25% based on years of service
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* - Salary increases are based on years of service within the respective plan.

Mortality:

PERS Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021

PFRS Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021

Actuarial assumptions used in the July 1, 2022 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021.

100% of active members are considered to participate in the Plan upon retirement.

BOROUGH OF RIVERDALE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024
(Continued)

Note 16: Postemployment Benefits Other than Pensions (Cont'd)

State Health Benefit Local Government Retired Employees Plan (Cont'd)

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.50% for fiscal year 2023 and decreases to a 4.50% long term trend rate after nine years. For post-65 medical benefits PPO, the trend rate is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO, the trend rate is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate for June 30, 2023 was 3.65%. This represents the municipal bond rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Note 17: Leases

The Borough entered into a lease agreement on December 8, 2021 for the rental of space on one of the Borough's properties for the lessor to park up to 100 motor vehicles. The lease was for a term of 2 years starting January 1, 2022 with a rent of \$7,000 per month. The lease was renewed on March 27, 2024 for a term of 2 years with a rent of \$7,500 per month. The amount of lease payments received by the Borough in 2024 was \$81,500.

Note 18: Compensated Absences

GASB Statement No. 101, Compensated Absences, was implemented during the year ended December 31, 2024. As required under the standard, the Township made a restatement to the amount reported as compensated absences in the Notes to the Financial Statements at December 31, 2023.

	Balance at December 31, 2023 as Previously Reported	Change in Accounting Principle	Balance at December 31, 2023 as Restated
Compensated Absences	\$ 147,871.00	\$ (40,964.00)	\$ 106,907.00

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APPENDIX C
FORMS OF APPROVING LEGAL OPINIONS OF BOND COUNSEL

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_____, 2026

Borough Council of the
Borough of Riverdale, in the
County of Morris, New Jersey

Dear Council Members:

We have acted as bond counsel to the Borough of Riverdale, in the County of Morris, New Jersey (the "*Borough*"), in connection with the issuance by the Borough of its \$6,174,000 Water/Sewer Utility General Obligation Bonds, Series 2026, consisting of \$5,360,000 Water/Sewer Utility Bonds and \$814,000 Water/Sewer Utility Assessment Bonds (together, the "*Bonds*"), each dated the date hereof. In order to render the opinions herein, we have examined such laws, documents and records of proceedings, or copies thereof, certified or otherwise identified to our satisfaction and have undertaken such research and analyses as we have deemed necessary.

The Bonds are issued pursuant to the Local Bond Law of the State of New Jersey, a resolution of the Borough adopted on February 11, 2026 pursuant to N.J.S.A. 40A:2-26(f), in all respects duly approved, and the various bond ordinances referred to therein, each in all respects duly approved and published as required by law.

In our opinion, except insofar as the enforcement thereof may be limited by any applicable bankruptcy, moratorium or similar laws or application by a court of competent jurisdiction of legal or equitable principles relating to the enforcement of creditors' rights, the Bonds are valid and legally binding obligations of the Borough, and the Borough has the power and is obligated to levy *ad valorem* taxes upon all the taxable property within the Borough for the payment of the Bonds and the interest thereon without limitation as to rate or amount.

On the date hereof, the Borough has covenanted in its Arbitrage and Tax Certificate (the "*Certificate*") to comply with certain continuing requirements that must be satisfied subsequent to the issuance of the Bonds in order to preserve the tax-exempt status of the Bonds pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "*Code*"). Pursuant to Section 103 of the Code, failure to comply with these requirements could cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. In the event that the Borough continuously complies with its covenants and in reliance on representations, certifications of fact and statements of reasonable expectations made by the Borough in the Certificate, it is our opinion that, under existing law, interest on the Bonds is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code, and interest on the Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax; however, interest on the Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to alternative minimum tax under Section 55 of the Code. We express no opinion regarding other federal tax consequences arising with respect to the Bonds. Further, in our opinion, based upon existing law, interest on the Bonds and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act. These opinions are based on existing statutes, regulations, administrative pronouncements and judicial decisions.

This opinion is issued as of the date hereof. We assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law or interpretations thereof that may occur after the date of this opinion or for any reason whatsoever.

Very truly yours,

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_____, 2026

Borough Council of the
Borough of Riverdale, in the
County of Morris, New Jersey

Dear Council Members:

We have acted as bond counsel to the Borough of Riverdale, in the County of Morris, New Jersey (the "*Borough*"), in connection with the issuance by the Borough of its \$5,246,000 Bond Anticipation Notes, Series 2026, consisting of the \$4,406,000 General Improvement Bond Anticipation Note and the \$840,000 Water/Sewer Utility Bond Anticipation Note (together, the "*Notes*"), each dated the date hereof. In order to render the opinions herein, we have examined such laws, documents and records of proceedings, or copies thereof, certified or otherwise identified to our satisfaction and have undertaken such research and analyses as we have deemed necessary.

The Notes are issued pursuant to the Local Bond Law of the State of New Jersey and the bond ordinances of the Borough listed in the Certificate of Determination and Award prepared in connection with this issue, each in all respects duly approved and published as required by law. The Notes are temporary obligations issued in anticipation of the issuance of bonds.

In our opinion, except insofar as the enforcement thereof may be limited by any applicable bankruptcy, moratorium or similar laws or application by a court of competent jurisdiction of legal or equitable principles relating to the enforcement of creditors' rights, the Notes are valid and legally binding obligations of the Borough, payable in the first instance from the proceeds of the sale of the bonds in anticipation of which the Notes are issued, but, if not so paid, payable ultimately from *ad valorem* taxes that may be levied upon all the taxable property within the Borough without limitation as to rate or amount.

On the date hereof, the Borough has covenanted in its Arbitrage and Tax Certificate (the "*Certificate*") to comply with certain continuing requirements that must be satisfied subsequent to the issuance of the Notes in order to preserve the tax-exempt status of the Notes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "*Code*"). Pursuant to Section 103 of the Code, failure to comply with these requirements could cause interest on the Notes to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Notes. In the event that the Borough continuously complies with its covenants and in reliance on representations, certifications of fact and statements of reasonable expectations made by the Borough in the Certificate, it is our opinion that, under existing law, interest on the Notes is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code, and interest on the Notes is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax; however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to alternative minimum tax under Section 55 of the Code. We express no opinion regarding other federal tax consequences arising with respect to the Notes. Further, in our opinion, based upon existing law, interest on the Notes and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act. These opinions are based on existing statutes, regulations, administrative pronouncements and judicial decisions.

This opinion is issued as of the date hereof. We assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law or interpretations thereof that may occur after the date of this opinion or for any reason whatsoever.

Very truly yours,

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