

BOROUGH OF EDGEWATER

**Financial Statements With
Supplementary Information**

December 31, 2015

(With Independent Auditors' Reports Thereon)

BOROUGH OF EDGEWATER

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the Borough Council
Borough of Edgewater
County of Bergen, New Jersey

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Edgewater in the County of Bergen, as of December 31, 2015 and 2014, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State 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 misstatements, whether due to fraud or error.

Auditor's Responsibility

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



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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Edgewater as of December 31, 2015 and 2014, or changes in financial position for the years then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As described in Note 15 of the financial statements, the Borough participates in a Length of Service Award Program (LOSAP) for its volunteer fire and rescue personnel. The amount reflected in the trust fund statements of \$970,160 and \$1,014,606 for 2015 and 2014, respectively, were not audited and, therefore, we express no opinion on the LOSAP program.



Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the “*Basis for Qualified Opinion on Regulatory Basis of Accounting*” paragraph, the financial statements referred to above, with the exception of the Length of Service Award Program, present fairly, in all material respects, the regulatory basis balances sheets and account group as of December 31, 2015 and 2014, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2015 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Edgewater’s basic financial statements. The supplementary information listed in the table of contents and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information listed in the table of contents is the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

The Honorable Mayor and
Members of the Borough Council
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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 8, 2016 on our consideration of the Borough of Edgewater's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Edgewater's internal control over financial reporting and compliance.



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Registered Municipal Accountant
No. CROO413



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Certified Public Accountants
Pompton Lakes, New Jersey

July 8, 2016

BOROUGH OF EDGEWATER

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31, 2015 and 2014

<u>Assets</u>	<u>Ref.</u>	Dec. 31, <u>2015</u>	Dec. 31, <u>2014</u>
Regular Fund:			
Cash	A-4	\$ 8,764,709	6,985,649
Petty cash		250	250
Change funds		200	200
Due from State of New Jersey:			
Senior citizens' and veterans' deductions	A-8	34,863	34,968
		<u>8,800,022</u>	<u>7,021,067</u>
Receivables and other assets with full reserves:			
Delinquent property taxes receivable	A-5	1,618,729	832,290
Property acquired for taxes - assessed valuation	A-17	3,844,775	3,844,775
Tax title liens	A-6	52,526	47,474
Revenue accounts receivable	A-7	166,667	179,135
Interfunds receivable:			
Escrow trust fund	A-19	27	26
Other trust fund	A-19	1,370	
Marina utility operating fund	A-19	4,500	
General capital fund	A-19		89,285
		<u>5,688,594</u>	<u>4,992,985</u>
Deferred charges:			
Over-expenditure of Appropriations	A-23		33,392
Over-expenditure of Appropriation Reserves	A-23	44,749	
Special emergency authorizations	A-24	46,600	111,800
		<u>91,349</u>	<u>145,192</u>
		<u>14,579,965</u>	<u>12,159,244</u>
State and Federal Grant Fund:			
Grants receivable	A-25	9,692	9,692
Due from Current Fund	A-22	170,006	159,333
		<u>179,698</u>	<u>169,025</u>
		<u>\$ 14,759,663</u>	<u>12,328,269</u>

BOROUGH OF EDGEWATER

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31, 2015 and 2014

	<u>Ref.</u>	Dec. 31, <u>2015</u>	Dec. 31, <u>2014</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Regular Fund:			
Appropriation reserves	A-3,A-12	\$ 1,981,981	1,616,732
Local school district tax payable	A-9	125,477	
Encumbrances payable	A-13	248,949	196,199
County added and omitted taxes payable	A-11	20,970	48,546
Tax overpayments	A-14	51,855	61,243
Prepaid taxes	A-15	336,198	225,188
Marriage license fees payable	A-16	650	500
Reserve for tax title lien premium	A-18	674,500	300,100
Interfund Payables:			
General capital fund	A-19	10,884	
Parking offenses adjudication trust fund	A-19		1,042
Fire prevention dedicated penalties trust fund	A-19	375	1,287
Various miscellaneous reserves	A-20	600,464	522,653
Special emergency note payable	A-21	54,000	103,800
Due to state and federal grant fund	A-22	170,006	159,333
		<hr/>	<hr/>
		4,276,309	3,236,623
Reserve for receivables and other assets	A	5,688,594	4,992,985
Fund balance	A-1	4,615,062	3,929,636
		<hr/>	<hr/>
		14,579,965	12,159,244
State and Federal Grant Fund:			
Appropriated reserves	A-26	142,635	130,296
Encumbrances payable	A-26	235	
Unappropriated reserves	A-27	36,828	38,729
		<hr/>	<hr/>
		179,698	169,025
		<hr/>	<hr/>
		\$ 14,759,663	12,328,269
		<hr/>	<hr/>

See accompanying notes to financial statements.

BOROUGH OF EDGEWATER

Comparative Statement of Operations and Changes in Fund Balance-Regulatory Basis

Current Fund

Year ended December 31, 2015

	Dec. 31, <u>2015</u>	Dec. 31, <u>2014</u>
Revenue and other income realized:		
Fund balance utilized	\$ 2,000,000	1,800,000
Miscellaneous revenue anticipated	3,385,141	3,762,396
Receipts from delinquent taxes	841,765	1,360,385
Receipts from current taxes	46,633,912	44,555,111
Nonbudget revenues	911,955	869,824
Other credits to income:		
Unexpended balance of appropriation reserves	1,157,721	833,639
Tax overpayments cancelled	37,077	
Prior year interfunds returned	89,285	
	<hr/>	<hr/>
Total revenue	55,056,856	53,181,355
Expenditures:		
Budget and emergency appropriations:		
Appropriation within "CAPS":		
Operations:		
Salaries and wages	9,347,610	9,140,187
Other expenses	7,684,536	7,400,887
Deferred charges and statutory expenditures	1,750,530	1,671,223
Appropriations excluded from "CAPS":		
Operations:		
Other expenses	3,479,504	3,420,456
Capital improvements	300,000	400,000
Municipal debt service	2,540,645	2,717,836
Deferred charges and statutory expenditures	65,200	355,200
County taxes	7,487,638	7,021,813
Due county for added taxes	20,970	48,546
Local district school taxes	19,497,393	17,810,065
Interfund advanced		88,580
Tax appeal refunds	168,596	19,238
County taxes - Long term exemption law	22,878	
Over-expenditure of Appropriation Reserves	44,749	
Refund prior year revenue	5,930	12,570
	<hr/>	<hr/>
Total expenditures	52,416,179	50,106,601
Excess in revenue	2,640,677	3,074,754
Adjustments to income before Surplus:		
Expenditures included above which are by statute deferred charges to budget of succeeding year	<hr/> 44,749	<hr/> 33,392

BOROUGH OF EDGEWATER

Comparative Statement of Operations and Changes in Fund Balance-Regulatory Basis

Current Fund

Year ended December 31, 2015

	Dec. 31, <u>2015</u>	Dec. 31, <u>2014</u>
Statutory Excess to Surplus	2,685,426	3,108,146
Fund balance - January 1,	<u>3,929,636</u>	<u>2,621,490</u>
	6,615,062	5,729,636
Decreased by utilization as anticipated revenue	<u>2,000,000</u>	<u>1,800,000</u>
Fund balance - December 31,	<u>\$ 4,615,062</u>	<u>3,929,636</u>

See accompanying notes to financial statements.

BOROUGH OF EDGEWATER

Statement of Revenues - Regulatory Basis

Current Fund

Year ended December 31, 2015

	<u>Budget</u>	<u>Realized</u>	<u>Excess (deficit)</u>
Surplus anticipated	\$ 2,000,000	2,000,000	
Miscellaneous revenues:			
Licenses:			
Alcoholic beverages	25,000	37,810	12,810
Other	25,000	55,398	30,398
Fees and permits:			
Construction	350,000	518,307	168,307
Other	150,000	300,891	150,891
Fines and costs municipal court	250,000	183,571	(66,429)
Interest and costs on taxes	150,000	191,593	41,593
Interest on investments and deposits	2,900	3,751	851
Consolidated Municipal Property Tax Relief Aid	155,277	142,630	(12,647)
Energy Receipts Tax	595,454	608,101	12,647
Clean Communities	18,027	18,027	
Alcohol Education and Rehabilitation	1,950	1,950	
Recycling Tonnage Grant	13,105	13,105	
Uniform Fire Safety Act	25,000	11,146	(13,854)
Commercial Sewer Fees	200,000	360,335	160,335
General Capital Fund Balance	200,000	200,000	
Hotel Tax	235,000	279,373	44,373
PILOT Payments - Waterview Towers	340,000	459,153	119,153
Total miscellaneous revenues	<u>2,736,713</u>	<u>3,385,141</u>	<u>648,428</u>
Receipts from delinquent taxes	<u>830,000</u>	<u>841,765</u>	<u>11,765</u>
Amount to be raised by taxes for support of municipal budget	<u>21,173,819</u>	<u>21,107,911</u>	<u>(65,908)</u>
Budget total	<u>\$ 26,740,532</u>	<u>27,334,817</u>	<u>594,285</u>
Nonbudget revenue		<u>911,955</u>	
		<u>\$ 28,246,772</u>	

BOROUGH OF EDGEWATER

Statement of Revenues - Regulatory Basis

Current Fund

Year ended December 31, 2015

Analysis of Realized Revenue

Allocation of current tax collections;	
Revenue from collections	\$ 46,633,912
Allocated to:	
Local district school tax	19,497,393
County taxes	7,508,608
	<u>27,006,001</u>
Balance for support of municipal budget appropriations	19,627,911
Reserve for uncollected taxes	<u>1,480,000</u>
	<u>\$ 21,107,911</u>
Receipts from:	
Delinquent tax collections	\$ 841,765
	<u>\$ 841,765</u>

Analysis of Miscellaneous Revenue Not Anticipated

Polling Place	\$ 80
Police Fees	2,729
Ambulance Fees	244,732
Sewer Connection Fees	108,000
Offsets not applied	143,753
Parking Permits	5,360
Parking Meters	7,925
Advertising Fees	9,676
FEMA	247,422
Cable TV	113,038
Sale of Assets	15,985
Miscellaneous	<u>13,255</u>
	<u>\$ 911,955</u>

See accompanying notes to financial statements.

BOROUGH OF EDGEWATER

Statement of Expenditures - Regulatory Basis

Current Fund

Year ended December 31, 2015

Description	Budget	Budget after modifications	Expended		Cancelled
			Paid or charged	Reserved	
Operations-within "CAPS"					
Administrative and executive:					
Salaries and wages	\$ 476,000	476,000	430,463	45,537	
Other expenses:					
Miscellaneous other expenses	228,361	229,836	229,539	297	
Mayor and Council- salaries and wages	59,976	59,976	57,131	2,845	
Elections:					
Salaries and wages	5,014	5,014	1,993	3,021	
Other expenses	8,400	8,400	5,965	2,435	
Financial administration:					
Annual audit	25,000	65,600	65,590	10	
Other expenses	60,000	61,050	61,050		
Collection of taxes:					
Salaries and wages	102,310	102,310	66,549	35,761	
Other expenses	23,000	23,000	21,823	1,177	
Assessment of taxes:					
Salaries and wages	55,705	56,706	56,705	1	
Other expenses:					
Consultant and legal fees-tax appeals	56,000	56,000	49,071	6,929	
Miscellaneous other expenses	20,690	22,745	22,744	1	
Legal services and costs:					
Other expenses	140,000	140,000	113,489	26,511	
Engineering service and cost:					
Miscellaneous other expenses	80,000	80,000	77,130	2,870	

BOROUGH OF EDGEWATER

Statement of Expenditures - Regulatory Basis

Current Fund

Year ended December 31, 2015

<u>Description</u>	<u>Budget</u>	<u>Budget after modifications</u>	<u>Expended</u>		<u>Cancelled</u>
			<u>Paid or charged</u>	<u>Reserved</u>	
Insurance:					
Hospitalization	3,077,024	3,077,024	2,697,773	379,251	
Other Insurance	665,000	665,000	662,124	2,876	
Public building and grounds:					
Other expenses	161,400	170,800	170,796	4	
Municipal Land Use Law (NJSA 40:55D-1):					
Planning Board:					
Salaries and wages	7,307	7,307	6,884	423	
Other expenses	24,410	24,410	13,221	11,189	
Zoning Board:					
Salaries and wages	7,307	7,307	6,884	423	
Other expenses	11,500	11,500	7,690	3,810	
Rent Leveling Board:					
Salaries and wages	7,307	7,307	6,884	423	
Other expenses	12,870	12,870	4,613	8,257	
Housing Inspector:					
Other expenses	575	575		575	
PUBLIC SAFETY:					
Fire:					
Salaries and wages	387,036	387,036	322,075	64,961	
Other expenses	203,000	214,800	214,795	5	
Fire hydrant services	162,632	162,632	153,326	9,306	
Volunteer First Aid:					
Salaries and wages	273,300	273,300	266,439	6,861	
Other expenses	77,320	81,170	81,158	12	

BOROUGH OF EDGEWATER

Statement of Expenditures - Regulatory Basis

Current Fund

Year ended December 31, 2015

<u>Description</u>	<u>Budget</u>	<u>Budget after modifications</u>	<u>Expended</u>		<u>Cancelled</u>
			<u>Paid or charged</u>	<u>Reserved</u>	
Fire Prevention:					
Other expenses	29,741	34,506	34,506		
Police:					
Salaries and wages	4,961,012	4,961,012	4,698,448	262,564	
Other expenses:					
Miscellaneous other expenses	197,200	238,250	238,234	16	
Automobiles	51,650	51,650	51,637	13	
Emergency management services:					
Salaries and wages	5,000	5,000	4,808	192	
Other expenses	4,050	4,050	1,426	2,624	
Streets and Roads:					
Road repairs and maintenance:					
Salaries and wages	1,921,646	1,921,646	1,544,504	377,142	
Other expenses	202,840	202,840	165,181	37,659	
Snow removal - other expenses	70,500	70,500	46,945	23,555	
Health and welfare:					
Board of Health:					
Salaries and wages	127,500	127,500	107,909	19,591	
Other expenses	170,800	170,800	101,494	69,306	
Dog regulation - other expenses	4,900	4,900	3,417	1,483	
Administration of Public Assistance:					
Salaries and wages	35,700	35,700	35,059	641	
Other expenses:					
Operating	2,100	2,100	1,373	727	
Emergency assistance	1,500	1,500		1,500	
Recreation and Education:					
Parks and playgrounds - other expenses	57,000	57,000	56,324	676	
Recreation:					
Salaries and wages	335,000	348,226	348,225	1	
Other expenses	123,650	136,565	136,565		

BOROUGH OF EDGEWATER

Statement of Expenditures - Regulatory Basis

Current Fund

Year ended December 31, 2015

Description	Budget	Budget after modifications	Expended		Cancelled
			Paid or charged	Reserved	
Celebration of public event, anniversary or holiday - other expenses	16,000	17,205	17,204	1	
Senior Citizens Committee:					
Other expenses	10,500	10,500	9,032	1,468	
Sanitation:					
Garbage and Trash removal:					
Other expenses	600,000	600,000	505,620	94,380	
Recycling Program:					
Salaries and wages	44,949	44,949	44,812	137	
Municipal Court:					
Salaries and wages	201,314	201,314	169,563	31,751	
Other expenses	10,500	10,500	9,441	1,059	
Occupational Safety Health Act					
Board of Health - Other Expenses	2,000	2,000	932	1,068	
Uniform Construction Code-Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)					
State uniform construction code official:					
Salaries and wages	290,000	290,000	279,563	10,437	
Other expenses	84,151	84,151	48,178	35,973	
UNCLASSIFIED:					
Utilities:					
Gas & Electric	280,000	280,000	261,862	18,138	
Street Lighting	201,000	201,000	150,681	50,319	
Water	40,000	40,000	33,267	6,733	
Fuel	175,000	126,107	89,318	36,789	
Telephone	226,000	226,000	179,466	46,534	
Salary and Wage adjustment	135,000	30,000		30,000	
Total Operations within "CAPS"	17,036,647	17,027,146	15,248,898	1,778,248	

BOROUGH OF EDGEWATER

Statement of Expenditures - Regulatory Basis

Current Fund

Year ended December 31, 2015

<u>Description</u>	<u>Budget</u>	<u>Budget after modifications</u>	<u>Expended</u>		
			<u>Paid or charged</u>	<u>Reserved</u>	
<u>Cancelled</u>					
Contingent	5,000	5,000		5,000	
Total Operations Including Contingent-within "CAPS"	17,041,647	17,032,146	15,248,898	1,783,248	
Detail:					
Salaries & Wages	9,438,383	9,347,610	8,454,898	892,712	
Other Expenses (Including Contingent)	7,603,264	7,684,536	6,794,000	890,536	
	17,041,647	17,032,146	15,248,898	1,783,248	
Deferred Charges and Statutory Expenditures-Municipal within "CAPS"					
DEFERRED CHARGES:					
Overexpenditure of Appropriations	33,392	33,392	33,392		
Prior Years Bills					
Gregory Associates 2013 Planning - Other Expenses	1,776	1,776	1,776		
STATUTORY EXPENDITURES:					
Contribution to:					
Public Employees' Retirement System	416,429	416,429	387,883	28,546	
Social Security System (O.A.S.I.)	445,000	445,000	422,831	22,169	
Consolidated Police and Firemen's Pension Fund	15,500	25,001	25,000	1	
Police and Firemen's Retirement System	823,932	823,932	823,932		
Unemployment insurance	5,000	5,000	1,699	3,301	
Total Deferred Charged and Statutory Expenditures-Municipal within "CAPS"	1,741,029	1,750,530	1,696,513	54,017	

BOROUGH OF EDGEWATER

Statement of Expenditures - Regulatory Basis

Current Fund

Year ended December 31, 2015

Description	Budget	Budget after modifications	Expended		
			Paid or charged	Reserved	Cancelled
Total General Appropriations for Municipal Purposes within "CAPS"	18,782,676	18,782,676	16,945,411	1,837,265	
Operations-Excluded from "CAPS"					
Maintenance of free public library	990,675	990,675	907,037	83,638	
LOSAP	83,950	83,950	79,350	4,600	
Hospitalization Insurance	22,579	22,579		22,579	
Bergen County Utilities Authority-Share of Costs -Sewer Operating	2,349,218	2,349,218	2,315,319	33,899	
Total Operations-Excluded from "CAPS"	3,446,422	3,446,422	3,301,706	144,716	
Public and Private Programs Offset with Revenues:					
Recycling Tonnage Grant	13,105	13,105	13,105		
Clean Communities Program	18,027	18,027	18,027		
Alcohol Education Rehabilitation fund	1,950	1,950	1,950		
Total Public and Private Programs Offset with Revenue	33,082	33,082	33,082		
Total Operations-Excluded from "CAPS"	3,479,504	3,479,504	3,334,788	144,716	

BOROUGH OF EDGEWATER

Statement of Expenditures - Regulatory Basis

Current Fund

Year ended December 31, 2015

Description	Budget	Budget after modifications	Expended		Cancelled
			Paid or charged	Reserved	
Detail:					
Salaries and Wages	3,479,504	3,479,504	3,334,788	144,716	
Other Expenses	3,479,504	3,479,504	3,334,788	144,716	
Capital Improvements-Excluded from "CAPS"	300,000	300,000	300,000		
Capital Improvement Fund	300,000	300,000	300,000		
Total Capital Improvements Excluded from "CAPS"	300,000	300,000	300,000		
Municipal Debt Service-Excluded from "CAPS"					
Payment of Bond Principal	1,325,000	1,325,000	1,325,000		
Payment of Bond anticipation Note Principal	279,261	279,261	279,261		
Interest on Bonds	385,000	385,000	383,628		1,372
Interest on Notes	225,000	225,000	220,300		4,700
Green Trust Loan Program	24,874	24,874	24,873		1
BCIA					
Principal	37,000	37,000	37,000		
Interest	7,000	7,000	3,573		3,427
New Jersey Infrastructure Trust Loan					
Principal	284,017	284,017	267,008		17,009
Interest	66,000	66,000			66,000
Total Municipal Debt Service-Excluded from "CAPS"	2,633,152	2,633,152	2,540,643		92,509

BOROUGH OF EDGEWATER

Statement of Expenditures - Regulatory Basis

Current Fund

Year ended December 31, 2015

Description	Budget	Budget after modifications	Expended		Cancelled
			Paid or charged	Reserved	
Deferred Charges:					
Special Emergency Authorization - 5 Years	<u>65,200</u>	<u>65,200</u>	<u>65,200</u>		
Total Deferred Charges - Municipal - Excluded from "CAPS"	<u>65,200</u>	<u>65,200</u>	<u>65,200</u>		
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>6,477,856</u>	<u>6,477,856</u>	<u>6,240,631</u>	<u>144,716</u>	<u>92,509</u>
Subtotal General Appropriations	<u>25,260,532</u>	<u>25,260,532</u>	<u>23,186,042</u>	<u>1,981,981</u>	<u>92,509</u>
Reserve for Uncollected Taxes	<u>1,480,000</u>	<u>1,480,000</u>	<u>1,480,000</u>		
Total General Appropriations	<u>\$ 26,740,532</u>	<u>26,740,532</u>	<u>24,666,042</u>	<u>1,981,981</u>	<u>92,509</u>
Adopted Budget	<u>\$ 26,740,532</u>	<u>26,740,532</u>			
Analysis of Paid or Charged Federal and State Grant Fund			33,082		
Deferred Charges			98,592		
Reserve for Uncollected Taxes			1,480,000		
Reserve for Encumbrances			248,949		
Cash			22,805,419		
			<u>\$ 24,666,042</u>		

See accompanying notes to financial statements.

BOROUGH OF EDGEWATER
Comparative Balance Sheet - Regulatory Basis
Trust Funds
December 31, 2015 and 2014

<u>Assets</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Animal License Fund:			
Cash	B-1	\$ <u>100</u>	<u>87</u>
Escrow Trust Fund:			
Cash	B-1	<u>227,846</u>	<u>187,111</u>
Other Trust Funds:			
Cash	B-1	1,428,781	1,252,031
Due from Current Fund	B-5	<u>375</u>	<u>2,329</u>
		<u>1,429,156</u>	<u>1,254,360</u>
Emergency Services Volunteer Length of Service Award Program (unaudited):			
Cash in Plan	B-1	888,510	935,256
Contributions Receivable	B-7	<u>81,650</u>	<u>79,350</u>
		<u>970,160</u>	<u>1,014,606</u>
		<u>\$ 2,627,262</u>	<u>2,456,164</u>

BOROUGH OF EDGEWATER
Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31, 2015 and 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Liabilities and Reserves</u>			
Animal License Fund:			
Reserve for Animal License Fund expenditures	B-2	100	87
Escrow Trust Fund:			
Escrow Deposits	B-4	227,819	187,085
Due to Current Fund	B-5	27	26
		227,846	187,111
Other Trust Funds:			
Interfunds Payable	B-5	412,296	
Reserve for:			
Cemetery Bequests	B-6	31,919	31,919
Bullet Proof Vests	B-6	14,321	11,696
Ferry Performance Security	B-6	195,447	195,399
Fire Prevention	B-6	15,901	8,159
POAA	B-6	10,034	9,398
Cultural and Historical Society	B-6	1,152	1,151
Regional Contribution Agreement	B-6	332,197	332,197
Council on Affordable Housing	B-6	223,513	486,200
Recycling Fees	B-6	169,571	167,173
Bergen County CDA Trust	B-6	100	100
Flexible Spending Trust	B-6	392	2,903
Avalon Trust	B-6	17,783	
Municipal Alliance Trust	B-6	4,530	8,065
		1,429,156	1,254,360
Emergency Services Volunteer Length of Service Award Program (unaudited):			
Net Assets available for Benefits	B-8	970,160	1,014,606
		\$ 2,627,262	2,456,164

See accompanying notes to financial statements.

BOROUGH OF EDGEWATER

Comparative Balance Sheet - Regulatory Basis

General Capital Fund

December 31, 2015 and 2014

<u>Assets</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Cash:			
Checking	C-2,C-3	\$ 2,756,566	7,158,378
Deferred charges to future taxation:			
Funded	C-4	23,922,365	14,532,442
Unfunded	C-5	24,081,224	28,975,985
New Jersey Infrastructure Loans Receivable	C-6	184,335	194,335
Grants Receivable:			
New Jersey Green Acres Program	C-7	382,445	382,445
New Jersey Livable Communities-Library Grant	C-8	5,375	5,375
Department of Community Affairs	C-9	30,000	30,000
New Jersey Department of Transportation	C-10	210,239	210,239
Bergen County Open Space Trust Fund	C-11	58,222	547,141
Bergen County Historic Preservation Trust	C-12	190,750	190,750
Federal Emergency Management Agency	C-13	183,833	217,808
Community Development Block Grant	C-14	254,167	177,987
Interfunds Receivable	C-15	495,498	50,000
Over-Expenditure of Ordinance Appropriation	C-16	2,068	
		<u>\$ 52,757,087</u>	<u>52,672,885</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Interfunds Payable	C-15		89,285
New Jersey Environmental Infrastructure Trust			
Loans Payable	C-17	2,799,169	3,112,946
Green Trust Loan Payable	C-18	264,196	283,496
Serial bonds	C-19	20,554,000	10,794,000
Capital Leases Payable	C-20	305,000	342,000
Bond Anticipation Notes	C-21	14,950,000	21,584,000
Reserve for Payment of Debt	C-22	1,833,813	1,344,894
Reserve for Green Acres	C-23	10,926	10,783
Capital Improvement Fund	C-24	225,696	266,196
Improvement authorizations:			
Funded	C-25	2,412,451	1,737,118
Unfunded	C-25	8,820,034	12,202,515
Unappropriated State Grant	C-26	79,408	79,408
Reserve for Grants Receivable	C-27	193,152	605,891
Fund Balance	C-1	309,242	220,353
		<u>\$ 52,757,087</u>	<u>52,672,885</u>

There were \$9,176,599 and \$7,437,360 of Bonds and Notes Authorized But Not Issued December 31, 2015 and 2014 (Exhibit C-28).

See accompanying notes to financial statements.

BOROUGH OF EDGEWATER

Comparative Schedule of Fund Balance - Regulatory Basis

General Capital Fund

For the Years ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Balance - January 1,	\$ 220,353	342,068
Increased by receipts:		
Premium received on sale of Bond Anticipation Notes	<u>288,889</u>	<u>178,285</u>
	509,242	520,353
Decreased by disbursements:		
Budget Revenue Realized	<u>200,000</u>	<u>300,000</u>
Balance - December 31,	<u>\$ 309,242</u>	<u>220,353</u>

See accompanying notes to the financial statements

BOROUGH OF EDGEWATER

Comparative Balance Sheet - Regulatory Basis

Marina Utility Fund

For the Year ended December 31, 2015 and
With Comparative Analysis for Year ended December 31, 2014

<u>Assets</u>	<u>Ref.</u>	Dec 31, <u>2015</u>	Dec 31, <u>2014</u>
Operating Fund:			
Cash	D-5	357,885	359,042
Due from Marina Utility Capital Fund	D-10	708	708
Expenditure without Appropriation	D-18	<u>16,000</u>	<u> </u>
Total Operating Fund		<u>374,593</u>	<u>359,750</u>
Capital Fund:			
Cash	D-6,7	40,023	40,428
Due from the Federal Emergency Management Agency	D-11	276,868	276,868
Fixed Capital Authorized and Uncompleted	D-13	<u>1,192,996</u>	<u>1,192,996</u>
Total Capital Fund		<u>1,509,887</u>	<u>1,510,292</u>
		<u>\$ 1,884,480</u>	<u>1,870,042</u>

BOROUGH OF EDGEWATER

Comparative Balance Sheet - Regulatory Basis

Marina Utility Fund

For the Year ended December 31, 2015 and
With Comparative Analysis for Year ended December 31, 2014

	<u>Ref.</u>	<u>Dec 31,</u> <u>2015</u>	<u>Dec 31,</u> <u>2014</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Operating Fund:			
Appropriation Reserves	D-4, D-8	15,502	22,782
Accrued Interest on Notes	D-9	2,250	2,678
Interfunds Payable:			
Current Fund	D-10	4,500	
General Capital Fund	D-10	16,000	
Reserve for Encumbrances	D-14	2,049	4,253
Fund Balance	D-1	<u>334,292</u>	<u>330,037</u>
 Total Operating Fund		 <u>374,593</u>	 <u>359,750</u>
Capital Fund:			
Interfund Payables:			
Marina Utility Operating	D-12	708	708
General Capital Fund	D-12	57,688	50,000
Improvement Authorizations:			
Funded	D-15	223,470	223,875
Unfunded	D-15	31,823	39,511
Reserve for Amortization	D-16	16,000	
Deferred Reserve for Amortization	D-17	742,996	742,996
Bond Anticipation Notes Payable	D-18	434,000	450,000
Fund Balance	D-2	<u>3,202</u>	<u>3,202</u>
 Total Capital Fund		 <u>1,509,887</u>	 <u>1,510,292</u>
		 <u>\$ 1,884,480</u>	 <u>1,870,042</u>

There were \$0 and \$0 of Bonds and Notes Authorized But Not Issued on December 31, 2015 and December 31, 2014.

See accompanying notes to financial statements.

BOROUGH OF EDGEWATER

Comparative Statement of Operations and Change in Fund Balance - Regulatory Basis

Marina Utility Operating Fund

Year ended December 31, 2015

With Comparative Analysis for Year ended December 31, 2014

	<u>2015</u>	<u>2014</u>
Revenue and other income realized:		
Operating revenues	\$ 277,652	395,088
Other credits to income:		
Unexpended balance of appropriation reserves	<u>21,720</u>	<u>26,829</u>
Total income	<u>299,372</u>	<u>421,917</u>
Expenditures:		
Operations:		
Salaries and wages	155,000	155,000
Other expenses	135,000	125,000
Debt service	4,072	8,360
Refunds	<u>1,045</u>	<u> </u>
Total expenditures	<u>295,117</u>	<u>288,360</u>
Excess/(Deficit) in Operations	4,255	133,557
Fund balance, January 1	<u>330,037</u>	<u>196,480</u>
Fund balance, December 31,	<u>\$ 334,292</u>	<u>330,037</u>

See accompanying notes to financial statements.

BOROUGH OF EDGEWATER

Comparative Statement of Changes in Fund Balance - Regulatory Basis

Marina Utility Capital Fund

Year ended December 31, 2015

	<u>2015</u>	<u>2014</u>
Balance - January 1,	\$ <u>3,202</u>	<u>3,202</u>
Balance - December 31,	\$ <u><u>3,202</u></u>	<u><u>3,202</u></u>

See accompanying notes to financial statements

BOROUGH OF EDGEWATER
Statement of Revenues - Regulatory Basis
Marina Utility Operating Fund
Year ended December 31, 2015

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess/ (deficit)</u>
Operating Revenues:	\$		
Membership Fees/Slip Rentals	294,072	277,346	(16,726)
Miscellaneous	<u> </u>	<u> 306</u>	<u> 306</u>
Total Operating Revenues	<u>294,072</u>	<u>277,652</u>	<u>(16,420)</u>
Total Revenues	\$ <u>294,072</u>	<u>277,652</u>	<u>(16,420)</u>

Analysis of Operating Revenues

Cash Receipts	<u>277,652</u>
\$	<u>277,652</u>

See accompanying notes to financial statements.

BOROUGH OF EDGEWATER

Statement of Expenditures - Regulatory Basis

Marina Utility Operating Fund

Year ended December 31, 2015

	<u>Appropriations</u>		<u>Expended</u>	
	<u>Budget</u>	Budget after modifi- cation	Paid or charged	<u>Reserved</u>
Operating:				
Salaries and Wages	\$ 155,000	155,000	143,003	11,997
Other Expenses	135,000	135,000	131,495	3,505
Debt Service:				
Interest on Notes	4,072	4,072	4,072	
	<u>\$ 294,072</u>	<u>294,072</u>	<u>278,570</u>	<u>15,502</u>
			Reserve for Encumbrances 2,049	
			Accrued Interest 4,072	
			Cash Disbursed <u>272,449</u>	
			<u>\$ 278,570</u>	

See accompanying notes to financial statements.

BOROUGH OF EDGEWATER
Comparative Balance Sheet - Regulatory Basis
Public Assistance Fund
December 31, 2015 and 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Assets</u>			
Cash	E-1	\$ <u>34,632</u>	<u>33,250</u>
		\$ <u><u>34,632</u></u>	<u><u>33,250</u></u>
<u>Reserve</u>			
Reserve for Public Assistance		\$ <u>34,632</u>	<u>33,250</u>
		\$ <u><u>34,632</u></u>	<u><u>33,250</u></u>

See accompanying notes to financial statements.

BOROUGH OF EDGEWATER
Comparative Balance Sheet - Regulatory Basis
Sewer Facilities Grant Fund
December 31, 2015 and 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Assets</u>			
Grants receivable	F-1	\$ <u>74,501</u>	<u>74,501</u>
		\$ <u><u>74,501</u></u>	<u><u>74,501</u></u>
<u>Reserves</u>			
Reserves for grant expenditures	F-2	\$ <u>74,501</u>	<u>74,501</u>
		\$ <u><u>74,501</u></u>	<u><u>74,501</u></u>

See accompanying notes to financial statements.

BOROUGH OF EDGEWATER
Statement of General Fixed Assets-Regulatory Basis
General Fixed Assets Account Group
December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Land	\$ 38,383,837	38,383,837
Buildings	10,344,302	10,344,302
Vehicles and equipment	<u>10,920,826</u>	<u>11,031,826</u>
	<u>\$ 59,648,965</u>	<u>59,759,965</u>
 Investment in Fixed Assets	 <u>\$ 59,648,965</u>	 <u>59,759,965</u>

See accompanying notes to financial statements.

BOROUGH OF EDGEWATER

Notes to Financial Statements Years Ended December 31, 2015 and 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB Codification establishes seven fund types and two account groups to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP).

The financial statements of the Borough of Edgewater have been prepared in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is another comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP.

A. Reporting Entity

The Borough of Edgewater (the "Borough") operates under a Mayor/Council form of government. The Borough's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

GASB has issued Statement No. 14 which requires the financial reporting entity to include both the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

However, the municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Borough do not include the Volunteer Fire Department, First Aid Organization or Public Library, which is considered a component unit under GAAP. Complete financial statements of the above components can be obtained by contacting the Treasurer of the respective entity.

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation

The Borough uses funds, as required by the Division, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial administration by segregating transactions related to certain Borough functions or activities. An account group, on the other hand, is designed to provide accountability for certain assets and liabilities that are not recorded in those Funds.

The Borough has the following funds and account group:

Current Fund - This fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grants.

Trust Funds - Trust Funds are used to account for assets held by the government in a trustee capacity. Funds held by the Borough as an agent for individual, private organizations, or other governments are recorded in the Trust Funds.

Other Trust Fund - This fund is established to account for the assets and resources which are also held by the Borough as a trustee or agent for individuals, private organizations, other governments and/or other funds.

Animal License Fund - This fund is used to account for fees collected from animal licenses and expenditures, which are regulated by NJS 4:19-15.11.

General Capital Fund - This fund is used to account for the receipt and disbursement of funds used for acquisition or improvement of general capital facilities, other than those acquired in the Current Fund.

Marina Utility Fund - This fund is used to account for the operations of the municipally owned utility.

Public Assistance Fund - This fund is used to account for the receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey Statutes.

Sewer Facilities Grant Fund - This fund is used to account for all Federal and State sewer grant revenues and expenditures.

General Fixed Assets Account Group - To account for all fixed assets of the Borough. The Borough's infrastructure is not reported in the group.

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting

A modified accrual basis of accounting is followed by the Borough of Edgewater. Under this method of accounting, revenues, except State/Federal Aid, are recognized when received and expenditures are recorded when incurred. The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. The more significant differences are as follows:

Property Tax Revenues - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Borough. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on the 11th day of the 11th month in the fiscal year levied, the collector in the municipality shall subject to the provisions of the New Jersey Statutes enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Borough. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Miscellaneous Revenues - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

Grant Revenues - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough's budget. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Budgets and Budgetary Accounting - An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures for the Current Fund. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Borough and approved by the State Division of Local Government Services per N.J.S.A. 40A:4 et seq.

The Borough is not required to adopt budgets for the following funds:

- General Capital Fund
- Trust Fund
- Public Assistance Fund
- Sewer Facilities Grant Fund

The governing body shall introduce and approve the annual budget not later than August 10, of the fiscal year. The budget shall be adopted not later than September 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted.

Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During the year ended December 31, 2015, the Mayor and Council approved several budget transfers.

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

Expenditures - Are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless canceled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Encumbrances - Contractual orders outstanding at December 31 are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

Appropriation Reserves - Are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

Property Acquired for Taxes - Is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at market value on the date of acquisition.

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. GAAP does not require the establishment of an offsetting reserve.

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

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

Cash and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within one year of the date acquired by the government. Investments are stated at cost which approximates fair value and are limited by N.J.S.A. 40A:5-15.1(a).

Deferred Charges to Future Taxation Funded and Unfunded - Upon the authorization of capital projects, the Borough establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or nonfunding of the authorized cost of capital projects. According to N.J.S.A. 40A:2-4, the Borough may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Borough raises the debt requirements for that particular year in the current budget. As the funds are raised by taxation, the deferred charges are reduced.

General Fixed Assets - In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, the Borough of Edgewater has developed a fixed assets accounting and reporting system.

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain (“infrastructure”) general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

No depreciation has been provided for in the financial statements.

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

GAAP requires that fixed assets be capitalized at historical or estimated historical cost if actual historical cost is not available.

Use of Estimates

The preparation of financial statements requires management of the Borough to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from these estimates.

Comparative Data - Comparative data for the prior year has been presented in the accompanying balance sheets and statements of operations in order to provide an understanding of changes in the Borough's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

Recent Accounting Pronouncements

In June 2012, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27. This statement, which is effective for fiscal periods beginning after June 15, 2014, will not have any effect on the entity's financial reporting. However, the provisions of this statement required significant modifications to the disclosure requirements related to the entity's proportionate share of the cost-sharing defined benefit plans reported at the State of New Jersey level.

In April of 2013, the Government Accounting Standards Board issued GASB Statement No. 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This Statement is effective for reporting periods beginning after June 15, 2013 and will not have any impact on the entity's financial statement disclosures.

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Recent Accounting Pronouncements, (continued)

In November 2013, the Government Accounting Standards Board issued GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68. The provisions of this statement are required to be applied simultaneously with the provisions of Statement 68 which is effective for periods beginning after June 15, 2014. The provisions of this Statement required significant modifications to the disclosure requirements related to the entity's proportionate share of the cost-sharing defined benefit plans reported at the State of New Jersey level.

In February 2015, the Government Accounting Standards Board issued GASB Statement No. 72, Fair Value Measurement and Application. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement also provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. This Statement is effective for periods beginning after June 15, 2015. The Borough is currently reviewing what effect, if any, this Statement might have on future financial statements.

In June 2015, the Government Accounting Standards Board issued GASB Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68 and Amendments to Certain Provisions of GASB Statements 67 and 68. This Statement is effective for periods beginning after June 15, 2015 – except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for financial statements for periods beginning after June 15, 2016. The Borough is currently reviewing what effect, if any, this Statement might have on future financial statements.

In June 2015, the Government Accounting Standards Board issued GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans. This Statement applies to OPEB plans and basically parallels GASB Statement 67 and replaces GASB Statement 43 and is effective for periods beginning after June 15, 2016. The Borough is currently reviewing what effect, if any, this Statement might have on future financial statements.

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Recent Accounting Pronouncements, (continued)

In June 2015, the Government Accounting Standards Board issued GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This Statement applies to government employers who provided OPEB plans to their employees and basically parallels GASB Statement 68 and replaces GASB Statement 45. The Statement is effective for periods beginning after June 15, 2017. The Borough is currently reviewing what effect, if any, this Statement might have on future financial statements.

In June 2015, the Government Accounting Standards Board issued GASB Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments, which reduces the GAAP hierarchy to two categories of authoritative GAAP from the four categories under GASB Statement No. 55, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments. The first category of authoritative GAAP consists of GASB Statements of Governmental Accounting Standards. The second category comprises GASB Technical Bulletins and Implementation Guides, as well as guidance from the American Institute of Certified Public Accountants that is cleared by the GASB. This Statement is effective for periods beginning after June 15, 2015. The Borough is currently reviewing what effect, if any, this Statement might have on future financial statements.

In August 2015, the Government Accounting Standards Board issued GASB Statement No. 77, Tax Abatement Disclosures, which improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition. The Borough is currently reviewing what effect, if any, this Statement might have on future financial statements.

In December 2015, the Government Accounting Standards Board issued GASB Statement No. 78, Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, Accounting and Financial Reporting for Pensions. This

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Recent Accounting Pronouncements, (continued)

issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. This Statement is effective for reporting periods beginning after December 15, 2015. The Borough is currently reviewing what effects, if any, this Statement might have on future financial statements.

In December 2015, the Government Accounting Standards Board issued GASB Statement No. 79, Certain External Investment Pools and Pool Participants. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it established criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. This Statement is effective for periods beginning after June 15, 2015, and for certain provisions, periods beginning after December 15, 2015. The Borough is currently reviewing what effects, if any, this Statement might have on future financial statements.

C. Basic Financial Statements

The GASB Codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Borough presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

NOTE 2. PENSION PLANS

Description of Systems:

Substantially all of the Borough's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Police and Firemens' Retirement System (PFRS) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The Public Employees' Retirement System and the Police and Firemens' Retirement System (PFRS) are considered a cost sharing multiple-employer plans. According to the State of New Jersey Administrative Code, all obligations of the systems will be assumed by the State of New Jersey should the systems terminate.

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 2. PENSION PLANS, (continued)

Description of Systems, (continued)

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to certain qualified members. Membership is mandatory for substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not required to be a member of another State-administered retirement system. Vesting occurs after 8-10 years of service and 25 years for health care coverage. Members are eligible for retirement at age 60 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 60 with 25 or more years of credited service. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on contributions. In case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Chapter 103, P.L. 2007 amended the early retirement reduction formula for members hired on or after July 1, 2007 and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 60, plus 3% for every year under age 55.

Chapter 89, P.L. 2008 increased the PERS eligibility age for unreduced benefits from age 60 to age 62 for members hired on or after November 1, 2008; increased the minimum annual compensation required for membership eligibility for new members. Also, it amended the early retirement reduction formula for members hired on or after November 1, 2008 and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 62, plus 3% for every year under age 55.

Chapter 1, P.L. 2010, effective May 21, 2010, changed the membership eligibility criteria for new members of PERS from the amount of compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60 from 1/55, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined as 1/7th of the required amount, beginning in fiscal year 2012.

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 2. PENSION PLANS, (continued)

Description of Systems, (continued)

Public Employees' Retirement System (PERS), (continued)

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 78, P.L. 2011, provides that new members of PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ of 1% for each month that the member is under age 65. Tier 5 members will be eligible for a service retirement benefit at age 65.

Police and Firemens' Retirement System (PFRS)

The Police and Firemens' Retirement System was established in July 1944 under the provisions of N.J.S.A. 43:16A to provide retirement, death and disability benefits to its members. Membership is mandatory for all full time county and municipal police and firemen, and state firemen or officer employees with police powers appointed after June 30, 1944.

Enrolled members of the Police and Firemens' Retirement System may retire at age 55 with no minimum service requirement. The annual allowance is equal to 2% of the members' final compensation for each year of service up to 30 years, plus 1% of each year of creditable service over 30 years. Final compensation equals the compensation for the final year of service prior to retirement. Special retirement is permitted to members who have 25 or more years of creditable service in the system.

Benefits fully vest on reaching 10 years of service. Members are always fully vested for their own contributions. In the case of death before retirement, members' beneficiaries are entitled to full payment of members' contributions.

Chapter 1, P.L. 2010, effective May 21, 2010, eliminated the provision in PFRS that would permit a member to retire, at any age after 25 years of service credit, on a special retirement allowance of 70% of final compensation after the retirement system reaches a funded level of 104%. Also, for new members of PFRS, the law capped the maximum compensation that can be used to calculate a pension from the plan at the annual wage contribution base for Social Security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary.

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 2. PENSION PLANS, (continued)

Description of Systems, (continued)

Police and Firemens' Retirement System (PFRS), (continued)

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 for PERS and PFRS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Divisions of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295.

Defined Contribution Retirement Program

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

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

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee, employer and through investment earnings. It is similar to a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment option provided by the employer.

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

All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may retain in the PERS.

A Governor appointee with advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 2. PENSION PLANS, (continued)

Description of Systems, (continued)

Defined Contribution Retirement Program, (continued)

Other employees commencing service after July 1, 2007, pursuant to an appointment by an elected official or elected governing body which include the statutory untenured Chief Administrative Officer such as the Business Administrator, County Administrator, or Municipal or County Manager, Department Heads, Legal Counsel, Municipal or County Engineer, Municipal Prosecutor and the Municipal Court Judge.

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

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

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS. This amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning 2012 and 8.5% for PFRS, which increased to 10% in October 2011, of the employee's annual compensation, as defined by law. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS. In the PERS and PFRS, the employer contribution includes funding for post-retirement medical premiums.

The Borough's contribution to the various plans, equal to the required contributions for each year, were as follows:

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>	<u>DCRP</u>
2015	\$416,429	\$823,932	\$
2014	383,192	831,216	
2013	397,039	880,053	

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 2. PENSION PLANS, (continued)

Description of Systems, (continued)

Contribution Requirements, (continued)

Statement No's 68 and 71 require a state or local government employer to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. However, since the financial statements are prepared on another comprehensive basis of accounting, the net pension liability of the various pension systems is not recorded in the financial statements and is only required to be disclosed in the notes to the financial statements.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Public Employees Retirement System (PERS)

At December 31, 2015, the Borough had a liability of \$10,635,810 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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 governmental entities, actuarially determined. At June 30, 2015, the Borough's proportion was .0473797757 percent, which was a decrease of .0031340872 percent from its proportion measured as of June 30, 2014.

For the year ended December 31, 2015, the Borough recognized pension expense of \$416,429. At December 31, 2015, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$253,733	\$
Changes of assumptions	1,142,201	
Net difference between projected and actual earnings on pension plan investments		171,003
Changes in proportion and differences between the Borough's contributions and proportionate share of contributions	<u> </u>	<u>542,955</u>
Total	<u>\$1,395,934</u>	<u>\$713,958</u>

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 2. PENSION PLANS, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Public Employees Retirement System (PERS), (continued)

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2015) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$222,999
2017	222,999
2018	222,999
2019	355,162
2020	200,772

Additional Information

Local Group Collective balances at June 30, 2015 and June 30, 2014 are as follows:

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Collective deferred outflows of resources	\$3,578,755,666	\$952,194,675
Collective deferred inflows of resources	993,410,455	1,479,224,662
Collective net pension liability	22,447,996,119	18,722,735,003
Borough s Proportion	.0473797757%	.050513863%

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 2. PENSION PLANS, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Public Employees Retirement System (PERS), (continued)

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which rolled forward to June 30, 2015. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation	3.04 Percent
Salary Increases:	
2012-2021	2.15-4.40 Percent (based on age)
Thereafter	3.15-5.40 Percent (based on age)
Investment Rate of Return	7.90 Percent

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

Mortality Rates

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback one year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments 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.

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 2. PENSION PLANS, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Public Employees Retirement System (PERS), (continued)

Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad U.S. Equities	27.25%	8.52%
Developed Foreign Markets	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Returns	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%

Discount Rate

The discount rate used to measure the total pension liability was 4.90% and 5.39% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 2. PENSION PLANS, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Public Employees Retirement System (PERS), (continued)

Discount Rate

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. 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 will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 2015 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2015		
	1% Decrease <u>3.90%</u>	At Current Discount Rate <u>4.90%</u>	1% Increase <u>5.90%</u>
Borough's proportionate share of the pension liability	\$13,219,011	\$10,635,810	\$8,470,074

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The financial report may be accessed at www.state.nj.us/treasury/pensions.

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 2. PENSION PLANS, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Police and Firemen's Retirement System (PFRS)

At December 31, 2015, the Borough had a liability of \$18,879,105 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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 governmental entities, actuarially determined. At June 30, 2015, the Borough's proportion was .1133436727 percent, which was an increase of .00607050740 percent from its proportion measured as of June 30, 2014.

For the year ended December 31, 2015, the Borough recognized pension expense of \$823,932. At December 31, 2015, deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in actual and expected experience	\$	\$162,838
Changes of assumptions	3,485,552	
Net difference between projected and actual earnings on pension plan investments		328,574
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>665,876</u>	<u>598,203</u>
Total	<u>\$4,151,428</u>	<u>\$1,089,615</u>

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 2. PENSION PLANS, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Police and Firemen's Retirement System, (continued)

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2015) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$568,642
2017	568,642
2018	568,642
2019	932,376
2020	355,838

Additional Information

Local Group Collective balances at June 30, 2015 and June 30, 2014 are as follows:

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Collective deferred outflows of resources	\$3,512,729,953	\$750,532,959
Collective deferred inflows of resources	871,083,367	1,561,923,934
Collective net pension liability	16,656,514,197	13,933,627,178
Borough's Proportion	.1133436727%	.107273165%

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 2. PENSION PLANS, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Police and Firemen's Retirement System, (continued)

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which rolled forward to June 30, 2015. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation	3.04 Percent
Salary Increases:	
2012-2021	2.60-9.48 Percent (based on age)
Thereafter	3.60-10.48 Percent (based on age)
Investment Rate of Return	7.90 Percent

Mortality Rates

Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and one year using Projection Scale BB for male service retirements with adjustments for mortality improvements from the base year based on Projection Scale BB. Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected fourteen years using Projection Scale BB for female service retirements and beneficiaries with adjustments for mortality improvements from the base year of 2014 based on Projection Scale BB.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments 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. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2015 are summarized in the following table:

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 2. PENSION PLANS, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Police and Firemen's Retirement System, (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad U.S. Equities	27.25%	8.52%
Developed Foreign Markets	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Returns	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%

Discount Rate

The discount rate used to measure the total pension liability was 5.79% and 6.32% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on 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. 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

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 2. PENSION PLANS, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Police and Firemen's Retirement System, (continued)

employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2045. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2045, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 2015, respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

	<u>June 30, 2015</u>		
	1% Decrease <u>4.79%</u>	At Current Discount Rate <u>5.79%</u>	1% Increase <u>6.79%</u>
Borough's proportionate share of the pension liability	\$27,071,305	\$18,879,105	\$15,204,753

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System (PFRS). The financial report may be accessed at www.state.nj.us/treasury/pensions.

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 3. MUNICIPAL DEBT

Long-term debt as of December 31, 2015 and 2014 consisted of the following:

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
Bonds Payable - General Obligation Debt	\$10,794,000	\$11,085,000	\$1,325,000	\$20,554,000	\$1,400,000
Other Liabilities:					
New Jersey Wastewater Loans	3,112,946		313,777	2,799,169	306,752
Green Acres Trust Loans	283,496		19,300	264,196	19,687
Capital Leases Payable	342,000		37,000	305,000	41,000
Compensated Absences Payable	<u>1,236,782</u>	<u>42,336</u>	<u>10,829</u>	<u>1,268,289</u>	<u> </u>
	<u>\$15,769,224</u>	<u>\$11,127,336</u>	<u>\$1,705,906</u>	<u>\$25,190,654</u>	<u>\$1,767,439</u>
	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
Bonds Payable - General Obligation Debt	\$12,194,000	\$	\$1,400,000	\$10,794,000	\$1,325,000
Other Liabilities:					
New Jersey Wastewater Loans	3,383,893		270,947	3,112,946	284,017
Green Acres Trust Loans	302,415		18,919	283,496	19,300
Capital Leases Payable	377,000		35,000	342,000	37,000
Compensated Absences Payable	<u>1,279,330</u>	<u>135,540</u>	<u>178,088</u>	<u>1,236,782</u>	<u> </u>
	<u>\$17,536,638</u>	<u>\$135,540</u>	<u>\$1,902,954</u>	<u>\$15,769,224</u>	<u>\$1,665,317</u>

Summary of Municipal Debt (Excluding Current Operating Debt)

	<u>Year 2015</u>	<u>Year 2014</u>	<u>Year 2013</u>
Issued:			
General Bonds and Notes	\$35,504,000	\$32,378,000	\$32,369,000
Marina Utility Notes	434,000	450,000	450,000
Loans Payable	<u>3,063,365</u>	<u>3,396,442</u>	<u>3,686,308</u>
Net Debt Issued	<u>39,001,365</u>	<u>36,224,442</u>	<u>36,505,308</u>
Authorized But Not Issued:			
General Bonds and Notes	<u>9,176,599</u>	<u>7,437,360</u>	<u>5,493,420</u>
Total Authorized But Not Issued	<u>9,176,599</u>	<u>7,437,360</u>	<u>5,493,420</u>
Less: Funds Temporarily Held to Pay			
Bonds and Notes	<u>1,879,188</u>	<u>1,344,894</u>	<u>1,451,656</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$46,298,776</u>	<u>\$42,316,908</u>	<u>\$40,547,072</u>

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

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 1.52% for 2015.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Debt	\$30,653,000	\$30,653,000	\$0
General Debt	47,743,964	1,879,188	45,864,776
Marina Utility Debt	<u>434,000</u>	<u>352,560</u>	<u>81,440</u>
	<u>\$78,830,964</u>	<u>\$32,884,748</u>	<u>\$45,946,216</u>

Net debt of \$45,946,216 divided by equalized valuation basis per N.J.S.A. 40A:2-2, as amended, of \$3,021,074,580 equals 1.52%.

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 1.418% for 2014.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Debt	\$31,363,000	\$31,363,000	\$0
General Debt	43,211,802	1,344,894	41,866,908
Marina Utility Debt	<u>450,000</u>	<u>450,000</u>	<u>0</u>
	<u>\$75,024,802</u>	<u>\$33,157,894</u>	<u>\$41,866,908</u>

Net debt of \$41,866,908 divided by equalized valuation basis per N.J.S.A. 40A:2-2, as amended, of \$2,952,361,796 equals 1.418%.

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

	<u>2015</u>	<u>2014</u>
3 ½% of equalized valuation basis (municipal)	\$105,737,610	\$103,332,663
Net Debt	<u>45,946,216</u>	<u>41,866,908</u>
Remaining borrowing power	<u>\$59,791,394</u>	<u>\$61,465,755</u>

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

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

Cash receipts from fees, rents or other charges for year		\$277,652
Deductions:		
Operating and Maintenance Cost	\$290,000	
Debt Service Per Marina Utility	<u>4,072</u>	
Total Deductions		<u>294,072</u>
Deficit in Revenue - Not Self-Liquidating		<u>(\$16,420)</u>

The Borough's long-term debt consisted of the following at December 31, 2015.

Paid by Current Fund:

	<u>2015</u>	<u>2014</u>
New Jersey Environmental Infrastructure Loans Payable Wastewater Improvements issued 2000, 2001, 2007 and 2010, due through 2030	\$2,799,169	\$3,112,946
\$11,085,000 general obligation bonds with interest rates of 2.00 - 3.125% issued July 15, 2015, due through July 15, 2031	11,085,000	
\$4,884,000 general obligation bonds with interest rates of 3.00 - 5.00% issued June 30, 2009, due through August 15, 2024	3,914,000	4,364,000
\$7,395,000 general obligation refunding bonds with interest rates 2.00 - 4.00%, issued January 25, 2012, due through June 1, 2021	5,555,000	6,430,000
Green Acres Loan issued 2008, due through 2027	<u>264,196</u>	<u>283,496</u>
	<u>\$23,617,365</u>	<u>\$14,190,442</u>

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

Aggregate General Capital Fund debt service requirements on general serial bonds and infrastructure loans payable during the next five years and thereafter are as follows:

Year	<u>Serial Bonds</u>		<u>New Jersey Environmental Infrastructure Trust Loans</u>		<u>Green Acres Trust Loan</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2016	\$1,400,000	\$628,282	\$306,752	\$56,252	\$19,687	\$5,186	\$2,416,159
2017	1,440,000	600,598	297,211	50,175	20,083	4,790	2,412,857
2018	1,475,000	564,035	297,272	44,025	20,487	4,387	2,405,206
2019	1,855,000	517,723	306,591	37,611	20,898	3,975	2,741,798
2020	1,905,000	461,298	297,397	31,401		3,554	2,698,650
2021-2025	7,859,000	1,441,003	910,044	94,999	110,965	11,173	10,427,184
2026-2030	3,850,000	466,813	383,902	24,101	72,076	1,219	4,798,111
2031	<u>770,000</u>	<u>24,063</u>					<u>794,063</u>
	<u>\$20,554,000</u>	<u>\$4,703,815</u>	<u>\$2,799,169</u>	<u>\$338,564</u>	<u>\$264,196</u>	<u>\$34,284</u>	<u>\$28,694,028</u>

General capital serial bonds are direct obligations of the Borough for which its full faith and credit are pledged, and are payable from taxes levied on all taxable property located within the Borough.

At December 31, 2015 and 2014, the Borough had authorized but not issued debt as follows:

	<u>2015</u>	<u>2014</u>
General Capital Fund	\$9,176,599	\$7,437,360
Marina Utility Capital Fund	-0-	-0-

NOTE 4. BOND ANTICIPATION NOTES

The Borough issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. Generally such notes must be paid no later than the tenth anniversary of the date of the original notes. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid or retired. A second and third legal installment must be paid if the notes are to be renewed beyond the fourth and fifth anniversary date of the original issuance.

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 4. BOND ANTICIPATION NOTES, (continued)

On December 31, 2015 and 2014, the Borough had \$14,950,000 and \$21,584,000, respectively, in outstanding General Capital Bond anticipation notes. The Borough also had \$434,000 and \$450,000, respectively, in outstanding Water Utility Capital Bond Anticipation Notes.

The following activity related to bond anticipation notes occurred during the calendar years ended December 31, 2015 and 2014.

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
General Capital Notes Payable:				
JP Morgan Securities, LLC	\$21,584,000	\$	\$21,584,000	\$0
TD Securities, LLC		<u>14,950,000</u>		<u>14,950,000</u>
	<u>21,584,000</u>	<u>14,950,000</u>	<u>21,584,000</u>	<u>14,950,000</u>
Marina Utility Capital Notes Payable:				
JP Morgan Securities, LLC	450,000		450,000	0
TD Securities, LLC		<u>434,000</u>		<u>434,000</u>
	<u>450,000</u>	<u>434,000</u>	<u>450,000</u>	<u>434,000</u>
	<u>\$22,034,000</u>	<u>\$15,384,000</u>	<u>\$22,034,000</u>	<u>\$15,384,000</u>
	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
General Capital Notes Payable:				
JP Morgan Securities, LLC	\$	\$21,584,000	\$	\$21,584,000
TD Securities, LLC	<u>20,625,000</u>		<u>20,625,000</u>	<u>21,584,000</u>
	<u>\$20,625,000</u>	<u>\$21,584,000</u>	<u>\$20,625,000</u>	<u>\$21,584,000</u>
Marina Utility Capital Notes Payable:				
JP Morgan Securities, LLC		<u>450,000</u>		<u>450,000</u>
	<u>\$20,625,000</u>	<u>\$22,034,000</u>	<u>\$20,625,000</u>	<u>\$22,034,000</u>

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 5. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. The following deferred charges are shown on the balance sheet of the Current Fund:

	Balance Dec.31, 2015	2016 Budget Appropriation	Balance Succeeding Year's budget
Current Fund:			
Overexpenditure of Appropriation			
Reserves	\$44,749	\$45,089	\$
Special Emergency Authorizations:			
Preparation of Tax Maps	<u>46,600</u>	<u>46,600</u>	_____
Total Current Fund	<u>\$91,349</u>	<u>\$91,689</u>	<u>\$</u> _____
General Capital Fund:			
Overexpenditure of Improvement			
Authorization	<u>\$2,068</u>	<u>\$2,068</u>	<u>\$</u> _____
Total General Capital Fund	<u>\$2,068</u>	<u>\$2,068</u>	<u>\$</u> _____
Marina Utility Operating Fund:			
Expenditure Without Appropriation	<u>\$16,000</u>	<u>\$16,000</u>	<u>\$</u> _____
Total Marina Utility Operating Fund	<u>\$16,000</u>	<u>\$16,000</u>	<u>\$</u> _____
	Balance Dec.31, 2014	2015 Budget Appropriation	Balance Succeeding Year's budget
Current Fund:			
Overexpenditure of Appropriations	\$33,392	\$33,392	\$
Special Emergency Authorizations:			
Reassessment of Real Property	8,000	8,000	
Termination Pay	31,000	31,000	
Preparation of Tax Maps	<u>72,800</u>	<u>26,200</u>	<u>46,600</u>
Total Current Fund	<u>\$145,192</u>	<u>\$98,592</u>	<u>\$46,600</u>

NOTE 6. FUND BALANCE APPROPRIATED

The fund balance at December 31, 2015 which has been appropriated as revenue in the 2016 budget is as follows:

Current Fund	\$2,000,000
Marina Utility	51,500

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 7. ACCRUED SICK AND VACATION BENEFITS

The Borough has permitted employees to accrue unused sick pay, which may be taken as time off or paid at a later date at an agreed-upon rate. At December 31, 2015 and 2014, the Borough estimated the current cost of such unpaid compensation to approximate \$1,268,289 and \$1,236,782, respectively.

NOTE 8. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash

Custodial Credit Risk - Deposits

Custodian credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Borough's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2015 and 2014, \$-0- of the Borough's bank balance of \$16,076,098 and \$17,764,553, respectively, were exposed to custodial credit risk.

Investments

Investment Rate Risk

The Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 40A:5-15.1(a) limits the length of time for most investments to 397 days.

Credit Risk

New Jersey Statutes 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the towns or bonds or other obligations of the local unit or units within which the town is located: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 8. CASH, CASH EQUIVALENTS AND INVESTMENTS, (continued)

Concentration of Credit Risk

The Borough places no limit on the amount the Borough may invest in any one issuer.

Unaudited Investments

As more fully described in Note 15, the Borough has created a Length of Service Award Program (LOSAP) for emergency service volunteers. The LOSAP investments are similar to those allowed in a deferred compensation program as specified in NJSA 43:15B-1 et. seq. except that all investments are retained in the name of the Borough. All investments are valued at fair value. In accordance with NJAC 5:30-14.37, the investments are maintained by Lincoln Benefit Life, which is an authorized provider approved by the Division of Local Government Services. The balance in the account for the years ended December 31, 2015 and 2014 amounted to \$935,256 and \$873,904, respectively.

The following investments represent 5% or more of the total invested with Valic for the years ended December 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Fixed Account Plus	\$576,882	\$626,169
Money Market I Fund	82,073	73,592
Stock Index Fund	175,098	184,450
All Others	<u>54,457</u>	<u>51,045</u>
Total	<u>\$888,510</u>	<u>\$935,256</u>

NOTE 9. FIXED ASSETS

The following is a summary of changes in the General Fixed Assets Account Group as of December 31, 2015 and 2014.

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
Land and Improvements	\$38,383,837	\$	\$	\$38,383,837
Buildings and Building Improvements	10,344,302			10,344,302
Vehicles, Machinery and Equipment	<u>11,031,826</u>	<u>371,230</u>	<u>482,230</u>	<u>10,920,826</u>
	<u>\$59,759,965</u>	<u>\$371,230</u>	<u>\$482,230</u>	<u>\$59,648,965</u>

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 9. FIXED ASSETS, (continued)

	Balance <u>Dec. 31, 2013</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>Dec. 31, 2014</u>
Land and Improvements	\$38,383,837	\$	\$	\$38,383,837
Buildings and Building Improvements	10,344,302			10,344,302
Vehicles, Machinery and Equipment	<u>10,589,459</u>	<u>466,608</u>	<u>24,241</u>	<u>11,031,826</u>
	<u>\$59,317,598</u>	<u>\$466,608</u>	<u>\$24,241</u>	<u>\$59,759,965</u>

NOTE 10. INTERFUND BALANCES AND ACTIVITY

Balances due to/from other funds at December 31, 2015 consist of the following:

\$1,370	Due to the Current Fund from the Other Trust Fund for interest earnings.
27	Due to the Current Fund from the Escrow Trust Fund for interest earnings.
410,926	Due to the General Capital Fund from the Other Trust Fund for the closing of an account in error.
4,500	Due to the Current Fund from the Marina Utility Operating Fund to reimburse interest paid on the renewal of the Utility's bond anticipation note.
16,000	Due to the General Capital Fund from the Marina Utility Operating Fund to reimburse the principal paid on the bond anticipation note renewal.
708	Due to the Marina Utility Operating Fund from the Marina Utility Capital Fund for interest earned.
57,688	Due to the General Capital Fund from the Marina Utility Capital Fund for interfund advanced and to reimburse for expenses paid.
10,884	Due to the General Capital Fund from the Current Fund for proceeds from note issuance and interest earnings less deposit errors.
<u>170,006</u>	Due to the Federal and State Grant Fund from the Current Fund for grant revenue collected less expenditures made.
<u>\$672,109</u>	

It is anticipated that all interfunds will be liquidated during the fiscal year.

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 11. CAPITAL LEASES PAYABLE

On May 1, 2012 the Borough entered into a \$385,000 capital lease through the Bergen County Improvement Authority for the retirement of its outstanding unfunded pension liability. Annual lease payment requirements for this capital lease are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$41,000	\$6,583	\$47,583
2017	44,000	5,970	49,970
2018	49,000	5,093	54,093
2019	52,000	3,963	55,963
2020	57,000	2,592	59,592
2020-2021	<u>62,000</u>	<u>917</u>	<u>62,917</u>
	<u>\$305,000</u>	<u>\$25,118</u>	<u>\$330,118</u>

NOTE 12. RISK MANAGEMENT

The Borough is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough has obtained insurance coverage to guard against these events which will provide minimum exposure to the Borough should they occur. During 2015, the Borough did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

The Borough of Edgewater is a member of the South Bergen Municipal Joint Insurance Fund (SBMJIF) and Municipal Excess Liability Joint Insurance Fund (MEL). The joint insurance funds are both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and worker's compensation. The SBMJIF and MEL coverage amounts are on file with the Borough.

The relationship between the Borough and respective insurance funds is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Borough is contractually obligated to make all annual and supplementary contributions to insurance funds, to report claims on a timely basis, cooperate with the management of the Fund, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the insurance funds. Members have a contractual obligation to fund any deficit of the insurance funds attributable to a membership year during which they were a member.

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 12. RISK MANAGEMENT, (continued)

The funds provide its members with risk management services, including the defense of and settlement of claims, and establish reasonable and necessary loss reduction and prevention procedures to be followed by the members.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage in any of the prior three years.

NOTE 13. TAXES COLLECTED IN ADVANCE

Taxes collected in advance are recorded as cash liabilities in the financial statements. Following is a comparison of the liability for the previous two years:

	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
Prepaid Taxes	<u>\$336,198</u>	<u>\$225,188</u>
Cash Liability for Taxes Collected in Advance	<u>\$336,198</u>	<u>\$225,188</u>

NOTE 14. LITIGATION

We are advised that the Borough is involved in several legal suits. These legal proceedings are not likely to have a material adverse impact on the affected funds of the Borough. The following matters were identified to have significant risk exposure

1. Borough of Edgewater vs. Waterside Construction et al

On August 22, 2014, the Borough of Edgewater filed a civil action against Waterside Construction et a (Civil Action No.: 2:14-cv-05060 (ES-MAH) relative to the remediation and reconstruction of Veterans Field. The action alleges that two named contractors were negligent in allowing contaminated fill to be used at the field and then intentionally tried to cover it with asphalt. The contractors were fired and the suit filed. This litigation is ongoing and an estimate of monetary damages cannot be made at this time.

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 14. LITIGATION, (continued)

In addition to this litigation involving Waterside Construction LLC, the Borough also instituted a suit against TERMS Environmental Services, Inc., arising from the importation of contaminated fill to Veteran's Field. TERMS was responsible for ensuring that contaminated fill was not imported to the field. In response to the Borough's claims, TERMS has filed a counterclaim against the Borough of Edgewater seeking recovery of its fees and expenses not paid by the Borough in the amount of \$202,145.

Various tax appeal cases were also pending at December 31, 2015. The Borough is defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the Borough does not recognize a liability, if any, until these cases have been adjudicated. Funding of any ultimate liability would be provided for in succeeding years' budgets or through a refunding bond ordinance, which would allow the Borough to fund these liabilities over a number of years. The Borough's legal counsel estimate such amounts to be immaterial.

NOTE 15. EMERGENCY SERVICES VOLUNTEER LENGTH OF SERVICE AWARD PLAN (LOSAP) (UNAUDITED)

On February 26, 2003, the Division of Local Government Services approved the Borough's LOSAP plan, provided by Variable Annuity Life Insurance Company (VALIC). The purpose of this plan is to enhance the Borough's ability to retain and recruit volunteer firefighters and volunteer members of emergency service squads.

VALIC will provide for the benefit of participants, a multi-fund variable annuity contract as its funding vehicle. The plan shall have minimum and maximum contribution requirements as follows: the minimum contribution for each participating active volunteer member shall be \$600 per year of active emergency service and the maximum contribution for each active volunteer member shall be \$1,150 per year of active emergency service, subject to periodic increases as permitted by N.J.A.C. 5:30-14.9. The Borough's contribution shall be included in the subsequent years budget.

All amounts awarded under a length of service award plan shall remain the asset of the sponsoring agency; the obligation of the sponsoring agency to participating volunteers shall be contractual only; and no preferred or special interest in the awards made shall accrue to such participants. Such money shall be subject to the claims of the sponsoring agency's general creditors until distributed to any or all participants.

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 16. OTHER POST EMPLOYMENT BENEFITS

In addition to the pension benefits described in Note 2, the Borough provides post employment health care benefits in accordance with the provisions of Ch. 88, P.L. 1974 as amended by Chapter 436, P.L. 1981, at its cost.

The Borough sponsors a single employer postemployment benefits plan that provided benefits in accordance with State statute, through the State's Health Benefits Bureau to eligible retirees, their spouses/domestic partners and eligible dependent children and continues to be provided on behalf of the surviving spouse/domestic partner or a retiree. Employees and/or their spouses/domestic partners become eligible for these benefits upon 25 years or more of service in the Public Employees Retirement System (PERS) and Police and Fireman's Retirement System (PFRS) or those approved for disability retirement.

Pursuant to GASB Statement No. 45 ("GASB 45"), *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, the Borough obtained an actuarially determined calculation for this obligation.

The Borough's annual other postemployment benefits ("OPEB") costs for the Plan, which is currently funded on a pay-as-you-go basis and is a non-contributory plan with all plan payments for plan benefits being funded by the Borough, is calculated based on the annual required contribution ("ARC"), an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an on-going basis, is projected to cover normal cost each year and interest on the net OPEB obligation and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The Borough's annual OPEB cost for the year ended December 31, 2015, and the related information for the plan, are as follows:

January 1, 2015 - Net OPEB Obligation (Initial) (NOO)*	\$23,975,852
Annual Required Costs (ARC)	2,192,190
Contribution from employer and other contributing entities	<u>(918,439)</u>
December 31, 2015 - Net OPEB Obligation (NOO)	<u>\$25,249,603</u>

*Restated for updated actuarial calculation.

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 16. OTHER POST EMPLOYMENT BENEFITS, (continued)

The Borough's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan and the net OPEB obligation were as follows:

<u>Year Ended</u>	<u>Annual OPEB Cost</u> (Dollars in Thousands)	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2015	\$2,192,190	41.89%	\$25,249,603
2014	\$2,019,187	47.43%	\$10,894,409
2013	\$2,019,187	46.91%	\$9,832,979
2012	\$2,019,187	46.35%	\$8,760,912
2011	\$2,019,187	12.54%	\$7,677,785

<u>Valuation Date</u>	<u>Actuarial Value of Assets OPEB Cost</u>	<u>Actuarial accrued Liability - Projected Unit Credit</u> (Dollars in Thousands)	<u>Unfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll*</u>	<u>Unfunded Actuarial Liability as a Percentage of Covered Payroll*</u>
12/31/15	\$-0-	\$25,250.0	\$25,250.0	0 %	N/A	N/A

*Required disclosure at adoption of standard payroll is not provided.

The **Actuarial Accrued Liability** is the liability or obligation for benefits earned through the valuation date, based on certain actuarial methods and assumptions. The Plan's Actuarial Accrued Liability (at December 31, 2015) is \$25,249,603 assuming no prefunding of obligations. The majority of this obligation is for current active employees.

Normal Cost is the value of benefits expected to be earned during the current year, again based on certain actuarial methods and assumptions. The 2015 Fiscal Year Normal Cost is \$642,078 assuming no prefunding of obligations. In pension accounting, this is also known as "service cost."

Future Normal Costs represent the present value of the remaining balance of all projected benefits to be earned in future years.

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 16. OTHER POST EMPLOYMENT BENEFITS, (continued)

Basis of Valuation

This valuation has been conducted as of December 31, 2015 based upon census, plan design and claims information provided by The Fund. Census includes 63 participants currently receiving retiree benefits, and 88 active participants of whom 13 are eligible to retire as of the valuation date. The average age of the active population is 47 and the average age of the retiree population is 73.

Actuarial assumptions were selected with the intention of satisfying the requirements of New Jersey Local Finance Notice 2007-15 in addition to Statement of Government Accounting Standard Number 45.

Demographic assumptions were selected based on those used in by the State Division of Pensions and Benefits in calculating pension benefits taken from the July 1, 2015 report from Buck Consultants. While some assumptions were simplified to reflect the smaller population, and to simplify the valuation process, the valuation results reasonably conform to the requirements of LFN 2007-15.

Health care (economic) assumptions were selected based on those used by the State Health Benefits Program in calculating SHBP member OPEB requirements taken from the July 1, 2014 report from Aon Consultants.

Key Actuarial Assumptions

<i>Mortality</i>	<i>RP 2000 Combined Healthy Male Mortality Rates Set Forward Three Years</i>
<i>Turnover</i>	<i>NJ State Pensions Ultimate Withdrawal Rates - prior to benefits eligibility</i>
<i>Assumed Retirement Age</i>	<i>At first eligibility after completing 25 years of pension service</i>
<i>Full Attribution Period</i>	<i>Service to Assumed Retirement Age and all pension service to be earned at the Borough</i>
<i>Retiree Benefits End Date</i>	<i>DPW and all other retirees assumed to receive benefits for life</i>
<i>Annual Discount Rate</i>	<i>4.50%</i>
<i>Medical Trend</i>	<i>8% in 2015, reducing by 0.5% per annum, leveling at 5% per annum in 2020</i>
<i>Medical Cost Aging Factor</i>	<i>NJ SHBP Medical Morbidity Rates</i>

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 16. OTHER POST EMPLOYMENT BENEFITS, (continued)

Key Actuarial Assumptions, (continued)

- Attribution period – The attribution period begins with the date of hire and ends with full benefits eligibility date.
- Per capita cost methods – The valuation reflects per capita net premium costs based on actual 2015 medical, prescription drug and dental premiums and the plan option selected. Plan selections are assumed to remain unchanged in retirement. The age specific cost was derived based on per person costs at the average age of the active population (47) and scaled to each age based on the medical cost aging factors. At age 65, Medicare becomes the primary payor of medical benefits and consequentially, per capita plan costs are offset by Medicare payments. Thus, post 65 costs were decreased using the assumption that Medicare picks up 66.7% of combined medical/prescription drug costs. 2015 employer contributions for retiree benefits as reported by the Fund are \$1.021 million.
- Retiree contributions – NJ Chapter 78 requires that certain future retirees contribute toward the cost of their benefits. Specifically, those who had retired prior to passage of Chapter 78 and those employees that had more than 25 years of service on the date of passage are grandfathered. All others are subject to the contribution rates in effect when they retire, but not less than 1.5% of their annual retirement allowance from the Public Employees Retirement System. For purposes of this valuation, we have assumed that future retiree contribution percentages will be equal to the current percentage of premium as reported by the Fund.
- Actuarial valuation method – Projected Unit Credit Funding Method.

NOTE 17. SUBSEQUENT EVENT

The Borough has evaluated subsequent events through July 8, 2016, the date which the financial statements were available to be issued and no other items were noted for disclosure.

SUPPLEMENTARY DATA

BOROUGH OF EDGEWATER

Supplementary Data

Official in Office and Surety Bonds

The following officials were in office during the period under audit:

<u>Name</u>	<u>Title</u>	<u>Amount of bond</u>	<u>Name of corporate surety</u>
Michael McPartland	Mayor		
Vincent Monte	Councilman		
Jose Luis Vidal	Councilman		
Anthony Bartolomeo	Councilman		
Michael Henwood	Councilman		
Dolores Lawlor	Councilwoman		
David Jordan	Councilman (resigned August 2015)		
Duane Fischetti	Councilwoman (8/27/15 to Present)		
Sercan Zoklu	Chief Financial Officer		
Gregory Franz	Administrator		
CME Engineering	Engineer		
John Candelmo	Construction Code Official/Zoning Officer		
Robert Cohan	Magistrate	\$ 1,000,000	(A)
Karen Christiano	Court Administrator	\$ 1,000,000	(A)
William Skidmore	Chief of Police		
Joseph R. Mariniello, Sr.	Borough Attorney		
Laura Martin	Welfare Director		
Kathleen D'Errico	Secretary Planning Board		
Jennifer Henry	Secretary Board of Adjustment		
Sheryl Biondi	Tax Collector	\$ 1,000,000	(A)
Anna Marie O'Connor	Borough Clerk		

(A) Statutory positions are covered under the South Bergen Municipal Jointure policy (\$50,000) and Municipal Excess Liability Joint Insurance Fund (Excess Crime Policy - Public Employee Bond - \$950,000).

BOROUGH OF EDGEWATER

Supplementary Data

Comparative Schedule of Tax Rate Information

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Tax rate	1.755	1.701	1.626
Apportionment of tax rate:			
Local school	0.711	0.670	0.616
County	0.273	0.265	0.270
Municipal	0.735	0.730	0.703
Library	0.036	0.036	0.037

Assessed valuation:

2015	\$ 2,744,136,567
2014	2,658,922,977
2013	2,624,692,915

Comparison of Tax Levies and Collections Currently

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.

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collections</u>
2015	\$ 48,159,606	46,633,912	96.83%
2014	45,533,292	44,555,111	97.85%
2013	42,813,002	41,457,817	96.83%

Delinquent Taxes and Tax Title Liens

This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens in relation to the tax levies of the last three years.

<u>Year</u>	<u>Amount of tax title liens</u>	<u>Amount of delinquent taxes</u>	<u>Total delinquent</u>	<u>Percentage of tax levy</u>
2015	\$ 52,526	1,618,729	1,671,255	3.67%
2014	47,474	832,290	879,764	1.93%
2013	52,969	1,349,993	1,402,962	3.28%

BOROUGH OF EDGEWATER

Supplementary Data

Property Acquired By Tax Title Lien Liquidation

No properties have been acquired in 2015 by foreclosure or deed, as a result of liquidation of tax title liens.

The value of property acquired by liquidation of tax title liens on December 31, 2015, 2014 and 2013 on the basis of the last assessed valuation of such properties, was as follows:

<u>Year</u>		<u>Amount</u>
2015	\$	3,844,775
2014		3,844,775
2013		3,844,775

Comparative Schedule of Fund Balances

	<u>Year</u>	<u>Fund Balance</u>	<u>Utilized in budget of succeeding year</u>
Current Fund:	Dec. 31, 2015	\$ 4,615,062	2,000,000
	Dec. 31, 2014	3,929,636	2,000,000
	Dec. 31, 2013	2,621,490	1,800,000
	Dec. 31, 2012	2,298,465	1,730,000
	Dec. 31, 2011	2,180,856	1,600,000
Marina Utility:	Dec. 31, 2015	334,292	51,500
	Dec. 31, 2014	330,037	-
	Dec. 31, 2013	196,480	-
	Dec. 31, 2012	159,458	151,795
	Dec. 31, 2011	259,458	100,000

BOROUGH OF EDGEWATER

**Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2015**

Federal Grantor/Pass-Through Grantor/Program Title/Cluster Title	CFDA number	State Agency Account Number	Grant Period From	Grant Period To	Grant Award	Grant Receipts	Grant Expenditures	Adjustments	Cumulative Grant Expenditures
Current Fund:									
U.S. Department of Homeland Security (1) Disaster Grants - Public Assistance (Presidentially Declared Disasters) 408G Public Assistance - Hurricane Sandy	97.036		N/A	N/A	759,062 \$	247,422			759,062
U.S. Department of Justice Equitable Sharing - Asset Forfeiture Program	16.922		1/1/2013	12/31/2013	5,160				3,221
Total Federal Assistance - Current Fund									
General Capital Fund:									
Department of Housing and Urban Development (passed through County of Bergen): Community Development Block Grant: Reconst. of Undercliff Avenue - Ord. 1423	14.218	210-445-739-43-66	N/A	N/A	158,408			30,824	158,408
Undercliff Avenue Streetscape - Ord. 1423	14.218	210-155-739-43-66	N/A	N/A	100,000			47,163	100,000
Undercliff Avenue Imps. (Palisades Terrace to Myrtle Ave) - Ord. 1517	14.218	210-213-744-155-43-66	N/A	N/A	100,000		100,000		100,000
Handicapped Accessible Curb Ramps - Ord. 1517	14.218	21-213-745-155-43-66	N/A	N/A	76,180		3,273		3,273
Handicapped Accessible Bathroom at Kiddie Pool	14.218	21-213-746-235-49-41	N/A	N/A	50,000		103,273	77,987	361,681
Department of Housing and Urban Development (Passed Through NJ Dept. of Community Affairs): Hurricane Sandy CDBG-DR	14.269		N/A	N/A	30,000		30,000		30,000
U.S. Department of Homeland Security (1) Disaster Grants - Public Assistance (Presidentially Declared Disasters) 4021 Public Assistance - Hurricane Irene PA-02-NJ-4021-PW-01332 - Ord. 1484	97.036		N/A	N/A	217,808	33,975			217,808
Total Federal Assistance - General Capital Fund									
Marina Utility Capital Fund:									
U.S. Department of Homeland Security (1) Disaster Grants - Public Assistance (Presidentially Declared Disasters) PA-02-NJ-1897-FW-01289 - Ord. 1467	97.036		N/A	N/A	742,996				519,122
Total Federal Assistance - Marina Utility Capital Fund									
Trust Funds:									
U.S. Department of Justice Bulletproof Vest Partnership Program	16.607		1/1/2015	12/31/2015	2,625	2,625			2,625
Total Federal Assistance - Trust Funds									

BOROUGH OF EDGEWATER

**Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2015**

Federal Grantor/Pass-Through Grantor/Program Title/Cluster Title	CFDA number	State Agency Account Number	Grant Period From	Grant Period To	Grant Award	Grant Receipts	Grant Expenditures	Adjustments	Cumulative Grant Expenditures
Public Assistance Trust Fund: Department of Health, Education and Welfare - Supplemental Security Income	96.006		1/1/2015	12/1/2015	11,795	11,795	11,795		11,795
<i>Total Federal Assistance - Public Assistance Trust Fund</i>					11,795	11,795	11,795		11,795
<i>Total Federal Assistance - All Funds</i>					\$ 295,817	145,068	145,068	77,987	1,872,689

Note: This schedule was not subject to an audit in accordance with the Uniform Guidance.

BOROUGH OF EDGEWATER

Schedule of Expenditures of State Financial Assistance

For the Year Ended December 31, 2015

State Funding Department	State Grant Account #	From	Grant Period	To	Grant Award	Grant Receipts	Grant Expenditures	Adjustments	Cumulative Grant Expenditures
Current Fund:									
Department of Environmental Protection Clean Communities Program	4900-765-042-4900-004-V42Y	1/1/2015	12/31/2015		21,924	21,924	17,818		17,818
	4900-765-042-4900-004-V42Y	1/1/2014	12/31/2014		18,027				16,773
	4900-765-042-4900-004-V42Y	1/1/2013	12/31/2013		19,228				12,636
	4900-765-042-4900-004-V42Y	1/1/2008	12/31/2009		12,136		500		47,227
					71,315	21,924	18,318		
Solid Waste Administration Recycling Tonnage Grant	4900-752-042-4900-001-V42Y	1/1/2014	12/31/2014		13,105				250
	4900-752-042-4900-001-V42Y	1/1/2011	12/31/2011		14,345				
	4900-752-042-4900-001-V42Y	1/1/2011	12/31/2011		12,464				
	4900-752-042-4900-001-V42Y	1/1/2010	12/31/2010		37,800				
	4900-752-042-4900-001-V42Y	1/1/2009	12/31/2009		7,876				
	4900-752-042-4900-001-V42Y	1/1/2008	12/31/2008		6,340				250
					91,930				
Administrative Office of the Courts Alcohol Education Rehabilitation Fund	9735-760-098-Y900-001-X100	1/1/2015	12/31/2015		2,180	2,181			
	9735-760-098-Y900-001-X100	1/1/2014	12/31/2014		1,950				
	9735-760-098-Y900-001-X100	1/1/2013	12/31/2013		2,533				
	9735-760-098-Y900-001-X100	1/1/2012	12/31/2012		1,619				
	9735-760-098-Y900-001-X100	1/1/2011	12/31/2011		1,564				
	9735-760-098-Y900-001-X100	1/1/2008	12/31/2008		1,067				
					10,913	2,181			
Division of Criminal Justice Body Armor Grant	1020-718-066-1020-001-YCJS	1/1/2015	12/31/2015		3,026	3,026			
	1020-718-066-1020-001-YCJS	1/1/2013	12/31/2013		3,697				
	1020-718-066-1020-001-YCJS	1/1/2008	12/31/2009		3,108				
					9,831	3,026			
County of Bergen Municipal Alliance on Alcoholism and Drug Abuse	7/1/2015	6/30/2016			9,876	3,500			1,278
	7/1/2014	6/30/2015			9,876	551			11,832
	1/1/2013	12/31/2013			9,692		2,425		13,110
	1/1/2012	12/31/2012			3,828		2,425		60,587
					33,272	4,051	20,743		
					217,261	31,182	20,743		
Total State Assistance - Current Fund									

BOROUGH OF EDGEWATER

Schedule of Expenditures of State Financial Assistance
For the Year Ended December 31, 2015

State Funding Department	State Grant Account #	From	Grant Period	To	Grant Award	Grant Receipts	Grant Expenditures	Adjustments	Cumulative Grant Expenditures
General Capital Fund:									
Department of Community Affairs									
Post Sandy Planning Grant - Ord. 1511		1/1/2014	12/31/2014		30,000			502	502
Borough Hall Preservation & Renovation Project - Ord. 1326		N/A	N/A		100,000				70,556
					130,000			502	71,058
New Jersey Livable Communities Grant									
Various Library Inps - Ord. 1326		N/A	N/A		32,000				32,000
					32,000				32,000
Department of Transportation - State Aid Highway Projects									
Highway Planning and Construction					200,000				131,579
Drainage Improvements, Old River Road - Ord. 1438					146,500				56,516
Old River Road Improvements, Phase II - Ord. 1482					149,000				
Old River Road Improvements, Phase III - 2015					155,500				
Undercliff Avenue, Section 3 - 2016					346,500				188,095
					508,500			502	291,153
<i>Total State Assistance - General Capital Fund</i>									
Trust Funds:									
Division of Criminal Justice									
Body Armor Grant	1020-718-066-1020-001-YCJS	1/1/2014	12/31/2014		2,946				2,946
Body Armor Grant	1020-718-066-1020-001-YCJS	1/1/2012	12/31/2012		2,777				2,777
					5,723				5,723
<i>Total State Assistance - Trust Funds</i>									
					5,723				5,723
Public Assistance Fund:									
Department of Health and Human Services									
Public Assistance	7500-150-158010-60	1/1/2015	12/31/2015		50,500	50,500	30,852	11,794	30,852
Public Assistance	7500-150-158010-60	1/1/2014	12/31/2014		46,030		30,070		46,030
Public Assistance	7500-150-158010-60	1/1/2013	12/31/2013		50,777				50,777
					147,307	50,500	60,922	11,794	127,659
<i>Total State Assistance - Public Assistance Trust Fund</i>									
					147,307	50,500	60,922	11,794	127,659
<i>Total State Assistance</i>									
					878,791	81,682	81,665	12,286	485,122

BOROUGH OF EDGEWATER

**Schedule of Expenditures of State Financial Assistance
For the Year Ended December 31, 2015**

State Funding Department	State Grant Account #	Grant Period From	To	Grant Award	Grant Receipts	Grant Expenditures	Adjustments	Cumulative Grant Expenditures
Other Financial Assistance:								
County of Bergen (Passed through)								
Bergen County Open Space/Historic Preservation Trust								
Acq/Installation of clock at Grand Cove Marina - Ord. 1398	09-00819	N/A	N/A	41,250				
Veterans Field	06-02061	N/A	N/A	50,091	36,181			50,091
Veteran's Field	08-01619	N/A	N/A	245,800	245,800			245,800
Veteran's Field	10-02063	N/A	N/A	210,000	206,938			210,000
Rehabilitation of Borough Hall, Phase I - Ord. 1381/1387	Historic Preservation	N/A	N/A	145,000				137,506
Borough Hall Phase II Improvements - Ord. 1450	Historic Preservation	N/A	N/A	329,000				329,000
				<u>1,021,141</u>	<u>488,919</u>			<u>972,397</u>
<i>Total Other Financial Assistance</i>				1,021,141	488,919			972,397
<i>Total State and Other Financial Assistance</i>				1,899,932	570,601	81,665	12,296	1,457,519

Note: This schedule was not subject to an audit in accordance with N.J. OMB circular 15-08.

BOROUGH OF EDGEWATER

Schedule of Cash - Collector/Treasurer

Current Fund

Year ended December 31, 2015

		<u>Current Fund</u>
Balance - December 31, 2014	\$	6,985,649
Increased by receipts:		
Revenue accounts receivable	\$ 3,351,991	
Miscellaneous revenues not anticipated	911,955	
Taxes receivable	47,232,489	
Prepaid taxes	336,198	
Due to federal and state grant fund	31,181	
Tax overpayments	332,839	
Senior citizens and veterans	18,105	
Tax title lien premiums	465,200	
Interfunds	123,661	
Marriage license fees payable	<u>1,250</u>	
		<u>52,804,869</u>
		59,790,518
Decreased by disbursements:		
2015 budget appropriations	22,805,419	
2014 appropriation reserves	576,437	
Tax overpayment refunds	305,150	
Local district school tax	19,371,916	
County taxes	7,487,638	
County added/omitted	48,546	
Marriage license fees payable	1,100	
Tax title lien premiums redeemed	90,800	
Interfunds	2,380	
Special emergency note	72,800	
Due from federal and state grant fund	20,508	
Various reserves	45,711	
County taxes - Long term exemption law	22,878	
Tax appeal refunds	168,596	
Refund prior year revenue	<u>5,930</u>	
		<u>51,025,809</u>
Balance - December 31, 2015	\$	<u><u>8,764,709</u></u>

BOROUGH OF EDGEWATER

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Ended December 31, 2015

Year	Balance, Dec. 31, 2014	2015 levy	Added/ Omitted	Collected 2014	2015	Transferred to tax title liens	Cancelled	Balance, Dec. 31, 2015
2014	832,290		9,475		841,765			
2015	832,290	48,159,606	9,475	225,188	46,408,724	5,052	36,700	1,618,729
	\$ 832,290	48,159,606	144,262	225,188	47,250,489	5,052	36,700	1,618,729

Senior citizens' and veterans'
deductions allowed

18,000
Cash receipts 47,232,489

\$ 47,250,489

Analysis of 2015 Tax Levy

Tax yield:

General property tax 48,159,606
Added tax (R.S. 54:4-63.1 et seq.) 134,787

\$ 48,294,393

Tax levy:

Local district school tax (abstract) 19,497,393
County tax (abstract) 7,487,638
Added taxes (R.S. 54:4-63.1 et seq.) 20,970
Local tax for municipal purpose (abstract) 21,173,819
Additional tax levies 114,573

\$ 48,294,393

BOROUGH OF EDGEWATER

Schedule of Tax Title Liens

Current Fund

Year ended December 31, 2015

Balance - December 31, 2014	\$	47,474
Increased by:		
Transferred from 2015 Taxes		<u>5,052</u>
Balance - December 31, 2015	\$	<u><u>52,526</u></u>

BOROUGH OF EDGEWATER
Schedule of Revenue Accounts Receivable
Current Fund
Year ended December 31, 2015

	Balance, Dec. 31, <u>2014</u>	Accrued in 2015	<u>Collected</u>	Balance, Dec. 31, <u>2015</u>
Clerk:				
Licenses:				
Alcoholic beverages	\$	37,810	37,810	
Other		55,398	55,398	
Fees and permits		300,891	300,891	
Construction Code Official-fees and permits	100,498	488,695	518,307	70,886
Municipal Court fines and costs	15,557	177,772	183,571	9,758
Interest and cost on taxes		191,593	191,593	
Interest on Investments		3,751	3,751	
Consolidated Municipal Property Tax Relief		142,630	142,630	
Energy Receipts Tax		608,101	608,101	
Uniform Fire Safety		11,146	11,146	
Commercial Sewer Fees	63,080	383,278	360,335	86,023
General Capital Fund Balance		200,000	200,000	
Hotel Tax		279,373	279,373	
Pilot Payments - Waterford Towers		459,153	459,153	
	<u>\$ 179,135</u>	<u>3,339,591</u>	<u>3,352,059</u>	<u>166,667</u>
		Interest on Investments	68	
		Cash	<u>3,351,991</u>	
		\$	<u>3,352,059</u>	

BOROUGH OF EDGEWATER

**Schedule of Due from State of New Jersey
Senior Citizens' and Veterans' Deductions**

Current Fund

Year ended December 31, 2015

Balance - December 31, 2014	\$ 34,968
Increased by:	
Senior citizens' and veterans' deductions per tax billings	<u>18,000</u>
	52,968
Decreased by:	
Cash received	<u>18,105</u>
Balance - December 31, 2015	<u><u>\$ 34,863</u></u>

Schedule of Local District School Tax Payable

Current Fund

Year ended December 31, 2015

Increased by:	
2015 Tax Levy	\$ 19,497,393
Decreased by:	
Cash Disbursements	<u>19,371,916</u>
Balance - December 31, 2015	<u><u>\$ 125,477</u></u>

BOROUGH OF EDGEWATER
Schedule of County Taxes Payable
Current Fund
Year ended December 31, 2015

Increased by:		
County tax levy	\$	<u>7,487,638</u>
Decreased by:		
Cash Disbursements	\$	<u><u>7,487,638</u></u>

**Schedule of Due County for Added
and Omitted Taxes**
Current Fund
Year ended December 31, 2015

Balance - December 31, 2014		\$ 48,546
Increased by:		
County tax levy-Added		<u>20,970</u>
		69,516
Decreased by:		
Cash Disbursements		<u>48,546</u>
Balance - December 31, 2015	\$	<u><u>20,970</u></u>

BOROUGH OF EDGEWATER

Schedule of Appropriation Reserves

Current Fund

For the Year Ending December 31, 2015

	Balance, Dec. 31, <u>2014</u>	Balance after <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>	Over- <u>Expenditure</u>
Salaries and Wages Within "CAPS":					
Administrative and Executive	\$ 15,503	15,503		15,503	
Mayor and Council	34	34		34	
Elections	8,266	8,266		8,266	
Assessment of Taxes	458	458		458	
Municipal Court	1,405	1,405		1,405	
Collection of Taxes	3,195	3,195		3,195	
Planning Board	1	1		1	
Zoning Board	1	1		1	
Rent Leveling	279	279		279	
Fire	80,768	80,768		80,768	
Volunteer First Aid	31,198	31,198		31,198	
Police	189,709	190,806	37,838	152,968	
Road Repairs and Maintenance	255,726	255,726		255,726	
Board of Health	3,626	3,626		3,626	
Public Assistance	1,405	1,405		1,405	
Recreation	931	931		931	
Recycling Program	1	1		1	
Uniform Construction Code	13,508	18,908		18,908	
Total Salaries and Wages Within "CAPS"	<u>606,014</u>	<u>612,511</u>	<u>37,838</u>	<u>574,673</u>	
Other Expenses Within "CAPS":					
Administrative and Executive	16,043	56,186	40,361	15,825	
Elections	5,826	5,826		5,826	
Financial Administration	1,543	1,543		1,543	
Collection of Taxes	929	1,037	436	601	
Assessment of Taxes					
Consultant and legal fees - tax appeals	3,088	3,088	11,691		8,603
Miscellaneous other expenses	97	9,597	438	9,159	
Municipal Court	80	351	1,020		669
Legal Services	2,815	2,815	5,946		3,131
Insurance - Hospitalization	51,647	52,277	39,911	12,366	
Public Buildings and Grounds	160	5,901	12,956		7,055
Engineering	560	560	5,013		4,453
Tax Maps			4,513		4,513
Planning Board	3	153		153	
Zoning Board	4,705	4,705	2,592	2,113	
Rent Leveling	21	21		21	
Housing Inspector	575	575		575	
Police	9,029	33,614	23,952	9,662	
Police- Automobiles	1	6,728	6,816		88
Emergency Management	1	1	14		13
Fire	19,634	38,376	20,502	17,874	
Fire Hydrant Service	8,403	8,403	301	8,102	
Volunteer First Aid	231	4,205	3,846	359	
Fire Prevention	2,214	6,914	7,529		615
Road Repairs and Maintenance	9,225	29,314	22,572	6,742	
Snow Removal	47,008	53,292	8,341	44,951	

BOROUGH OF EDGEWATER
Schedule of Appropriation Reserves
Current Fund
For the Year Ending December 31, 2015

	Balance, Dec. 31, <u>2014</u>	Balance after <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>	Over- <u>Expenditure</u>
Board of Health	70,503	73,384	2,597	70,787	
Dog regulation	2,940	2,940		2,940	
Occupational Safety Health Act	792	1,360	568	792	
Public Assistance	1,134	1,134		1,134	
Public Assistance- Emergency Assistance	1,300	1,300		1,300	
Parks and Playgrounds	43,086	43,086	8,769	34,317	
Recreation	44,147	52,734	7,413	45,321	
Celebration of Public Events	229	229		229	
Senior Citizens Committee	4,877	4,877	165	4,712	
Garbage and Trash Removal	133,776	160,679	58,681	101,998	
Uniform Construction Code	27,165	27,195	100	27,095	
Gas and Electric	12,198	12,198	24,149		11,951
Street Lighting	26,969	32,909	18,836	14,073	
Telephone	6,820	6,822	10,480		3,658
Water	6,879	6,879	3,007	3,872	
Fuel	38,278	41,425	10,646	30,779	
Salary and Wage Adjustment	92,802	92,802		92,802	
Contingent	5,000	5,000		5,000	
Total Other expenses Within "CAPS"	<u>702,733</u>	<u>892,435</u>	<u>364,161</u>	<u>573,023</u>	<u>44,749</u>
Total Reserves Within "CAPS"	<u>1,308,747</u>	<u>1,504,946</u>	<u>401,999</u>	<u>1,147,696</u>	<u>44,749</u>
Other Expenses Excluded From "CAPS":					
Social Security System	1,009	1,009		1,009	
Unemployment Insurance	3,256	3,256		3,256	
Public Employees' Retirement System	10	10		10	
LOSAP	5,750	5,750		5,750	
Maintenance of Free Public Library	297,960	297,960	297,960		
Total Other Expenses Excluded from "CAPS"	<u>307,985</u>	<u>307,985</u>	<u>297,960</u>	<u>10,025</u>	
Total Reserves Excluded from "CAPS"	<u>307,985</u>	<u>307,985</u>	<u>297,960</u>	<u>10,025</u>	
Total Reserves	<u>\$ 1,616,732</u>	<u>1,812,931</u>	<u>699,959</u>	<u>1,157,721</u>	<u>44,749</u>
Appropriation reserves		1,616,732			
Encumbrances		<u>196,199</u>			
		<u>\$ 1,812,931</u>			
Cash Disbursements			576,437		
Transferred to Amount due to Library			<u>123,522</u>		
			<u>\$ 699,959</u>		

BOROUGH OF EDGEWATER
Schedule of Reserve for Encumbrances
Current Fund
Year ended December 31, 2015

Balance - December 31, 2014	\$	196,199
Increased by:		
Encumbrances		248,949
		445,148
Decreased by:		
Transferred to appropriation reserves		196,199
Balance - December 31, 2015	\$	248,949

Schedule of Tax Overpayments
Current Fund
Year ended December 31, 2015

Balance - December 31, 2014	\$	61,243
Increased by:		
Overpayments received		332,839
		394,082
Decreased by:		
Cancelled to Operations	\$	37,077
Overpayments refunded		305,150
		342,227
Balance - December 31, 2015	\$	51,855

BOROUGH OF EDGEWATER

Schedule of Prepaid Taxes

Current Fund

Year ended December 31, 2015

Balance - December 31, 2014	\$	225,188
Increased by:		
2016 prepaid taxes collected		<u>336,198</u>
		561,386
Decreased by:		
Taxes realized as revenue		<u>225,188</u>
Balance - December 31, 2015	\$	<u><u>336,198</u></u>

Schedule of Due to the State - Marriage

License Fees

Current Fund

Year ended December 31, 2015

Balance - December 31, 2014	\$	500
Increased by:		
Cash Receipts		<u>1,250</u>
		1,750
Decreased by:		
Disbursements		<u>1,100</u>
Balance - December 31, 2015	\$	<u><u>650</u></u>
		4th Quarter 2015 375
		PY Balance not Paid 275
	\$	<u><u>650</u></u>

BOROUGH OF EDGEWATER

**Schedule of Property Acquired for Taxes-
Assessed Valuation**

Current Fund

Year ended December 31, 2015

Balance - December 31, 2014	\$ <u>3,844,775</u>
Balance - December 31, 2015	\$ <u><u>3,844,775</u></u>

**Schedule of Reserve for
Tax Title Lien Premium**

Current Fund

Year ended December 31, 2015

Balance - December 31, 2014	\$ 300,100
Increased by:	
Premiums collected	<u>465,200</u>
	765,300
Decreased by:	
Refunded	<u>90,800</u>
Balance - December 31, 2015	\$ <u><u>674,500</u></u>

BOROUGH OF EDGEWATER

Schedule of Interfunds

Current Fund

Year ended December 31, 2015

<u>Fund</u>	Due from/(to) Balance Dec. 31, 2014	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance Dec. 31, 2015
Escrow Trust Fund	\$ 26	27	26	27
Other Trust Fund		1,370		1,370
Fire Prevention Dedicated Penalties Trust Fund	(1,287)	1,287	375	(375)
Parking Offenses Adjudication Account	(1,042)	1,042		
Marina Utility Operating Fund		4,500		4,500
General Capital Fund	<u>89,285</u>	<u>54,091</u>	<u>154,260</u>	<u>(10,884)</u>
	<u>\$ 86,982</u>	<u>62,317</u>	<u>154,661</u>	<u>(5,362)</u>
 <u>Analysis</u>				
Due to Current Fund	\$ 89,311	59,988	143,402	5,897
Due From Current Fund	<u>(2,329)</u>	<u>2,329</u>	<u>11,259</u>	<u>(11,259)</u>
	<u>\$ 86,982</u>	<u>62,317</u>	<u>154,661</u>	<u>(5,362)</u>
Interest on Investments	\$	1,437		
Special Emergency Notes		54,000	31,000	
Interest Paid on Marina Utility Note		4,500		
Interfunds Returned - Cash Receipts			89,285	
Cash Receipts			34,376	
Cash Disbursements		<u>2,380</u>		
		<u>\$ 62,317</u>	<u>154,661</u>	

BOROUGH OF EDGEWATER

Schedule of Various Reserves

Current Fund

Year ended December 31, 2015

	Balance Dec. 31, <u>2014</u>	<u>Increased</u>	<u>Decreased</u>	Balance Dec. 31, <u>2015</u>
Reserve for:				
Binghampton Ferryboat Removal	\$ 250,000			250,000
Playgrounds	2,481			2,481
Due to Library	98,707	123,522	45,711	176,518
Library Aid	12,383			12,383
Community Center	18,730			18,730
Developer's Contribution	1,825			1,825
Revaluation	80,000			80,000
BCUA Grant	17,608			17,608
Ferry Agreement	20,000			20,000
Donations	17,425			17,425
Sale of Municipal Assets	1,091			1,091
Arts Festival	1,513			1,513
Centennial	890			890
	<u>\$ 522,653</u>	<u>123,522</u>	<u>45,711</u>	<u>600,464</u>
			45,711	
Cash Disbursements		<u>123,522</u>		
Balance of 2014 Budget Appropriation		<u>\$ 123,522</u>	<u>45,711</u>	

BOROUGH OF EDGEWATER
Schedule of Due to Federal and State Grant Fund
Current Fund
Year ended December 31, 2015

Balance - December 31, 2014	\$	159,333
Increased by:		
Grants Received - Unappropriated		<u>31,181</u>
		190,514
Decreased by:		
Cash Disbursements		<u>20,508</u>
Balance - December 31, 2015	\$	<u><u>170,006</u></u>

BOROUGH OF EDGEWATER

Schedule of Deferred Charges

Current Fund

Year ended December 31, 2015

	Balance, Dec. 31, <u>2014</u>	Authorized/ Incurred in <u>2015</u>	Raised in 2015 <u>Budget</u>	Balance, Dec. 31, <u>2015</u>
Over-Expenditure of Appropriations	\$ 33,392		33,392	
Over-Expenditure of Appropriation Reserves		<u>44,749</u>		<u>44,749</u>
	<u>\$ 33,392</u>	<u>44,749</u>	<u>33,392</u>	<u>44,749</u>

BOROUGH OF EDGEWATER

N.J.S.A. 40A:4-53 Special Emergency Authorizations

Current Fund

Year ended December 31, 2015

<u>Date Authorized</u>	<u>Purpose</u>	<u>Net Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance Dec. 31, 2014</u>	<u>Reduced in 2015</u>	<u>Balance, Dec. 31, 2015</u>
2010	Reassessment of Real Property	\$ 80,000	16,000	8,000	8,000	
2010	Termination Pay	155,000	31,000	31,000	31,000	
11/12/13	Preparation of Tax Maps	91,000	18,200	72,800	26,200	46,600
		<u>\$ 326,000</u>	<u>65,200</u>	<u>111,800</u>	<u>65,200</u>	<u>46,600</u>

BOROUGH OF EDGEWATER

Schedule of Grants Receivable

State and Federal Grant Fund

Year ended December 31, 2015

<u>Purpose</u>	Balance, Dec. 31, 2014	Budget Revenue Realized	<u>Received</u>	Balance, Dec. 31, 2015
Municipal Alliance	\$ 9,692			9,692
Recycling Tonnage - 2015		13,105	13,105	
Alcohol Education and Rehabilitation - 2015		1,950	1,950	
Clena Communities - 2015		18,027	18,027	
	<u>\$ 9,692</u>	<u>33,082</u>	<u>33,082</u>	<u>9,692</u>
			Unappropriated Grant Reserves <u>33,082</u>	
			\$ <u>33,082</u>	

BOROUGH OF EDGEWATER
Schedule of Appropriated Grant Reserves
State and Federal Grant Fund
Year ended December 31, 2015

<u>Purpose</u>	Balance, Dec. 31, <u>2014</u>	Transferred from Budget <u>Appropriations</u>	<u>Expended</u>	Balance, Dec. 31, <u>2015</u>
Clean Communities	\$ 15,126		500	14,626
Municipal Alliance	5,579		2,425	3,154
Alcohol Education and Rehabilitation	3,788			3,788
Body Armor Grant	6,052			6,052
Recycling Tonnage Grant	64,480			64,480
Clean Communities	2,974			2,974
Alcohol Education and Rehabilitation	1,619			1,619
Municipal Alliance - 2013	8,414			8,414
U.S. Department of Justice - Equitable Sharing - Asset Forfeiture Proceeds	1,939			1,939
Recycling Tonnage Grant	14,095			14,095
Body Armor Grant	3,697			3,697
Alcohol Education and Rehabilitation	2,533			2,533
Recycling Tonnage Grant - 2014		13,105		13,105
Alcohol Education and Rehabilitation - 2014		1,950		1,950
Clean Communities - 2014		18,027	17,818	209
	<u>\$ 130,296</u>	<u>33,082</u>	<u>20,743</u>	<u>142,635</u>
		Encumbrances Payable	235	
		Cash Disbursements	20,508	
			<u>\$ 20,743</u>	

BOROUGH OF EDGEWATER

Schedule of Unappropriated Grant Reserves

State and Federal Grant Fund

Year ended December 31, 2015

<u>Purpose</u>	Balance, Dec. 31, 2014	<u>Received</u>	Appropriated in 2015 <u>Budget</u>	Balance, Dec. 31, 2015
Clean Communities	\$ 18,027		18,027	
Municipal Alliance	5,647			5,647
Recycling Tonnage Grant	13,105		13,105	
Alcohol Education Rehabilitation Fund	1,950		1,950	
Body Armor Grant - 2015		3,026		3,026
Alcohol Education Rehabilitation Fund - 2015		2,180		2,180
Municipal Alliance - 2015		4,051		4,051
Clean Communities - 2015		21,924		21,924
	<u>\$ 38,729</u>	<u>31,181</u>	<u>33,082</u>	<u>36,828</u>

BOROUGH OF EDGEWATER

Schedule of Cash - Treasurer

Trust Funds

Year ended December 31, 2015

	Animal License Fund	Escrow Trust Fund	Other Trust Funds	Emergency Services LOSAP
Balance - December 31, 2014	\$ <u>87</u>	<u>187,111</u>	<u>1,252,031</u>	<u>935,256</u>
Increased by:				
Animal License Fees	3,111			
Due to State of New Jersey - Dog License Fees	533			
Various Reserves			120,268	
Escrow Deposits		203,783		
Interfunds		27	414,625	
Borough Contributions				80,500
Investment Income				16,931
	<u>3,644</u>	<u>203,810</u>	<u>534,893</u>	<u>97,431</u>
	<u>3,731</u>	<u>390,921</u>	<u>1,786,924</u>	<u>1,032,687</u>
Decreased by:				
Animal License Expenditures	3,098			
Due to State of New Jersey	533			
Escrow Expenditures		163,049		
Interfunds		26		
Various Reserves			358,143	
Depreciation in Fair Value of Investments				1,771
Account Charges/Tax				1,154
Distributions				141,252
	<u>3,631</u>	<u>163,075</u>	<u>358,143</u>	<u>144,177</u>
Balance -December 31, 2015	\$ <u><u>100</u></u>	<u><u>227,846</u></u>	<u><u>1,428,781</u></u>	<u><u>888,510</u></u>

BOROUGH OF EDGEWATER

**Schedule of Reserve for Expenditures -
Animal License Fund**

Trust Funds

Year ended December 31, 2015

Balance - December 31, 2014		\$	87
Increased by:			
Dog license fees	\$	2,203	
Cat license fees		678	
Postage/Late fees		<u>230</u>	
			<u>3,111</u>
			3,198
Decreased by:			
Expenditures			<u>3,098</u>
Balance - December 31, 2015		\$	<u><u>100</u></u>

<u>License Fees Collected</u>		
2013		2,767
2014		<u>3,489</u>
	\$	<u><u>6,256</u></u>

BOROUGH OF EDGEWATER

**Schedule of Due to State of New Jersey-
Animal License Fees**

Trust Funds

Year ended December 31, 2015

Increased by:		
2015 Fees Collected	\$	<u>533</u>
Decreased by:		
Payments to State of New Jersey	\$	<u><u>533</u></u>

Schedule of Reserve Escrow Deposits

Trust Funds

Year ended December 31, 2015

Balance - December 31, 2014	\$	187,085
Increased by:		
Escrow Deposits		<u>203,783</u>
		390,868
Decreased by:		
Cash Disbursements		<u>163,049</u>
Balance - December 31, 2015	\$	<u><u>227,819</u></u>

BOROUGH OF EDGEWATER

**Schedule of Interfunds Receivable/(Payable)
Trust Funds**

Year ended December 31, 2015

	Balance, Dec. 31, <u>2014</u>	<u>Increased</u>	<u>Decreased</u>	Balance, Dec. 31, <u>2015</u>
Other Trust Fund:				
Current Fund				
Fire Prevention Dedicated Penalties	1,287	375	1,287	375
POAA	1,042		1,042	
Other Trust Fund			1,370	(1,370)
General Capital Fund			410,926	(410,926)
Escrow Trust Fund:				
Current Fund	<u>(26)</u>	<u>26</u>	<u>27</u>	<u>(27)</u>
	\$ <u>2,303</u>	<u>401</u>	<u>414,652</u>	<u>(411,948)</u>
			Receipts	413,255
			Interest on Investments	1,397
		375		
		26		
		\$ <u>401</u>	<u>414,652</u>	

BOROUGH OF EDGEWATER

Schedule of Miscellaneous Reserves

Trust Funds

Year ended December 31, 2015

	Balance, Dec. 31, <u>2014</u>	<u>Increased</u>	<u>Decreased</u>	Balance, Dec. 31, <u>2015</u>
Reserve for:				
Cemetery Bequests	\$ 31,919			31,919
Bullet Proof Vests	11,696	2,625		14,321
Ferry Performance Security	195,399	48		195,447
Fire Prevention	8,159	8,619	877	15,901
POAA	9,398	636		10,034
Cultural and Historical Society	1,151	1		1,152
Regional Contribution Assistance	332,197			332,197
Council on Affordable Housing	486,200	1,231	263,918	223,513
Recycling Fees	167,173	33,473	31,075	169,571
Bergen County CDA Trust	100			100
Flexible Spending Trust	2,903		2,511	392
Avalon Trust		71,664	53,881	17,783
Municipal Alliance Trust	8,065	2,346	5,881	4,530
	<u>\$ 1,254,360</u>	<u>120,643</u>	<u>358,143</u>	<u>1,016,860</u>
		Cash Receipts		
		120,268		
		Cash Disbursements	358,143	
		Due from Current Fund	375	
		<u>\$ 120,643</u>	<u>358,143</u>	

BOROUGH OF EDGEWATER
Statement of Service Award Contributions Receivable
Emergency Services Length of Service Award Program
Year ended December 31, 2015

Balance - December 31, 2014	\$	79,350
Increased by:		
2015 Borough Contribution	\$	81,650
Prior Year Contribution		<u>1,150</u>
		<u>82,800</u>
		162,150
Decreased by:		
2014 Borough Contribution Received		<u>80,500</u>
Balance - December 31, 2015	\$	<u><u>81,650</u></u>

Statement of Net Assets Available for Benefits
Emergency Services Length of Service Award Program
Year ended December 31, 2015

Balance - December 31, 2014	\$	1,014,606
Increased by:		
Borough Contributions	\$	81,650
Prior Year Contribution		1,150
Investment Income		<u>16,931</u>
		<u>99,731</u>
		1,114,337
Decreased by:		
Depreciation in Fair Value of Investments		1,771
Account Charges/Tax		1,154
Distributions		<u>141,252</u>
		<u>144,177</u>
Balance - December 31, 2015	\$	<u><u>970,160</u></u>

BOROUGH OF EDGEWATER

Schedule of Cash - Treasurer

General Capital Fund

Year ended December 31, 2015

Balance - December 31, 2014		\$	7,158,378
Increased by receipts:			
Capital Improvement Fund	\$	300,000	
Bond Anticipation Notes		14,950,000	
Bond Sale Proceeds		11,085,000	
Grant Receipts		488,919	
Reserve for Green Acres		143	
Interfunds		488,091	
Premium on Sale of Notes		288,889	
			<u>27,601,042</u>
			34,759,420
Decreased by disbursements:			
Over-Expenditure of Improvement Authorization		2,068	
Improvement Authorizations		9,507,148	
Bond Anticipation Notes		21,304,739	
Fund Balance - Budget Revenue Realized		200,000	
Interfunds		988,899	
			<u>32,002,854</u>
Balance - December 31, 2015		\$	<u><u>2,756,566</u></u>

BOROUGH OF EDGEWATER

Schedule of General Capital Fund Cash

General Capital Fund

Year ended December 31, 2015

Grants Receivable -	
Community Development Block Grant	\$ (254,167)
New Jersey Department of Transportation	(210,239)
Bergen County Open Space Trust Fund	(58,222)
Bergen County Historic Preservation Trust	(190,750)
Green Acres Program	(382,445)
Livable Communities	(5,375)
Department of Community Affairs	(30,000)
Due from the Federal Emergency Management Agency	(183,833)
Wastewater Trust Fund Receivable	(184,335)
Interfunds Receivable	(495,498)
Over-Expenditure of Improvement Authorizations	(2,068)
Capital Improvement Fund	225,696
Reserve for Green Acres	10,926
Reserve for Payment of Debt	1,833,813
Excess Note Proceeds - Ord. 1482	45,375
Unappropriated State Grant	79,408
Reserve for Grants Receivable	193,152
Fund Balance	309,242

Improvement authorizations:

<u>Ordinance</u>	<u>Improvement description</u>	
<u>number</u>		
967	Various improvements	(164)
1262	Pension Refunding	(2,681)
1299	Various Capital Improvements	5,407
1325	Various Capital Improvements	(709)
1326	Various Capital Improvements	929,553
1357	Acquisition of Municipal Complex/Police Station	(22,295)

BOROUGH OF EDGEWATER

Schedule of General Capital Fund Cash

General Capital Fund

Year ended December 31, 2015

1359	Dissolution of Edgewater MUA	(2,172)
1366	Separation of Combined Sewers	111,615
1372/1382	Dredging of Edgewater Marina	(700)
1381/1387	Various Capital Improvements	572,591
1398	Acq./Installation of Marina Clock	40,192
1401	Undercliff Ave. Streetscape	90,569
1407	Barrier Free Improvements-River Road	57,733
1413	Refunding Bond Ordinance	(56,570)
1418	Sewer Repairs	136,633
1420	Sanitary Sewer Repairs	74,076
1423	Improvements to Undercliff Avenue	16,803
1426	Acquisition of various equipment for new municipal comple	51,177
1438	Drainage Improvements, Old River Road	50,115
1446	Various Acquisitions and Improvements	128,030
1450	Borough Hall Phase II Improvements	(1,805)
1457	Imps. To Beverly Place Retaining Wall	5,250
1460	Imps. to the DPW and Community Center Parking Lots	6,097
1463	Refunding Bond Ordinance	(1,316)
1464	Improvements to the Municipal Pool	(1,964)
1474	Improvements to Veteran's Field	(510)
1477	Repairs to Fire Company No. 1	100,000
1482	Various Improvements	272,301
1488/1497	Acquisition of Rescue Boat for Fire Department	6,853
1489/1496	Repairs to the Edgewater Marina	46,133
1499	Imps. To the Bulkhead at the Edgewater Marina	1,244
1502	Various Acquisitions and Improvements	92,238
1511	Post Sandy Planning Grant	13,049
1517	Improvements to Undercliff Avenue	(94,037)
1519	Improvements to Veteran's Field	(594,417)
1525	Acquisition of Fire Truck	26,785
1526	Local Share of Various Port Security Acquisitions	782
		<u>\$ 2,756,566</u>

BOROUGH OF EDGEWATER
Schedule of Deferred Charges to Future
Taxation - Funded
General Capital Fund
Year ended December 31, 2015

Balance - December 31, 2014		\$	14,532,442
Increased by:			
Transferred from Deferred Charges - Unfunded			11,085,000
			25,617,442
Decreased by:			
Infrastructure Loan Payments	\$	273,906	
Infrastructure Trust Loans paid via Project Credits		10,000	
Loans Deobligated		29,871	
Green Trust Loan Payments		19,300	
Capital Lease Payments		37,000	
Budget Appropriation to Pay Serial Bonds		1,325,000	
			1,695,077
Balance - December 31, 2015		\$	23,922,365

BOROUGH OF EDGEWATER

Schedule of Deferred Charges to
Future Taxation - Unfunded

General Capital Fund

Year ended December 31, 2015

Ordinance number	Improvement description	Balance, Dec. 31, 2014	2015 Authorizations	Decreased	Balance, Dec. 31, 2015	Analysis of balance		
						Bond anticipation notes	Expenditures	Unexpended improvement authorization
		\$						
967	Various improvements	164			164		164	
1262	Pension Refunding	2,681			2,681		2,681	
1325	Various Capital Improvements	709			709		709	
1357	Acquisition of Municipal Complex/Police Station	5,336,709		4,936,074	400,635	120,000	22,295	258,340
1359	Dissolution of the Edgewater Municipal Utilities Authority				2,172		2,172	
1366	Separation of Combined Sewers	748,519			748,519			748,519
1372/1382	Dredging of Marina	3,788,620		3,788,920	700		700	
1381/1387	Various Capital Improvements	1,674,370		1,674,120	250			250
1407	Barrier Free Improvements-River Road	104,000		104,000				
1413	Refunding Bond Ordinance	340,000			340,000		56,570	283,430
1418	Sewer Repairs	33,750			33,750			33,750
1420	Sanitary Sewer Repairs	45,000			45,000			45,000
1423	Improvements to Undercliff Avenue	38,150		37,900	250			250
1426	Acquisition of various equipment for new municipal complex	200,960		200,960				
1443	Reconstruction of Roads (Lasher Lane/Oldwood Rd)	101,700		101,700				
1450	Borough Hall Phase II Improvements	243,131		241,326			1,805	
1457	Imps. to Beverly Place Retaining Wall	152,000			152,000	152,000		161,500
1460	Imps. to DPW and Community Center Parking Lots	161,500			161,500			903,684
1463	Refunding Bond Ordinance	905,000			905,000		1,316	59,786
1464	Improvements to Municipal Pool	61,750			61,750		1,964	
1474/1514	Improvements to Veteran's Field	13,015,000		279,261	12,735,739	12,735,229	510	
1482	Various improvements	498,750			498,750	498,750		

BOROUGH OF EDGEWATER

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year ended December 31, 2015

Ordinance number	Improvement description	Balance, Dec. 31, 2014	2015 Authorizations	Decreased	Balance, Dec. 31, 2015	Analysis of balance		
						Bond anticipation notes	Expenditures	Unexpended improvement authorization
1488/1497	Acquisition of a Fire Rescue Boat for Fire Department	121,000			121,000			
1489/1496	Repairs to the Edgewater Marina	285,000			285,000			
1498	Acquisition of a Trailer Mounted Generator	61,750			61,750			
1499	Imps. to the Bulkhead at the Edgewater Marina	118,750			118,750			118,750
1502	Various Acquisitions and Improvements	933,850			933,850			2,954
1517	Improvements to Undercliff Avenue		213,750		213,750		94,037	119,713
1519	Amend 1474/1514: Veteran's Field Improvements		5,700,000		5,700,000		594,417	5,105,583
1525	Acquisition of Fire Truck		522,500		522,500			522,500
1526	Local Share of Various Port Security Acquisitions		33,250		33,250			33,250
		<u>\$ 28,975,985</u>	<u>6,469,500</u>	<u>11,364,261</u>	<u>24,081,224</u>	<u>14,904,625</u>	<u>779,340</u>	<u>8,397,259</u>

2015 Improvement Authorizations \$ 6,469,500

Bond Anticipation Notes 14,950,000
 Excess Note Proceeds - Ord. 1482 (45,375)
\$ 14,904,625

Improvement authorizations - unfunded \$ 8,820,034

Budget Appropriation - Paydown on Bond Anticipation Notes 279,261
 Transferred to Deferred Charges to Future Taxation - Funded 11,085,000
\$ 11,364,261

Less: Unexpended proceeds of Bond Anticipation Notes
 Ord. 1482 272,301
 Ord. 1457 5,250
 Ord. 1488/1497 6,853
 Ord. 1489/1496 46,133
 Ord. 1502 92,238
422,775

\$ 8,397,259

BOROUGH OF EDGEWATER
Schedule of Infrastructure Loans Receivable
New Jersey Department of Environmental Protection

General Capital Fund

Year ended December 31, 2015

Balance - December 31, 2014	\$	194,335
Deobligated via project credits		<u>10,000</u>
Balance - December 31, 2015	\$	<u><u>184,335</u></u>
<u>Analysis of Balance</u>		
Prior Years		53,732
Trust Loan (2007)		26,672
Trust Loan (2010B)		<u>103,931</u>
	\$	<u><u>184,335</u></u>

Schedule of Grants Receivable -
State of New Jersey Green Acres Program

General Capital Fund

Year ended December 31, 2015

Balance - December 31, 2014	\$	<u>382,445</u>
Balance - December 31, 2015	\$	<u><u>382,445</u></u>
<u>Analysis of Balance</u>		
Ord. 1326 - Imps. To Veteran's Field	\$	<u><u>382,445</u></u>

Exhibit C-8

BOROUGH OF EDGEWATER

**Schedule of Grants Receivable -
State of New Jersey Livable Communities Library Grant - Ord. 1326**

General Capital Fund

Year ended December 31, 2015

Balance - December 31, 2014	\$ <u>5,375</u>
Balance - December 31, 2015	\$ <u><u>5,375</u></u>

Exhibit C-9

**Schedule of Grants Receivable -
State of New Jersey - Department of Community Affairs - Ord. 1511
Post Sandy Planning Grant**

General Capital Fund

Year ended December 31, 2015

Balance - December 31, 2014	\$ <u>30,000</u>
Balance - December 31, 2015	\$ <u><u>30,000</u></u>

BOROUGH OF EDGEWATER
Schedule of Grants Receivable -
New Jersey Department of Transportation
General Capital Fund
Year ended December 31, 2015

Balance - December 31, 2014	\$	<u>210,239</u>
Balance - December 31, 2015	\$	<u><u>210,239</u></u>
<u>Analysis of Balance</u>		
Ord. 1438 - Drainage Imps. Old River Road		99,875
Ord. 1482 - Old River Road Imps, Phase II		<u>110,364</u>
	\$	<u><u>210,239</u></u>

Schedule of Grants Receivable -
Bergen County Open Space Trust Fund
General Capital Fund
Year ended December 31, 2015

Balance - December 31, 2014	\$	547,141
Decreased by:		
Cash Receipts		<u>488,919</u>
Balance - December 31, 2015	\$	<u><u>58,222</u></u>
<u>Analysis of Balance</u>		
Improvements to Veteran's Field		16,972
Ord. 1398 - Installation of Marina Clock		<u>41,250</u>
	\$	<u><u>58,222</u></u>

BOROUGH OF EDGEWATER
Schedule of Grants Receivable -
Bergen County Historic Preservation Trust

General Capital Fund

Year ended December 31, 2015

Balance - December 31, 2014		\$ <u>190,750</u>
Balance - December 31, 2015		\$ <u><u>190,750</u></u>
<u>Analysis of Balance</u>		
Ord. 1450 - Borough Hall Phase II Improvements		95,750
Ord. 1381/1387 - Rehabilitation of Borough Hall, Phase I		<u>95,000</u>
		\$ <u><u>190,750</u></u>

Schedule of Amount Due from the
Federal Emergency Management Agency - Ord. 1484

General Capital Fund

Year ended December 31, 2015

Balance - December 31, 2014		\$ 217,808
Decreased by:		
Due from Current Fund		<u>33,975</u>
Balance - December 31, 2015		\$ <u><u>183,833</u></u>

BOROUGH OF EDGEWATER

Schedule of Community Development Block Grant Receivables

General Capital Fund

Year ended December 31, 2015

Balance - December 31, 2014	\$ 177,987
Increased by:	
Grant Awards	<u>176,180</u>
	354,167
Decreased by:	
Cancelled	<u>100,000</u>
Balance - December 31, 2015	<u><u>\$ 254,167</u></u>

Analysis of Balance

Ord. 1423 Reconstruction of Undercliff Ave.	30,824
Ord. 1423 Undercliff Ave. Streetscape	47,163
Ord. 1517 - Undercliff Avenue Imps. - (Pal. Terrace to Archer/Myrtle)	<u>176,180</u>
	<u><u>\$ 254,167</u></u>

BOROUGH OF EDGEWATER

Schedule of Interfunds

General Capital Fund

Year ended December 31, 2015

<u>Fund</u>	Due from/(to) Balance <u>Dec. 31, 2014</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2015</u>
Marina Utility Capital Fund	\$ 50,000	7,688		57,688
Marina Utility Operating Fund		450,000	434,000	16,000
Other Trust Fund		410,926		410,926
Current Fund	<u>(89,285)</u>	<u>154,260</u>	<u>54,091</u>	<u>10,884</u>
	<u>\$ (39,285)</u>	<u>1,022,874</u>	<u>488,091</u>	<u>495,498</u>
Grant proceeds deposited in Current in error		\$ 33,975		
Cash Receipts			488,091	
Cash Disbursements		<u>988,899</u>		
		<u>\$ 1,022,874</u>	<u>488,091</u>	

BOROUGH OF EDGEWATER

Schedule of Overexpenditure of Ordinance Appropriation

General Capital Fund

Year ended December 31, 2015

Increased by:	
Cash Disbursements - Ord. 1450	\$ <u>2,068</u>
 Balance - December 31, 2015	 \$ <u><u>2,068</u></u>

BOROUGH OF EDGEWATER

Schedule of New Jersey Environmental Infrastructure Trust Fund Loans Payable

General Capital Fund

Year ended December 31, 2015

Purpose	Date of issue	Original issue	Maturities of loans outstanding		Interest rate	Balance, Dec. 31, 2014	Balance, Dec. 31, 2015
			Date	Amount			
Wastewater Improvements (Edgewater Municipal Utilities Authority)	Nov. 9, 2000	890,000	Aug. 1, 2016	60,000	5.13%	375,000	320,000
			Aug. 1, 2017	60,000	5.35%		
			Aug. 1, 2018	65,000	5.25%		
			Aug. 1, 2019	65,000	5.35%		
			Aug. 1, 2020	70,000	5.35%		55,000
Wastewater Improvements (Edgewater Municipal Utilities Authority)	Nov. 9, 2000	881,496	Feb. 1, 2016	5,073		270,685	225,462
			Aug. 1, 2016	41,473			
			Feb. 1, 2017	4,141			
			Aug. 1, 2017	40,541			
			Feb. 1, 2018	3,185			
Wastewater Improvements (Edgewater Municipal Utilities Authority)	Nov. 8, 2001	125,000	Aug. 1, 2016	10,000	5.00%	65,000	55,000
			Aug. 1, 2017	10,000	5.00%		
			Aug. 1, 2018	10,000	5.00%		
			Aug. 1, 2019	10,000	5.00%		
			Aug. 1, 2020	10,000	4.75%		
		Aug. 1, 2021	5,000	4.75%			

BOROUGH OF EDGEWATER

Schedule of New Jersey Environmental Infrastructure Trust Fund Loans Payable

General Capital Fund

Year ended December 31, 2015

Purpose	Date of issue	Original issue	Maturities of loans outstanding		Interest rate	Balance, Dec. 31, 2014	Decreased	Balance, Dec. 31, 2015
			Date	Amount				
Wastewater Improvements	Nov. 8, 2001	131,010	Feb. 1, 2016	881		50,039	38,456	11,583
			Aug. 1, 2016	7,379				
			Feb. 1, 2017	719				
			Aug. 1, 2017	2,604				
Separation of Combined Sewers (Ord. 1366)	Nov. 8, 2007	615,000	Aug. 1, 2016	30,000	5.00%	475,000	25,000	450,000
			Aug. 1, 2017	30,000	5.00%			
			Aug. 1, 2018	30,000	5.00%			
			Aug. 1, 2019	35,000	4.00%			
			Aug. 1, 2020	35,000	4.00%			
			Aug. 1, 2021	35,000	5.00%			
			Aug. 1, 2022	40,000	5.00%			
			Aug. 1, 2023	40,000	4.25%			
			Aug. 1, 2024	40,000	4.50%			
			Aug. 1, 2025	45,000	4.50%			
		Aug. 1, 2026	45,000	4.50%				
		Aug. 1, 2027	45,000	4.25%				
Separation of Combined Sewers (Ord. 1366)	Nov. 8, 2007	1,736,481	Feb. 1, 2016	18,725		1,047,938	85,374	962,564
			Aug. 1, 2016	73,496				
			Feb. 1, 2017	17,357				
			Aug. 1, 2017	72,127				
			Feb. 1, 2018	15,986				
			Aug. 1, 2018	70,757				
			Feb. 1, 2019	14,617				
			Aug. 1, 2019	78,516				

BOROUGH OF EDGEWATER

Schedule of New Jersey Environmental Infrastructure Trust Fund Loans Payable

General Capital Fund

Year ended December 31, 2015

Purpose	Date of issue	Original issue	Maturities of loans outstanding		Interest rate	Balance, Dec. 31, 2014	Balance, Dec. 31, 2015
			Date	Amount			
Separation of Combined Sewers, (cont.)	Mar. 10, 2010	170,000	Feb. 1, 2020	13,339	5.00%	150,000	145,000
			Aug. 1, 2020	77,239	5.00%		
			Feb. 1, 2021	12,061	5.00%		
			Aug. 1, 2021	75,961	4.00%		
			Feb. 1, 2022	10,463	5.00%		
			Aug. 1, 2022	83,491	3.00%		
			Feb. 1, 2023	8,638	4.00%		
			Aug. 1, 2023	81,666	4.00%		
			Feb. 1, 2024	7,086	4.00%		
			Aug. 1, 2024	80,114	4.00%		
			Feb. 1, 2025	5,443	4.00%		
			Aug. 1, 2025	87,599	4.00%		
			Feb. 1, 2026	3,594	4.00%		
		Aug. 1, 2026	54,289	3.50%			
Sewer Repairs (Ord. 1418)			Aug. 1, 2016	10,000	5.00%	150,000	145,000
			Aug. 1, 2017	10,000	5.00%		
			Aug. 1, 2018	10,000	5.00%		
			Aug. 1, 2019	10,000	4.00%		
			Aug. 1, 2020	10,000	5.00%		
			Aug. 1, 2021	10,000	3.00%		
			Aug. 1, 2022	10,000	4.00%		
			Aug. 1, 2023	10,000	4.00%		
			Aug. 1, 2024	10,000	4.00%		
			Aug. 1, 2025	10,000	4.00%		
			Aug. 1, 2026	10,000	3.50%		

BOROUGH OF EDGEWATER

Schedule of New Jersey Environmental Infrastructure Trust Fund Loans Payable

General Capital Fund

Year ended December 31, 2015

Purpose	Date of issue	Original issue	Maturities of loans outstanding		Interest rate	Balance, Dec. 31, 2014	Balance, Dec. 31, 2015
			Date	Amount			
Sewer Repairs (Ord. 1418), (cont.)			Aug. 1, 2027	10,000	4.00%		
			Aug. 1, 2028	10,000	4.00%		
			Aug. 1, 2029	15,000	4.00%		
Sewer Repairs (Ord. 1418)	Mar. 10, 2010	521,250	Feb. 1, 2016	8,835		397,564	371,060
			Aug. 1, 2016	17,669			
			Feb. 1, 2017	8,835			
			Aug. 1, 2017	17,669			
			Feb. 1, 2018	8,835			
			Aug. 1, 2018	17,669			
			Feb. 1, 2019	8,835			
			Aug. 1, 2019	17,669			
			Feb. 1, 2020	8,835			
			Aug. 1, 2020	17,669			
			Feb. 1, 2021	8,835			
			Aug. 1, 2021	17,669			
			Feb. 1, 2022	8,835			
			Aug. 1, 2022	17,669			
			Feb. 1, 2023	8,835			
		Aug. 1, 2023	17,669				
		Feb. 1, 2024	8,835				
		Aug. 1, 2024	17,669				
		Feb. 1, 2025	8,835				
		Aug. 1, 2025	17,669				
		Feb. 1, 2026	8,835				
		Aug. 1, 2026	17,669				

BOROUGH OF EDGEWATER

Schedule of New Jersey Environmental Infrastructure Trust Fund Loans Payable

General Capital Fund

Year ended December 31, 2015

Purpose	Date of issue	Original issue	Maturities of loans outstanding		Interest rate	Balance, Dec. 31, 2014	Decreased	Balance, Dec. 31, 2015
			Date	Amount				
Sewer Repairs (Ord. 1418), (cont.)			Feb. 1, 2027	8,835				
			Aug. 1, 2027	17,669				
			Feb. 1, 2028	8,835				
			Aug. 1, 2028	17,669				
			Feb. 1, 2029	8,835				
			Aug. 1, 2029	17,670				
Sanitary Sewer Repairs (Ord. 1420)		245,000	Aug. 1, 2016	10,000	5.00%	215,000	10,000	205,000
			Aug. 1, 2017	10,000	5.00%			
			Aug. 1, 2018	10,000	5.00%			
			Aug. 1, 2019	10,000	5.00%			
			Aug. 1, 2020	10,000	5.00%			
			Aug. 1, 2021	10,000	5.00%			
			Aug. 1, 2022	15,000	5.00%			
			Aug. 1, 2023	15,000	5.00%			
			Aug. 1, 2024	15,000	5.00%			
			Aug. 1, 2025	15,000	5.00%			
			Aug. 1, 2026	15,000	5.00%			
			Aug. 1, 2027	15,000	5.00%			
			Aug. 1, 2028	15,000	5.00%			
		Aug. 1, 2029	20,000	5.00%				
			Aug. 1, 2030	20,000	5.00%			

BOROUGH OF EDGEWATER
Schedule of Green Trust Loan Payable
General Capital Fund
Year ended December 31, 2015

Balance - December 31, 2014	\$ 283,496
Decreased by:	
Paid via Budget Appropriation	<u>19,300</u>
Balance - December 31, 2015	\$ <u><u>264,196</u></u>

BOROUGH OF EDGEWATER

Schedule of Serial Bonds

General Capital Fund

Year ended December 31, 2015

Purpose	Date of issue	Original issue	Maturities of bonds outstanding		Interest rate	Balance, Dec. 31, 2014	Increased	Decreased	Balance, Dec. 31, 2015
			Date	Amount					
General Obligation Bonds	Jun. 30, 2009	4,884,000	Aug. 15, 2016	100,000	4.00%	4,364,000		450,000	3,914,000
			Aug. 15, 2017	125,000	5.00%				
			Aug. 15, 2018	150,000	5.00%				
			Aug. 15, 2019	175,000	4.50%				
			Aug. 15, 2020	225,000	4.50%				
			Aug. 15, 2021	235,000	4.00%				
			Aug. 15, 2022	960,000	5.00%				
			Aug. 15, 2023	960,000	5.00%				
			Aug. 15, 2024	984,000	4.00%				
General Obligation Refunding Bonds	Jan. 25, 2012	7,395,000	Jun. 1, 2016	265,000	2.00%	6,430,000		875,000	5,555,000
			Jun. 1, 2016	650,000	3.25%				
			Jun. 1, 2017	925,000	2.00%				
			Jun. 1, 2018	420,000	2.00%				
			Jun. 1, 2018	500,000	3.625%				
			Jun. 1, 2019	230,000	3.00%				
			Jun. 1, 2019	700,000	4.00%				
			Jun. 1, 2020	430,000	4.00%				
			Jun. 1, 2020	500,000	3.00%				
		Jun. 1, 2021	935,000	4.00%					

BOROUGH OF EDGEWATER

Schedule of Capital Leases Payable

General Capital Fund

Year ended December 31, 2015

Purpose	Date of issue	Original issue	Maturities of lease payments outstanding		Interest rate	Balance, Dec. 31, 2014	Decreased	Balance, Dec. 31, 2015
			Date	Amount				
2012 Refunding of 2003 Issuance	May 1, 2012	385,000	Mar. 15, 2016	41,000	1.237%	342,000	37,000	305,000
			Mar. 15, 2017	44,000	1.637%			
			Mar. 15, 2018	49,000	2.108%			
			Mar. 15, 2019	52,000	0.236%			
			Mar. 15, 2020	57,000	2.659%			
			Mar. 15, 2021	62,000	2.959%			
						\$ 342,000	37,000	305,000

BOROUGH OF EDGEWATER

Schedule of Bond Anticipation Notes

General Capital Fund

Year ended December 31, 2015

Ordinance number	Improvement description	Date of original issue	Date of issue	Date of maturity	Interest rate	Balance, Dec. 31, 2014	Increased by:	Decreased by:	Balance, Dec. 31, 2015
1372	Dredging of the Edgewater Marina	Aug. 22, 2008	Jul. 25, 2014	Jul. 25, 2015	1.00%	2,052,000		2,052,000	-
1382	Dredging of the Edgewater Marina	Aug. 22, 2008	Jul. 25, 2014	Jul. 25, 2015	1.00%	1,736,920		1,736,920	-
1381	Various Capital Improvements	Aug. 21, 2009	Jul. 25, 2014	Jul. 25, 2015	1.00%	1,547,433		1,547,433	-
1387	Amend 1381: Various Capital Improvements	Aug. 21, 2009	Jul. 25, 2014	Jul. 25, 2015	1.00%	126,687		126,687	-
1407	Barrier Free Ramp Improvements (River Road)	Aug. 21, 2009	Jul. 25, 2014	Jul. 25, 2015	1.00%	104,000		104,000	-
1423	Improvements to Undercliff Avenue	Aug. 13, 2010	Jul. 25, 2014	Jul. 25, 2015	1.00%	37,900		37,900	-
1426	Acq. Of Various Equipment for New Municipal Complex	Aug. 13, 2010	Jul. 25, 2014	Jul. 25, 2015	1.00%	200,960		200,960	-
1443	Reconst. of Roads (Lasher Lane/Oldwood Rd)	Aug. 12, 2011	Jul. 25, 2014	Jul. 25, 2015	1.00%	101,700		101,700	-
1450	Borough Hall Phase II Improvements	Aug. 12, 2011	Jul. 25, 2014	Jul. 25, 2015	1.00%	241,326		241,326	-
1357	Acq. of a new Municipal Complex/Police Station	Dec. 6, 2011	Jul. 25, 2014	Jul. 25, 2015	1.00%	4,936,709		4,936,709	-
1357	Acq. of a new Municipal Complex/Police Station	Jul. 25, 2014	Jul. 23, 2015	Jul. 22, 2016	2.00%	120,000	120,000	120,000	120,000
1474	Improvements to Veteran's Field	Jul. 25, 2014	Jul. 23, 2015	Jul. 22, 2016	2.00%	8,098,555	7,819,294	8,098,555	7,819,294
1474	Improvements to Veteran's Field	Jul. 25, 2014	Jul. 23, 2015	Jul. 22, 2016	2.00%	1,115,935	1,115,935	1,115,935	1,115,935
1482	Various Improvements	Jul. 26, 2013	Jul. 23, 2015	Jul. 22, 2016	2.00%	544,125	544,125	544,125	544,125
1457	Imps. To Beverly Place Retaining Wall	Jul. 25, 2014	Jul. 23, 2015	Jul. 22, 2016	2.00%	152,000	152,000	152,000	152,000
1488/1497	Acquisition of Rescue Boat for Fire Department	Jul. 25, 2014	Jul. 23, 2015	Jul. 22, 2016	2.00%	121,000	121,000	121,000	121,000
1489/1496	Repairs to the Edgewater Marina	Jul. 25, 2014	Jul. 23, 2015	Jul. 22, 2016	2.00%	285,000	285,000	285,000	285,000
1498	Acquisition of a Trailer Mounted Generator	Jul. 25, 2014	Jul. 23, 2015	Jul. 22, 2016	2.00%	61,750	61,750	61,750	61,750
1502	Various Acquisitions and Improvements	Jul. 23, 2015	Jul. 23, 2015	Jul. 22, 2016	2.00%		930,896		930,896
1514	Improvements to Veteran's Field	Jul. 23, 2015	Jul. 23, 2015	Jul. 22, 2016	2.00%		3,800,000		3,800,000
						<u>\$ 21,584,000</u>	<u>14,950,000</u>	<u>21,584,000</u>	<u>14,950,000</u>
						Cash	4,730,896		
						Renewed	10,219,104		10,219,104
						Bond Sale Proceeds			11,085,000
						Re-establish Authorized not Issued - Ord. 1357			635
						Budget Appropriation		279,261	
						<u>\$</u>	<u>14,950,000</u>	<u>21,584,000</u>	<u>21,584,000</u>

BOROUGH OF EDGEWATER
Schedule of Reserve for Payment of Debt
General Capital Fund
Year ended December 31, 2015

Balance - December 31, 2014	\$	1,344,894
Increased by:		
Transferred from Reserve for Receivables		488,919
Balance - December 31, 2015	\$	1,833,813

<u>Analysis of Balance</u>		
Ord. 1381/1387		461,704
Ord. 1366		88,120
Ord. 1418		3,750
Ord. 1426		344,230
Ord. 1407		61,411
Ord. 1443		100,000
Ord. 1482		100,000
Ord. 1464		2,272
Ord. 1226, 1272, 1327		183,407
Ord. 1474 - Veteran's Field		488,919
	\$	1,833,813

BOROUGH OF EDGEWATER
Schedule of Reserve for Green Acres
General Capital Fund
Year ended December 31, 2015

Balance - December 31, 2014	\$	10,783
Increased by:		
Interest Earned on Investments		143
Balance - December 31, 2015	\$	10,926

Schedule of Capital Improvement Fund
General Capital Fund
Year ended December 31, 2015

Balance - December 31, 2014	\$	266,196
Increased by:		
2015 Budget Appropriations		300,000
		566,196
Decreased by:		
Appropriated to Finance Improvement Authorizations		340,500
Balance - December 31, 2015	\$	225,696

BOROUGH OF EDGEWATER

Schedule of Improvement Authorizations

General Capital Fund

Year ended December 31, 2015

Ordinance number	Improvement description	Ordinance date	Amount	Balance, Dec. 31, 2014		2015 Authorizations	Expended	Cancelled	Balance, Dec. 31, 2015	
				Funded	Unfunded				Funded	Unfunded
1299	Various Capital Improvements	May 17, 2004	709,900	5,407					5,407	
1326	Various Capital Improvements	Nov. 21, 2005	1,627,000	929,553					929,553	
1357	Acquisition of Municipal Complex/Police Station	Feb. 20, 2007	5,500,000		269,818		11,478			258,340
1366	Separation of Combined Sewers	June 18, 2007	3,100,000	111,615	748,519				111,615	748,519
1381/1387	Various Capital Improvements	Mar. 18, 2008	3,060,000		584,029				572,591	250
1398	Acq./Installation of Marina Clock	Dec. 15, 2008	41,250	40,192					40,192	
1401	Undercliff Ave. Streetscape	Feb. 17, 2009	100,000	91,080					90,569	
1407	Barrier Free Improvements-River Road	Mar. 16, 2009	130,000		65,421				57,733	
1413	Refunding bond Ordinance	May 18, 2009	2,800,000	283,430						283,430
1418	Sewer Repairs	June 15, 2009	725,000	33,750					33,750	
1420	Sanitary Sewer Repairs	Sept. 21, 2009	550,000	45,000					136,633	
1423	Improvements to Undercliff Avenue	Aug. 10, 2009	303,408	84,076					74,076	
1426	Acquisition of various equipment for new municipal complex	Aug. 10, 2009	750,000	11,637				(10,000)		
1438	Drainage Improvements, Old River Road	Sept. 20, 2010	200,000	50,115					32,734	
1443	Reconstruction of Roads (Lasher Lane/Oldwood Rd)	Sept. 20, 2010	113,000	804					16,803	250
1446	Various Acquisitions and Improvements	Oct. 18, 2010	1,299,000	139,971					51,177	
1450	Borough Hall Phase II Improvements	Feb. 22, 2011	1,000,000		21,252				50,115	
1457	Imps. To Beverly Place Retaining Wall	June 20, 2011	160,000		12,938				128,030	
1460	Imps. to the DPW and Community Center Parking Lots	Oct. 17, 2011	170,000	6,097					6,097	
1463	Refunding Bond Ordinance	Nov. 14, 2011	8,300,000		903,684					5,250
1464	Improvements to the Municipal Pool	Dec. 19, 2011	65,000		59,786				161,500	
1474/1514/1519	Improvements to Veteran's Field	May 24, 2012	9,700,000		7,978,196	6,000,000	8,872,613		59,786	903,684
		Sept. 15, 2014	4,000,000							5,105,583
		May 18, 2015	6,000,000							
1477	Repairs to Fire Company No. 1	Aug. 13, 2012	100,000	100,000					100,000	
1482/1510	Various Improvements	Nov. 19, 2012	805,000		282,266					272,301
1488/1497	Acquisition of Rescue Boat for Fire Department	Nov. 19, 2012	510,000		6,853				6,853	
1489/1496	Repairs to the Edgewater Marina	Nov. 19, 2012	300,000		46,133				46,133	
1498	Acquisition of a Trailer Mounted Generator	Nov. 19, 2012	65,000		3,409					
1499	Imps. To the Bulkhead at the Edgewater Marina	Nov. 19, 2012	125,000	1,244	118,750				1,244	118,750
1502	Various Acquisitions and Improvements	Nov. 19, 2012	983,000		479,805				13,049	95,192
1511	Post Sandy Planning Grant	Aug. 11, 2014	30,000	29,498						
1517	Improvements to Undercliff Avenue	Apr. 24, 2015	225,000			225,000				119,713
1525	Acquisition of a Fire Truck	Sept. 14, 2015	550,000			550,000			26,785	522,500
1526	Local Share of Various Port Security Acquisitions	Nov. 9, 2015	30,000			35,000			782	33,250
				\$ 1,737,118	12,202,515	6,810,000	9,507,148	(10,000)	2,412,451	8,820,034
						340,500				
						6,469,500				
						\$ 6,810,000				
							9,507,148			9,507,148

Capital Improvement Fund
 Deferred Charges Unfunded
 Cash Disbursements

BOROUGH OF EDGEWATER
Schedule of Unappropriated Grant
General Capital Fund
Year ended December 31, 2015

Balance - December 31, 2014	\$	<u>79,408</u>
Balance - December 31, 2015	\$	<u><u>79,408</u></u>

Schedule of Reserve for Receivables
General Capital Fund
Year ended December 31, 2015

Balance - December 31, 2014	\$	605,891
Increased by:		
Grant Awards		<u>176,180</u>
		782,071
Decreased by:		
Cancelled	\$	100,000
Transferred to Reserve for payment of Debt		<u>488,919</u>
		<u>588,919</u>
Balance - December 31, 2015	\$	<u><u>193,152</u></u>

<u>Analysis of Balance</u>		
CDBG - Undercliff Avenue Imps. - (Palisades Terr. to Archer)		176,180
Bergen County Open Space - Veteran's Field Imps.		<u>16,972</u>
	\$	<u><u>193,152</u></u>

BOROUGH OF EDGEWATER

Schedule of Bonds and Notes Authorized but not Issued

General Capital Fund

Year ended December 31, 2015

Ordinance number	Improvement description	Balance, Dec. 31, 2014	2015 Authorizations	Decreased by:	Balance, Dec. 31, 2015
967	Various improvements	\$ 164			164
1262	Pension Refunding	2,681			2,681
1325	Various Capital Improvements	709			709
1357	Acquisition of Municipal Complex/Police Station	280,000	635		280,635
1359	Dissolution of the Edgewater Municipal Utilities Authority	2,172			2,172
1366	Separation of Combined Sewers	748,519			748,519
1372/1382	Dredging of Edgewater Marina	700			700
1381/1387	Various Capital Improvements	250			250
1413	Refunding Bond Ordinance	340,000			340,000
1418	Sewer Repairs	33,750			33,750
1420	Sanitary Sewer Repairs	45,000			45,000
1423	Improvements to Undercliff Avenue	250			250
1450	Borough Hall Phase II Improvements	1,805			1,805
1460	Imps. to DPW and Community Center Parking Lots	161,500			161,500
1463	Refunding Bond Ordinance	905,000			905,000
1464	Improvements to Municipal Pool	61,750			61,750
1474	Improvements to Veteran's Field	510			510
1499	Imps. To the Bulkhead at the Edgewater Marina	118,750			118,750
1502	Various Acquisitions and Improvements	933,850		930,896	2,954
1514	Improvements to Veteran's Field	3,800,000		3,800,000	
1517	Improvements to Undercliff Avenue		213,750		213,750
1519	Amend 1474/1514: Veteran's Field Improvements		5,700,000		5,700,000
1525	Acquisition of Fire Truck		522,500		522,500
1526	Local Share of Various Port Security Acquisitions		33,250		33,250
		<u>\$ 7,437,360</u>	<u>6,470,135</u>	<u>4,730,896</u>	<u>9,176,599</u>
	Re-establish authorized not issued from bond sale Improvement Authorizations		635 <u>6,469,500</u>		
			<u>\$ 6,470,135</u>		
			Sale of Bond Anticipation Notes	<u>4,730,896</u>	
				<u>\$ 4,730,896</u>	

BOROUGH OF EDGEWATER
Schedule of Cash - Collector-Treasurer
Marina Utility Operating Fund
Year ended December 31, 2015

Balance - December 31, 2014		\$	359,042
Cash Receipts:			
Membership/Slip Rentals	\$	277,346	
Miscellaneous		<u>306</u>	
			<u>277,652</u>
			636,694
Cash Disbursements:			
2015 Appropriations	\$	272,449	
2014 Appropriation Reserves		5,315	
Refunds		<u>1,045</u>	
			<u>278,809</u>
Balance - December 31, 2015		\$	<u><u>357,885</u></u>

BOROUGH OF EDGEWATER
Schedule of Cash - Collector-Treasurer
Marina Utility Capital Fund
Year ended December 31, 2015

Balance - December 31, 2014	\$	40,428
Cash Disbursements:		
Improvement Authorizations		<u>405</u>
Balance - December 31, 2015	\$	<u><u>40,023</u></u>

BOROUGH OF EDGEWATER

Schedule of Marina Utility Capital Fund Cash

Marina Utility Capital Fund

Year ended December 31, 2015

Due from Federal Emergency Management Agency	(276,868)
Due to Marina Utility Operating Fund	708
Due to General Capital Fund	57,688
Fund Balance	3,202

Improvement authorizations:

Ordinance

number

Improvement description

1465	Acquisition of Marina Dredging Equipment	31,823
1467	Dredging of the Marina	223,470
		<hr/>
		\$ 40,023
		<hr/> <hr/>

BOROUGH OF EDGEWATER
Schedule of 2014 Reserves - Operating
Marina Utility Operating Fund
Year ended December 31, 2015

	Balance, Dec. 31, <u>2014</u>	Balance after transfers and <u>encumbrances</u>	Paid or <u>charged</u>	Balance <u>lapsed</u>
Salaries and Wages	\$ 20,296	20,296		20,296
Other Expenses	<u>2,486</u>	<u>6,739</u>	<u>5,315</u>	<u>1,424</u>
	<u>\$ 22,782</u>	<u>27,035</u>	<u>5,315</u>	<u>21,720</u>
Appropriation Reserves		22,782		
Encumbrances		<u>4,253</u>		
		<u>\$ 27,035</u>		

BOROUGH OF EDGEWATER

Schedule of Accrued Interest

Marina Operating Utility Fund

Year ended December 31, 2015

Balance - December 31, 2013	\$ 2,678
Increased by:	
Budget Appropriation	<u>4,072</u>
	6,750
Decreased by:	
Due to Current Fund	<u>4,500</u>
Balance - December 31, 2015	<u><u>\$ 2,250</u></u>

<u>Principal Outstanding</u>	<u>Interest</u>	<u>From</u>	<u>To</u>	<u>Required</u>	<u>Actual</u>
<u>December 31, 2015</u>	<u>Rate</u>				
\$434,000					
Bond Anticipation Note	various	7/23/15	12/31/15	<u>3,810</u>	<u>2,250</u>

BOROUGH OF EDGEWATER

**Schedule of Interfunds (Receivable)/Payable
Marina Utility Operating Fund**

Year ended December 31, 2015

	Balance, Dec. 31, <u>2014</u>	<u>Decreased</u>	Balance, Dec. 31, <u>2015</u>
Current Fund	\$	4,500	4,500
General Capital Fund		16,000	16,000
Marina Utility Capital Fund	<u>(708)</u>	<u> </u>	<u>(708)</u>
	<u>\$ (708)</u>	<u>20,500</u>	<u>19,792</u>
Expenditure without Appropriation - Paydown on Notes		16,000	
Accrued Interest - Reimburse Current for Expenditures Paid		<u>4,500</u>	
		<u>\$ 20,500</u>	

BOROUGH OF EDGEWATER

**Schedule of Amount Due from the Federal Emergency
Emergency Management Agency - Ord. 1467**

Marina Utility Capital Fund

Year ended December 31, 2015

Balance - December 31, 2014	\$ <u>276,868</u>
Balance - December 31, 2015	\$ <u><u>276,868</u></u>

BOROUGH OF EDGEWATER

**Schedule of Interfunds (Receivable)/Payable
Marina Utility Capital Fund**

Year ended December 31, 2015

	Balance, Dec. 31, <u>2014</u>	<u>Increased</u>	Balance, Dec. 31, <u>2015</u>
Marina Utility Operating	\$ 708		708
General Capital Fund	<u>50,000</u>	<u>7,688</u>	<u>57,688</u>
	<u>\$ 50,708</u>	<u>7,688</u>	<u>58,396</u>
Reimburse expenditures paid by General Capital		<u>7,688</u>	

BOROUGH OF EDGEWATER
Schedule of Fixed Capital Authorized
and Uncompleted

Marina Utility Capital Fund

Year ended December 31, 2015

Balance - December 31, 2014 \$ 1,192,996

Balance - December 31, 2015 \$ 1,192,996

Analysis of Balance

Ord. 1465	450,000
Ord. 1467	<u>742,996</u>
	\$ <u><u>1,192,996</u></u>

BOROUGH OF EDGEWATER
Schedule of Encumbrances Payable
Marina Utility Operating Fund
Year ended December 31, 2015

Balance - December 31, 2014	\$	4,253
Increased by:		
Transferred from Budget		2,049
		6,302
Decreased by:		
Transferred to Appropriation Reserves		4,253
Balance - December 31, 2015	\$	2,049

BOROUGH OF EDGEWATER

Schedule of Improvement Authorizations

Marina Utility Capital Fund

Year ended December 31, 2015

Ordinance number	Improvement description	Date	Ordinance	Amount	Balance Dec. 31, 2014		Paid or Charged	Balance Dec. 31, 2015	
					Funded	Unfunded		Funded	Unfunded
1465	Acquisition of Marina Dredging Equipment	Dec. 19, 2011		450,000 \$		39,511	7,688	223,470	31,823
1467	Dredging of the Marina	Mar. 5, 2012		742,996		223,875	405		
				\$	223,875	39,511	8,093	223,470	31,823

Due to General Capital Fund 7,688
 Cash Disbursements 405
 \$ 8,093

BOROUGH OF EDGEWATER
Schedule of Reserve for Amortization
Marina Utility Capital Fund
Year ended December 31, 2015

Increased by:		
Paydown on Bond Anticipation Note		\$ <u>16,000</u>
Balance - December 31, 2015		\$ <u><u>16,000</u></u>

Schedule of Deferred Reserve for Amortization
Marina Utility Capital Fund
Year ended December 31, 2015

<u>Ordinance number</u>	<u>Improvement description</u>	Balance Dec. 31, <u>2014</u>	Balance Dec. 31, <u>2015</u>
1467	Dredging of Edgewater Marina	\$ <u>742,996</u>	<u>742,996</u>
		\$ <u><u>742,996</u></u>	<u><u>742,996</u></u>

BOROUGH OF EDGEWATER

Schedule of Cash - Treasurer

Public Assistance Fund

Year ended December 31, 2015

	<u>PATF I</u>	<u>PATF II</u>	<u>Total</u>
Balance - December 31, 2014	\$ <u>3,180</u>	<u>30,070</u>	<u>33,250</u>
Increased by:			
State Aid for Public Assistance		50,500	50,500
Supplemental Security Income			
Municipal Refund		11,795	11,795
Interest Earned	9		9
	<u>9</u>	<u>62,295</u>	<u>62,304</u>
	3,189	92,365	95,554
Decreased by:			
Public Assistance		60,922	60,922
Balance - December 31, 2015	\$ <u><u>3,189</u></u>	<u><u>31,443</u></u>	<u><u>34,632</u></u>

BOROUGH OF EDGEWATER

**Schedule of Public Assistance Cash and Reconciliation
per N.J.S.A. 40A:5-5**

Public Assistance Fund

Period ended December 31, 2015

Balance - December 31, 2015		\$	34,632
Increased by receipts:			
State Aid	\$	16,900	
Supplemental Security Income/SSD		840	
Interest Earned		<u>4</u>	
			<u>17,744</u>
			52,376
Decreased by:			
General Assistance			<u>31,196</u>
Balance - May 31, 2016		\$	<u><u>21,180</u></u>

<u>Reconciliation - May 31, 2016</u>	<u>PATF I</u>	<u>PATF II</u>	<u>Total</u>
Balance on Deposit per Statement of:			
Bank of America			
a/c no. 0469000414	\$	22,188	22,188
Mariner's Bank			
a/c no. 1400000756	<u>3,193</u>		<u>3,193</u>
	<u>3,193</u>	<u>22,188</u>	<u>25,381</u>
Less: Outstanding Checks		<u>4,201</u>	<u>4,201</u>
Balance - May 31, 2016	\$ <u><u>3,193</u></u>	<u><u>17,987</u></u>	<u><u>21,180</u></u>

BOROUGH OF EDGEWATER

Schedule of Public Assistance Cash and Reconciliation

Public Assistance Fund

Period ended December 31, 2015

Balance - December 31, 2014		\$	33,250
Increased by receipts:			
State aid	\$	50,500	
Supplemental Security Income:			
Municipal Refund		11,795	
Interest Earned		9	
			<u>62,304</u>
			95,554
Decreased by:			
General Assistance			<u>60,922</u>
Balance - December 31, 2015		\$	<u><u>34,632</u></u>

<u>Reconciliation - December 31, 2015</u>	<u>PATF I</u>	<u>PATF II</u>	<u>Total</u>
Balance on Deposit per Statement of:			
Mariner's Bank			
a/c no. 1400000756	\$	3,190	3,190
Bank of America			
a/c no. 0469000414		35,643	35,643
		<u>3,190</u>	<u>38,833</u>
Less: Outstanding Checks		<u>4,201</u>	<u>4,201</u>
Balance - December 31, 2015	\$	<u><u>3,190</u></u>	<u><u>34,632</u></u>

BOROUGH OF EDGEWATER
Statement of Public Assistance Revenues
Public Assistance Fund
Year ended December 31, 2015

	<u>PATF I</u>	<u>PATF II</u>	<u>Total</u>
State Aid Payments	\$	50,500	50,500
Less: Refunds to the State			
Net State Aid Payments	<u> </u>	<u>50,500</u>	<u>50,500</u>
Supplemental Security Income:			
Municipal Refund		11,795	11,795
Interest Earned	<u> 9</u>	<u> </u>	<u> 9</u>
Total revenues (PATF)	<u>\$ 9</u>	<u>62,295</u>	<u>62,304</u>

Statement of Public Assistance Expenditures
Public Assistance Fund
Period ended December 31, 2015

	<u>PATF I</u>	<u>PATF II</u>	<u>Total</u>
Payments for Current Year Assistance (Reported):			
Maintenance payments	\$	30,800	30,800
Temporary Rent Assistance		24,975	24,975
Transportation		72	72
Emergency Assistance		4,931	4,931
Transient Assistance		144	144
Total Payments Reported	<u> </u>	<u>60,922</u>	<u>60,922</u>
Total Disbursements	<u>\$ </u>	<u>60,922</u>	<u>60,922</u>

Exhibit F-1

BOROUGH OF EDGEWATER
Schedule of Grants Receivable
Sewer Facilities Grant Fund
Year ended December 31, 2015

Balance - December 31, 2014 \$ 74,501

Balance - December 31, 2015 \$ 74,501

Analysis of Balance

Federal Sewer Facilities Step I Grant - EPA 70,161
Federal Sewer Facilities Step II Grant - EPA 4,340
\$ 74,501

Exhibit F-2

Schedule of Reserve for Grant Expenditures
Sewer Facilities Grant Fund
Year ended December 31, 2015

Balance - December 31, 2014 \$ 74,501

Balance - December 31, 2015 \$ 74,501

Analysis of Balance

Federal Sewer Facilities Step I Grant - EPA 70,161
Federal Sewer Facilities Step II Grant - EPA 4,340
\$ 74,501

BOROUGH OF EDGEWATER

LETTERS ON INTERNAL CONTROL AND ON COMPLIANCE

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2015

Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Mayor and
Members of the Borough Council
Borough of Edgewater
County of Bergen, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements-regulatory basis of the Borough of Edgewater in the County of Bergen as of and for the year ended December 31, 2015 and the related notes to the financial statements, and have issued our report thereon dated July 8, 2016, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements-regulatory basis, we considered the Borough of Edgewater's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements-regulatory basis, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Edgewater's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Edgewater's internal control.

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



Honorable Mayor and
Members of the Borough Council
Page 2.

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

We did identify certain immaterial deficiencies in internal control that we have reported to management of the Borough of Edgewater in the accompany comments and recommendations section of this report.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Edgewater's financial statements-regulatory basis are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

However, we noted certain immaterial instances of noncompliance that we have reported to the management of the Borough of Edgewater in the accompanying comments and recommendations section of this report.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough of Edgewater's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Edgewater's internal controls and compliance. Accordingly, this communication is not suitable for any other purpose.


Steven D. Wielkocz, C.P.A.
Registered Municipal Accountant
No. CR00413


FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

July 8, 2016



BOROUGH OF EDGEWATER

GENERAL COMMENTS

Contracts and Agreements

N.J.S.A. 40A:11-3 states:

- a. When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1971, c.198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to 25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.
- b. Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to subparagraph (i) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, c.198 (C.40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.
- c. The Governor, in consultation with the Department of the Treasury, shall no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L. 1999, c.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L. 1971, c.198(C.40A:11-2), and shall round the adjustment to the nearest \$1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. The adjustment shall become effective on July 1 of the year in which it is made.

N.J.S.A. 40A:11-4 states:

- a. Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act of specifically by any other law. The governing body of a contracting unit may, by resolution

BOROUGH OF EDGEWATER
GENERAL COMMENTS, (continued)

approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder.

Effective July 1, 2015, the bid threshold, in accordance with N.J.S.A. 40A:11-3 and 40A:11-4 (as amended) is \$17,500 and with a qualified purchasing agent the threshold may be up to \$40,000.

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Borough Counsel's opinion should be sought before a commitment is made.

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

Little League Improvements - Veteran's Field
School Bus Services for Summer Camp
Police Consultants
Triple Combination Fire Apparatus Pumper

Fire Escape Repairs - Fire Company No. 1
2015 Road Improvements
HVAC Repairs

Resolutions were adopted authorizing the awarding of contracts and agreements for "Professional Services" N.J.S. 40A:11-5.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any material or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violation existed. No violations were disclosed.

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

Collection of Interest on Delinquent Taxes and Assessments

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

BOROUGH OF EDGEWATER
GENERAL COMMENTS, (continued)

The following resolution authorizing interest to be charged on delinquent taxes was adopted at the reorganization meeting held on January 2, 2015.

"WHEREAS, the penalty for nonpayment of taxes becoming delinquent on and after February 1, shall be at the rate of eight per centum (8%) per year for the first \$1,500 of delinquency and eighteen per centum (18%) per year on amounts over \$1,500; and

WHEREAS, Section 54:4-67 of the Revised Statutes has been amended to allow the Tax Collector to collect no interest if payment of any installment is made within ten (10) days after the date upon which the same became payable, provided it meets with the approval of the Mayor and Council;

BE IT RESOLVED, that the Tax Collector is granted permission to withhold interest charged for a period of ten (10) days after the date upon which the installment became payable, provided it is received within the period.

It appears from an examination of the Collector's records that interest was collected in accordance with the foregoing resolution.

Delinquent Taxes and Tax Title Liens

A tax sale was held on December 22, 2015 and was complete.

Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit.

The following comparison is made of the number of tax title liens receivable on the last three periods of audit:

<u>Year Ended</u>	<u>Number of Liens</u>
December 31, 2015	4
December 31, 2014	5
December 31, 2013	5

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a tax-paying basis.

BOROUGH OF EDGEWATER

COMMENTS

Finance/Accounts Payable/Payroll:

- 1.* There are unfunded ordinances over five years old for which expenditures have been made that have not been funded.
- 2.* An overexpenditure of \$44,749 occurred in the 2014 appropriation reserve budget.
- 3.* There are numerous grant receivables outstanding in the General Capital Fund.
- 4.* Improvement authorization balances per the budgetary capital authorization report are, in most instances, not in agreement with audited balances.
5. General Ledgers are not being utilized for the following Funds:
 - a. Escrow Trust Fund
 - b. Public Assistance Trust Fund
6. Bank reconciliations are not being performed on the Public Assistance Trust Fund Bank Accounts.
7. There was an instance in which an eligible employee was not enrolled in the State Pension Program in a timely manner.
8. Approved grant agreements are not being included in the budget for adopted or added via N.J.S.A. 40A:4-87.
9. The balance in the Reserve for Tax Title Lien Premiums is not in agreement with the balances outstanding per the tax system.
10. Improvement Authorization 1450 was overexpended by \$2,068.
11. There was an expenditure without appropriation for note principal due on the outstanding Marina Utility bond anticipation note of \$16,000.

Departments

Police Records Bureau:

- 1.* Cash receipts are not being deposited within 48 hours of receipt as required by N.J.S.A. 40A5-15.

Building Department:

- 1.* The Department is not remitting all permit revenue collections to the Finance office prior to year end.
2. The Construction Official Bank Account reconciliation is not being properly prepared.

Municipal Court

1. Our review of the December ATS/ACS Monthly Management Reports revealed the following:
 - a. There are 62 tickets eligible for driver's license suspension.
 - b. There are 638 tickets that are assigned but not issued over 180 days old.
2. There were instances in which deposits were not being made in a timely manner.

Recreation

1. An adequate cash receipt ledger detailing cash collections for all recreation programs is not being prepared and maintained.

BOROUGH OF EDGEWATER

RECOMMENDATIONS

Finance/Accounts Payable/Payroll:

- 1.* Steps be taken to fund those unfunded ordinances over five years old for which expenditures have been made.
- 2.* Available spending appropriations be reviewed more closely to ensure adequate funds are available for expenditures.
- 3.* Outstanding grant receivables be investigated for possible collection.
- 4.* Finance personnel review available improvement authorization balances in the system to those in the audit and adjustments be made to bring the balances into agreement.
5. General ledgers be utilized for all funds.
6. Bank reconciliations be performed for the Public Assistance Trust Fund bank accounts.
7. Eligible employees be enrolled in the State Pension Program in a timely manner.
8. All approved grant agreements should be included in the budget for adoption or added via N.J.S.A. 40A:8-87 to ensure adequate spending appropriations are available for grant expenditures.
9. The excess balance in the Reserve for Tax Title Lien Premiums be compared to that in the tax system and adjustments be made to ensure agreement.
10. Available balances in ordinance appropriations be reviewed to ensure there is adequate balances to support expenditures.
11. All required debt service appropriations be included in the annual budget.

Departments

Police Records Bureau:

- 1.* Cash receipts collected by the Police Department be deposited within 48 hours of receipt as required by N.J.S.A. 40A5-15.

Building Department:

- 1.* All departmental revenue be remitted to the Treasurer prior to year end.
2. The bank reconciliation for the Construction Official Account account for all transactions including outstanding checks.

Municipal Court

1. The ATS/ACS Monthly Management Reports be reviewed and the following steps be taken:
 - a. All tickets eligible for suspension be processed accordingly.
 - b. All tickets assigned over six months old not issued should be recalled and either destroyed or reassigned.
2. All deposits be made within 48 hours of receipt as required.

Recreation

1. A comprehensive cash receipts ledger be prepared and maintained.

BOROUGH OF EDGEWATER

Status of Prior Year Audit Findings/Recommendations

A review was performed on all prior year recommendations and corrective action was taken on all, with the exception of the comments preceded with an "*".

Acknowledgment

We received the complete cooperation of all of the officials of the municipality and we greatly appreciate the courtesies extended to all members of the audit team.

Respectfully submitted,



Steven D. Wielkotz
Registered Municipal Accountant
No. CR00413



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

July 8, 2016